



COMPREHENSIVE AGRICULTURAL POLICY FRAMEWORK

(2012-2032)

EXECUTIVE SUMMARY

April 2012

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ACRONYMS and ABBREVIATIONS

AMA	Agricultural Marketing Authority
ARDA	Agricultural and Rural Development Authority
AGRITEX	Department of Agricultural, Technical and Extension Services
CA	Communal Area
CAADP	Comprehensive Africa Agriculture Development Programme
CFU	Commercial Farmers Union
COMESA	Common Market for East and Southern Africa
CSC	Cold Storage Company
CSO	Central Statistical Office
DVS	Department of Veterinary Services
EMA	Environmental Management Authority
ESAP	Economic Structural Adjustment Programme
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
GoZ	Government of Zimbabwe
GMB	Grain Marketing Board
IMF	International Monetary Fund
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MEAs	Multilateral Environmental Agreements
ME&T	Ministry of Environment and Natural Resources
MLRR	Ministry of Lands and Rural Resettlement
MAMID	Ministry of Agriculture, Mechanization and Irrigation Development
RBZ	Reserve Bank of Zimbabwe
SADC	Southern Africa Development Community
TIMB	Tobacco Industry and Marketing Board
WTO	World Trade Organization
ZAPF	Zimbabwe Agricultural Policy Framework
ZCFU	Zimbabwe Commercial Farmers' Union
ZFU	Zimbabwe Farmers Union

ZIMVAC Zimbabwe Vulnerability Assessment
ZNFU Zimbabwe National Farmers' Union
ZUNDAF Zimbabwe United Nations Development Assistance Framework

1.0 INTRODUCTION

The Comprehensive Agricultural Policy Framework document gives the situation analysis of the agricultural sector, highlights the vision, goals, objectives and detailed policy statements and strategies for the development of the Zimbabwean agricultural sector during the period 2012 – 2032.

2.0 BACKGROUND

Agriculture occupies a central place in the Zimbabwean economy, contributing **15-18%** of Gross Domestic Product (GDP). In addition, it contributes over **40%** of national export earnings and **60%** of raw materials to agro-industries. Over **70%** of the population derives its livelihoods from the agricultural sector. Agriculture-related employment supports a third of the formal labour force. In recognition of the importance of agriculture in economic development, the African Union Commission, through the Maputo Declaration of 2003, encourages member states to spend at least **10%** of their National budget towards agriculture.

The diverse agro-climatic conditions enable Zimbabwe to grow a large variety of food and cash crops. Over 23 types of food and cash crops are grown. The major food crops include maize, sorghum, pearl millet, finger millet, ground nuts, wheat, cow peas, bambara nuts and sweet potatoes. White maize is the main staple food. Cash crops include tobacco, cotton, tea, coffee, sugarcane, soya bean, sunflower and horticultural products. Zimbabwe has a well-developed livestock sector, catering for the needs of both domestic and export markets. The livestock sector comprises beef, dairy, poultry, pigs, goats and sheep.

The performance of the agricultural sector determines the overall level of people's living standards and development of the economy.

2.1 Rationale for the Agricultural Sector Policy

The current agricultural policy framework was formulated in 1994 under the name “*Zimbabwe Agricultural Policy Framework: 1995 to 2020*”. Many changes have taken place in the socio-economic environment warranting a review of the national agricultural policy.

Since the year 2000, Zimbabwe’s farming areas have undergone fundamental transformation under the Land Reform Programme. The resulting farm structure now comprises the following: Communal, Old Resettlement, A1, SmallScale Commercial, A2, and Large-scale Commercial farmers. The transformation has markedly increased the number of people with access to land.

2.2 Scope of the Agricultural Sector Policy

This policy addresses issues concerning crop and livestock production, marketing and trade. In addressing these issues, the policy framework describes the current situation and constraints, gives the broad policy goals and objectives and detailed policy statements. This executive summary highlights the new agriculture policy thrust.

3.0 VISION AND OBJECTIVES

3.1 Vision of the Agricultural Sector

The vision of the agriculture sector is “*a prosperous, diverse and competitive agriculture sector, ensuring food and nutrition security significantly contributing to national development*”.

3.2 Policy Objectives

In line with this vision, the specific objectives of the agricultural sector policy are to:

- (i) Assure national and household food and nutrition security;
- (ii) Ensure that the existing agricultural resource base is maintained and improved;
- (iii) Generate income and employment to feasible optimum levels;
- (iv) Increase agriculture's contribution to the Gross Domestic Product (GDP);
- (v) Contribute to sustainable industrial development through the provision of home-grown agricultural raw materials; and
- (vi) Expand significantly the sector's contribution to the national balance of payments.

3.3 The Agricultural Policy Thrust

The agricultural policy has four major elements.

(i) Productivity and growth oriented

The policy focuses on productivity as the key attribute. Therefore, its growth strategy will be clearly projected and matched to availability of resources.

(ii) Proactive

The policy will guide future processes rather than be backward looking and reactive. To this end, the policy will inform policy makers and implementers on programmes and projects that are required to meet sector objectives.

(iii) Practical, feasible and attainable

The policy is practical and has achievable goals and targets.

(iv) Participatory and responsive

The implementation of the policy will be participatory and responsive.

4.0 CROP PRODUCTION, MARKETING AND TRADE

Grains

Maize is the main staple food crop for the majority of the Zimbabwe population. Since February 2009, the marketing of all agricultural commodities has been deregulated, with the GMB maintaining a minimum floor price. GMB has the mandate to maintain minimum strategic reserves of **500 000 tonnes** of grain crops in physical stock. However, low productivity and production in the past few years has made it difficult to maintain strategic grain reserves at that level. The strategic grain reserve replenishment has been undertaken through imports by both government and private sector.

Production and productivity of grain crops has been on the decline since the early 1990s. From a surplus producer of maize, Zimbabwe has become a net food importer during the past decade. This has been attributed to low producer incentives due to erosion of producer prices by inflation as well as input shortages among other challenges. National requirements are **1 800 000 tonnes**.

Wheat is another strategic grain food crop. Consumption requirements are in the range of **350 000 -450 000 tonnes/annum**. Production has been below national requirements due to similar challenges as mentioned above and in addition, electricity power cuts and outages.

Edible Oilseed Crops

Edible oilseed crops comprising soya bean, groundnut and sunflower have experienced growth in recent years, although yields have been relatively low.

The level of production of pulses should be raised due to their potential to provide food and nutrition security especially in low rainfall areas.

The performance of major cereal and food security crops is illustrated in Table 1.

Table 1: Production of food security crops (in “000” tonnes)

Crop/Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Maize	2065	1 552	1 195	1 606	1 545	1 476	605	1059	1 400	750	1 485	953	575	1 240	1 328	1452
Wheat	263	255	242	261	230	198	195	122	247	229	241	149	34	48	41	53
Soybean	97	97	116	121	99	175	84	41	85	50	70	102	48	115	70	84
Sorghum	90	64	39	56	84	60	22	71	129	162	101	75	75	181	132	95
Sunflower	28	19	142	123	18	32	5	17	20	14	21	26	5	39	14	12
Groundnuts	68	124	46	80	114	172	59	141	150	150	83	125	131	216	186	231

Export crops

Tobacco, cotton, sugar, coffee, tea and horticulture are the major export crops grown in the country.

Cotton is the major export crop grown almost exclusively by smallholder farmers while tobacco is the top foreign currency earner among agricultural commodities. About **60%** of tobacco is being sold through the contract systems and the number of growers has quadrupled in the last 10 years. A policy decision was made in 2003 to transform the tobacco marketing system from auction sales, to a dual system involving contract growing/marketing and auctions operating side by side. This was meant to allow for increased production

through inputs and technical advice provided by contractors. This has unlocked some potential by facilitating timely provision of cropping inputs to growers.

Zimbabwe is only second to South Africa among East and Southern African countries in the production of sugarcane. The country enjoys comparative advantage in sugar production due to its low cost of production relative to most major producers in the world.

Horticultural exports provide a huge potential for agricultural growth, employment and further opportunities for backward and forward linkages with the industrial sector. Below is a summary of production levels for cash and horticulture crops.

Table 2: Production levels for cash crops (in “000” tonnes)

Crop/Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tobacco	177	178	171	226	197	198	208	173	94	68	74	55	80	56	59	123
Cotton	56	229	273	274	303	304	282	190	228	333	198	260	235	226	211	260
Sugar					541	514	580	502	422	429	429	447	349	298	259	334
Horticulture	34	41	46	54	63	64	78	82	75	57	60	64	66	60	35	43

The medium to long term targets as well as the budgetary requirements in the Crop Sector for the period 2012-2015 are given in Annexure 1. The targets also include irrigation development and agricultural mechanisation as these are vital for sustainable agriculture.

5.0 LIVESTOCK PRODUCTION, MARKETING AND TRADE

Zimbabwe has a wide variety of domesticated animals. However, their contribution to the national economy has been limited. Commercial livestock farmed in Zimbabwe include beef, dairy, poultry, pigs and to a lesser extent goats and sheep. The bulk of products from these species are sold on the local market, with less than 10% exported. The other major commercial livestock species are domesticated wildlife in the form of ostrich, fish and crocodiles. Products of these are mainly destined for foreign markets, with less than 10% consumed locally.

The country currently requires 180 million litres of milk for domestic consumption. At its peak in 1994 the dairy industry produced **300 million litres** of milk. The average daily milk production per cow has declined from **25 litres** to about **10 litres** in the past seven years particularly during the hyperinflationary period as a response to high feed prices. There has also been a decline in the number of dairy farms and total milk production.

Table 3: Livestock Population by Sector

	Cattle	Sheep	Goats	Pigs
A1	423 203	47 351	280 336	14 607
A2	214 250	24 559	99 049	31 228
Commercial	21 699	688	884	19
Communal	3 688 440	291 550	2 556 266	140 025
Resettlement	588 199	23 080	164 707	9 058
Small scale	170 882	10 572	69 291	7 297
Grand Total	5 106 673	397 800	3 170 533	202 234

Poultry

The commercial chicken production sector has been on an increase in recent years. Production of day old chicks increased from **12 million** in 2009, **38 million** in 2010 and **50 million** in 2011. Table egg production followed a similar trend.

The medium to long term targets and budgetary requirements for the livestock sector are given in Annexure I.

6.0 CHALLENGES FACING THE AGRICULTURAL SECTOR

The following are challenges facing the agricultural sector:-

- Low productivity
- Low level of farming skills amongst farmers
- High production costs
- Lack of and/or limited availability of suitable finance schemes from commercial banks.
- Lack of clearly defined agricultural input support policy
- Shortages of crop inputs such as fertilizer
- Poorly developed markets for some products
- Shortages of locally produced raw materials
- Inadequate investment in the rehabilitation and development of irrigation systems to combat the effect of recurrent droughts.
- Limited use of agricultural equipment and machinery
- Uncontrolled bush fires and illegal hunting;
- High cost and distribution challenges of coal, resulting in depletion of both indigenous and exotic forests for use in tobacco curing;
- The HIV and AIDS pandemic;
- Lack of a regulatory framework and non-transparency with contract farming system and inadequate coverage by most government inputschemes.
- Unfair trading practices to the detriment of producers as well as consumers;
- Duty free importation of agricultural commodities;
- Little value-addition for some commodities;

- Market participants lack information, credit and operate under poorly developed infrastructure.
- Poor roads and infrastructure to transport produce to markets; and
- Unfavourable terms of trade.
- Low capacity utilisation and inadequate funding to maintain existing infrastructure of parastatals;
- Agricultural institutions including farmers' unions have experienced loss of skilled manpower.

7.0 POLICY ISSUES AND STATEMENTS

7.1 CROPS SECTOR POLICY ISSUES AND STATEMENTS

Policy Issue 1:Increasing Crop Productivity and Production

Policy objective: Increased yields for all crops.

Policy statements: The Government will:

- (i) Set up an agriculture fund to subsidise inputs;
- (ii) Promote, in collaboration with seed companies and international and national research organisations, research into the development of high yielding and drought tolerant crop varieties;
- (iii) Promote research into integrated crop management practices;
- (iv) Promote sustainable agricultural production including conservation agriculture techniques;
- (v) Promote greater adoption and use of improved hybrid seed varieties for different crops; and
- (vi) Promote the construction of cost-effective storage technologies by all classes of farmers.

Policy Issue 2:Increasing crop diversification

Policy objective: Diversify cropping patterns at national level.

Policy statements: The Government will:

- (i) Promote crop rotations to include nitrogen fixing crops;

- (ii) Promote research and adoption of high value crops such as horticulture as well as small grains, green legumes, pulses and tubers for inclusion in cropping patterns;
- (iii) Promote post-harvest handling facilities for horticulture through investment in cold chain system for improved product quality;
- (iv) Promote improvements in phytosanitary standards and product specification; and
- (v) Support the production of small grains especially in the drought prone areas.

7.2 LIVESTOCK SECTOR POLICY ISSUES AND STATEMENTS

Policy Issue 1: Increasing production and productivity of livestock

Policy objective: Improve production and productivity of all classes of livestock.

Policy statements: The Government will:

- (i) Promote preservation, improvement and expansion of existing pedigree herds; especially indigenous breeds;
- (ii) Promote research on appropriate and applicable technologies in livestock production;
- (iii) Promote adoption of good animal husbandry practices;
- (iv) Promote establishment of strategic feed reserves;
- (v) Promote improved pasture and rangeland management; and
- (vi) Introduce a livestock industry development fund.

Policy Issue 2: Improve Animal Health and Welfare

Policy objective: Facilitate effective and economic control of livestock diseases.

Policy statements: The government will:

- (i) Strengthen veterinary services;

- (ii) Facilitate investments in disease surveillance and prevention measures; and
- (iii) Promote establishment of veterinary infrastructure.

Policy Issue 3:Strengthening of livestock sector institutions

Policy Objective: Strengthen institutional arrangements to co-ordinate the livestock industry

Policy Statements: The Government will promote the establishment and maintenance of livestock marketing infrastructure.

Policy Issue 4:Crop-livestock interaction

Policy objective:Improved integration of crop-livestock farming systems.

Policy statements:The Government will:

- (i) Promote the introduction of resilient and adapted animalbreeds to improve provision of draught power;
- (ii) Promote appropriate manure management practices in all farming sectors; and
- (iii) Promote cost effective use of livestock and crop residues as alternative energy source.

7.3 IRRIGATION DEVELOPMENT

Policy Issue 1:Rehabilitation and Modernisation of Irrigation Schemes

Policy objective:Ensure that all the previously equipped area is functional

Policy statements: The Government will:

- (i) Promote sustainable rehabilitation and modernisation of irrigation infrastructure.

Policy Issue 2: Developing new irrigation infrastructure**Policy objective:** Increase the area equipped with irrigation infrastructure**Policy Statements:** The Government will:

- (i) Develop, equip and utilise potential irrigable areas within the underutilised internal dams; and
- (ii) Fully utilize the trans-boundary water resources.

Policy Issue 3: Irrigation Research and Development**Policy objective:** Strengthen research on irrigation development and new technologies.**Policy statements:** The Government will:

- (i) Support and coordinate irrigation research for irrigation development with the aim of improving land and water productivity in a sustainable manner;
- (ii) Promote indigenous knowledge for the development of irrigation;
- (iii) Accelerate investment in irrigation development by both public and private sectors; and
- (iv) Promote demand driven, productive and profitable irrigation development models that are responsive to market opportunities.

Policy Issue 4: Financing of Irrigation Development**Policy objective:** Adequate and timely funding**Policy statements:** The Government will:

- (i) Re-establish a National Farm Irrigation Fund;
- (ii) Accelerate investment in irrigation development by both public and private sectors; and
- (iii) Promote funding partnerships.

7.4 FORESTRY RESOURCES AND BIODIVERSITY

Policy objective: Promoting sustainability of farming.

Policy statements: The Government will:

- (i) Promote the planting of timber plantations for construction and firewood for domestic use and tobacco curing;
- (ii) Encourage use of more efficient tobacco curing facilities;
- (iii) Assist in enforcing regulations within the rural areas to reduce veld fires and maintain ecosystem diversity; and
- (iv) Promote agro-forestry.

7.5 AGRICULTURAL LEGISLATION AND REGULATION

Policy objective: Adherence to internationally accepted quality standards for agricultural inputs and products

Policy statements: The Government will:

- (i) Capacitate regulatory institutions;
- (ii) Facilitate participation in fora for international standards development;
- (iii) Enforce compliance with local and international Sanitary and Phytosanitary Standards; and
- (iv) Enforce compliance with Intellectual Property Rights

7.6 HIV AND AIDS IN AGRICULTURE

Policy objective: To mitigate the negative impact of HIV and AIDS on the availability of agricultural labour.

Policy statements: The Government will:

- (i) Co-ordinate the response of the agricultural sector to HIV and AIDS; and
- (ii) Promote the development and implementation of gender sensitive HIV and AIDS mitigation measures by all sectoral actors.

7.7 AGRICULTURAL FINANCE

Policy Issue 1: Improving financing of agriculture

Policy objective: Access to credit by farmers.

Policy statements: The Government will:

- (i) Establish an agriculture fund.
- (ii) Facilitate increased availability of funds for onward lending to farmers by requiring that a certain proportion of bank lending be earmarked for lending to agriculture;
- (iii) Reduce cost of lending to target groups of farmers through interest rate subsidies payable to banks;
- (iv) Operationalise the warehouse receipt system;
- (v) Guarantee agro bills, bonds and other instruments used to raise funds for agriculture; and
- (vi) Negotiate and guarantee international lines of credit for the benefit of farmers and agro-industrial firms.

Policy Issue 2: Increased contract farming to enhance access to inputs and output markets

Policy objective: An increase in the number of farmers benefiting from contract farming arrangements.

Policy statements: The Government will:

- (i) Facilitate the creation of a regulatory environment for mutually beneficial contract farming arrangements; and
- (ii) Incentivise firms to engage in contract farming activities.

Policy Issue 3: Improving equity financing of agriculture

Policy objective: Improved conditions and incentives for equity financing.

Policy statements: The Government will:

- (i) Promote joint agribusiness ventures between local and international entities;
- (ii) Facilitate the creation of a conducive regulatory environment for the development of rural savings organisations; and
- (iii) Promote rural savings clubs at community level.

7.8 INPUT SUPPLY

Policy Issue 1: Increasing input production

Policy objective: Timely availability of inputs.

Policy statements: The Government will:

- (i) Promote and strengthen seed, agrochemicals and fertiliser producing entities; and
- (ii) Put in place special programmes and incentives for investors in input production.

Policy Issue 2: Decentralization of input distribution

Policy objective: An effective input supply system.

Policy statements: The Government will:

- (i) Facilitate the development of an agro-dealer network;

- (ii) Facilitate investment in the development of agricultural input dealers in all farming areas;
- (iii) Promote the work of local input dealers by utilising them in input distribution schemes; and
- (iv) Promote the establishment of local input distribution co-operative unions.

7.9 AGRICULTURAL TRADE

Policy Issue 1:Creating an enabling trade environment

Policy objective: Improved trade in agricultural products.

Policy statements: The Government will:

- (i) Maintain liberal export and foreign exchange policies;
- (ii) Simplify agricultural trade regulations;
- (iii) Leverage from available flights to promote high value agricultural exports; and
- (iv) Negotiate favourable bilateral and multilateral agricultural trade agreements.

Policy Issue 2:Building on Zimbabwe's comparative advantages

Policy objective: Effectively utilise our comparative advantages.

Policy statements: The Government will:

- (i) Promote and facilitate investment in the production, processing and marketing of quality export crops where we have comparative advantage;
- (ii) Collaborate with farmer groups and industrialists, to support and promote research of agricultural commodities that have potential to do well in Zimbabwe;
- (iii) Promote new market development; and
- (iv) Promote production of quality products.

Policy Issue 3: Taking advantage of regional and international trade agreements

Policy objective: Increased agricultural exports.

Policy statements: The Government will:

- (i) Negotiate and ensure access of agricultural products to regional and international markets;
- (ii) Protect agricultural producers against unfair trade practices;
- (iii) Collaborate with other countries, to ensure that trade policies, rules and regulations in regional markets are harmonized; and
- (iv) Raise awareness on the opportunities inherent in bilateral, regional and multilateral trading systems.

7.10 AGRICULTURAL RESEARCH

Policy Issue 1: Resourcing agricultural research

Policy objective: An adequately resourced agricultural research system.

Policy statements: The Government will:

- (i) Build institutional and human resource capacity to strengthen research and service delivery;
- (ii) Provide a budgetary allocation aimed at improving capital and recurrent expenditure for increased research outputs;
- (iii) Develop a mechanism for attracting, capacitating and retaining staff for sustained research and service delivery;
- (iv) Promote agri-business participation and support for agricultural research; and
- (v) Promote strengthening of partnerships of national public agricultural research institutions with regional and international research institutions.

Policy Issue 2: Increasing agricultural research outputs

Policy objective: Increased number of publications on research-based information and technologies.

Policy statements:The Government will:

- (i) Facilitate the re-establishment of the national agricultural journals;
- (ii) Promote collaborative research, regular national agricultural research workshops and symposia to increase sharing of research information with the agricultural industry, universities and clients; and
- (iii) Provide financial resources that support effective packaging of information and technologies in manuals for use by farmers and to enable researchers to pay for scientific publication in regional and international peer-reviewed journals.

Policy Issue 3:Demand-driven research

Policy Objective: Research priorities set up with the involvement of clients

Policy statement: The Government will:

- (i) Establish and fund a coordination mechanism between research and extension (research-extension interface) to enhance participatory prioritization of research programs and sharing of research information with the agricultural industry.

7.11 AGRICULTURAL EXTENSION

Policy Issue 1:Resourcing of agricultural extension

Policy objective: Adequately resourced extension services.

Policy statements:The Government will:

- (i) Increase budgetary allocation to extension services;
- (ii) Improve the effectiveness of agricultural extension services;
- (iii) Introduce cost recovery fees for farmer services; and
- (iv) Fund the production of extension materials and acquisition of ICT equipment.

Policy Issue2: Appropriate technology packages and extension processes

Policy statements: The Government will:

- (i) Facilitate development of relevant extension packages;
- (ii) Facilitate adoption and adaptation of production technologies; and
- (iii) Promote effective research-extension development linkages.

7.12 AGRICULTURAL MECHANISATION

Policy Issue 1: Access to agricultural mechanisation services

Policy objective: Increased access to mechanization services by farmers.

Policy statements: The Government will:

- (i) Promote the setting up of rural workshops to service and repair tractors and equipment;
- (ii) Encourage the involvement of local dealers to ensure the availability of appropriate spares for maintenance;
- (iii) Promote the provision of farmer training services on the correct use of farm machinery and equipment;
- (iv) Finance tillage hire services, repair and maintenance, recapitalisation and rehabilitation of farm equipment; and
- (v) Promote the provision of tillage services.

Policy Issue 2: Access to agricultural engineering services

Policy objective: Improve farm structures and post-harvest facilities.

Policy statements: The Government will:

- (i) Promote the provision of standard farm buildings and structures; and
- (ii) Promote post-harvest technologies and infrastructure in communities.

Policy Issue 3:Conservation of soil resources

Policy objective: Conserve soil and water resources.

Policy statement: The Government will:

- (i) Promote soil and moisture conservation;
- (ii) Promote sustainable agricultural systems; and
- (iii) Promote construction of small dams and weirs.

7.13 AGRICULTURAL EDUCATION AND TRAINING

Policy Issue 1:Agricultural Education and training

Policy Objective: Responsive agricultural education and training system.

Policy Statements: The Government will:

- (i) Promote an active and demand driven agricultural education and farmer training system that produce knowledge and skilled agricultural practitioners;
- (ii) Promote the adaptation of the curricula to meet the knowledge and skills requirements of players in the agricultural sector;
- (iii) Promote access and use of evidence based educational materials;
- (iv) Promote the upgrading of modern teaching and training technologies that address agricultural knowledge and skill challenges or gaps;
- (v) Promote synergies among education, research and extension delivery services; and
- (vi) Promote the enrolment of women in training to commensurate with their role in the sector.

Policy Issue 2:Resourcing education and training

Policy Objective: Adequately resourced agricultural education and training services.

Policy statements: The Government will:

- (i) Capacitate the provision of communication infrastructure and ICT at agricultural institutions;
- (ii) Build institutional and human capacity;
- (iii) Attract and Invest in retention of experienced staff; and
- (iv) Promote private sector participation in agricultural education and training.

Policy Issue 3: Responsive education and training curriculum

Policy objective: Curriculum that constantly meets the requirements of the sector.

Policy statements: The Government will:

- (i) Establish a system for regular review and streamlining of existing agricultural training courses to remain relevant.
- (ii) Promote participation of working agricultural professionals in the training processes; and
- (iii) Promote linkages with local and regional colleges

Policy Issue 4: Farmer training

Policy objective: Capacitate farmers to increase agricultural production and productivity.

Policy statements: The Government will:

- (i) Promote agricultural training of all farmers; and
- (ii) Promote the development of training manuals on all facets of agricultural production and marketing in all local languages to improve access to knowledge.

8.0 POLICY ISSUES AND STATEMENTS ON AGRICULTURAL INSTITUTIONS

8.1 GOVERNMENT STRUCTURES

Policy Issue 1: Enhancing effectiveness of the Ministry

Policy objective: To improve service delivery

Policy statements: The Government will:

- (i) Ensure recruitment and retention of competent human resources;
- (ii) Develop an effective monitoring and evaluation framework for agricultural programmes;
- (iii) Avail adequate operational resources; and
- (iv) Promote formal and in-service training.

8.2 PARASTATALS

Policy Issue 1: Improving performance of parastatals

Policy objective: Effective and self-sustaining parastatals.

Policy statements: The Government will:

- (i) Promote effective cost recovering mechanisms in parastatals; and
- (ii) Adequately compensate parastatals for the social and statutory functions they provide on behalf of government.

8.3 FARMER ORGANISATIONS

Policy Issue 1: Strengthening farmer organisation

Policy objective: Enhanced ability of farmer organisations to serve farmers.

Policy statements: The Government will:

- (i) Facilitate the setting up of mechanisms that enhance the participation of farmer organisations in agricultural programmes; and
- (ii) Enhance capacity of farmer organisations.

8.4 AGRICULTURAL MARKETING

Policy Issue 1: Improving efficiency of the agricultural market system.

Policy objective: Development of a competitive and efficient agricultural marketing system.

Policy statements: The Government will:

- (i) Promote investment in research and market development;
- (ii) Promote provision of market support services to market participants;
- (iii) Enhance access to financing by private sector for agricultural marketing;
- (iv) Regulate marketing of agricultural products and provide for maintenance of quality standards through appropriate legislation;
- (v) Promote establishment of commodity committees to enhance dialogue between public and private sectors.

Policy Issue 2: Market pricing

Policy objective: Competitive and viable markets for all agricultural commodities.

Policy statements: The Government will:

- (i) Maintain the liberalised marketing environment of all agricultural commodities and inputs;
- (ii) Provide targeted support for staple food production and marketing; and
- (iii) Maintain floor pricing system for maize and wheat.

Policy Issue 3:Marketing infrastructure

Policy objective: Well developed and functional agricultural marketing infrastructure in place.

Policy statements:The Government will:

- (i) Ensure the development of key and strategic agricultural marketing infrastructure.
- (ii) Ensure an enabling and conducive environment for investment in the agricultural marketing infrastructure.
- (iii) Promote the involvement of communities in the development, operation and maintenance of agricultural marketing infrastructure.

Policy Issue 4:Market information, research and intelligence

Policy objective: Availability of adequate, quality and timely agricultural market information to all agricultural actors.

Policy statement:The Government will:

- (i) Promote the development of capacities in data collection, analysis, storage and dissemination of market information to farmer organisations, groups and cooperative societies and other market players.
- (ii) Strengthen Public-Private Sector Partnerships to undertake market research and participate in information systems.
- (iii) Promote the use of ICT in agricultural marketing.

Policy Issue 5:Market institutional and regulatory environment

Policy objective: Establishment of a fair regulatory framework as provided for in the Agricultural Marketing Act.

Policy statements: The Government will:

- (i) Facilitate registration of all agriculture market participants.
- (ii) Facilitate design of contracts between producers and buyers.

- (iii) Promote regulation of market participants for fairness and order.

Policy Issue 6:Value addition

Policy Objective: Increased value addition of agricultural produce

Policy Statements:Government will:

- (i) Encourage and strengthen primary agro-processing and value addition;
- (ii) Promote consumption of locally processed agricultural products; and
- (iii) Put in place special programmes and incentives for investors in agro-processing firms.

9.0 RECOMMENDATIONS ON THE AGRICULTURAL SUBSIDY POLICY

9.1 AGRICULTURAL SUBSIDIES

Governments, the world over intervene in the agricultural sector for social and economic reasons. In most African economies including Zimbabwe, agriculture sustains over 70% of the population. It accounts for over 30% of merchandise exports and supplies raw material to the manufacturing sector.

Subsidies are aimed at increasing farmer's income and agricultural production. Without support, domestic farmers will not be able to compete with foreign imports and would therefore go out of business. Key national objectives that include food security and supply of raw materials to manufacturing industry will not be realised without this support.

Policy Issue 1: Farm incomes and agricultural production**Policy Objective:** Improvement of farm incomes and agricultural production**Policy Statements:** Government will:

(i) Implement a well targeted Input Support Programme

In order to increase access to fertiliser and seed for staple crop production, Government will implement a Government Input Support Programme targeted at smallholder farmers, who currently produce about 80% of the maize crop.

Government will subsidise fertiliser and seed by 50%, to enable smallholder farmers to access the inputs at affordable prices. Farmers will pay 50% of the cost of seed and fertiliser under the Government Input Support Programme before accessing the inputs. Smallholder Farmers will access the following input pack.

- 2x50kg basal fertiliser
- 2x50kg top dressing fertiliser
- 10kg certified maize seed

The seed and fertiliser companies supplying the inputs will be paid the full market price for the inputs delivered under the programme.

(ii) Subsidise electricity tariff for agriculture

Government will revert to the preferential rate of 55% of electricity tariff for the agricultural sector. This was the position prior to dollarisation in 2009. Such a rate will encourage development of irrigation schemes to mitigate against droughts.

(iii) Maintain the livestock dipping subsidy

The current subsidy on dipping in smallholder areas will be sustained.

Policy Issue 2: Output Subsidies

Policy Objective: Guaranteeing farmers a market at viable prices

Policy Statements: Government will:

- (i) **Implement a floor producer pricing policy for strategic grain commodities to guarantee farmers a market at viable prices.**

Government will prioritise provision of output subsidies by guaranteeing floor prices for the following strategic crops:

- Maize
- Wheat and
- Small grains

The producer price will be based on a cost of production model that gives the farmer a reasonable return to investment. The cost of production model will take into account the conditions that prevailed in the input market during the production season, plus a reasonable return. In the multicurrency environment, a minimum of 15% return on dollar invested is recommended.

Floor prices for these strategic grains will be paid through the Grain Marketing Board and will cater for undersupply and oversupply situations. The Agricultural Marketing Authority will be required to closely

monitor the agricultural market, in particular grain markets and register merchants and processors to take stock of their activities and provide accurate information and advice for appropriate pricing and decision making.

(ii) Maintain the Strategic Grain Reserve

Floor pricing will be used to cater for undersupply and oversupply situations, with the Grain Marketing Board maintaining the Strategic Grain Reserve (SGR). The SGR will also be used as price stabilisation measure being built up or released in times of surpluses and deficits respectively.

The agreement signed between the Government of Zimbabwe and the Grain Marketing Board in 1996 for the Strategic Grain Reserve allowing for management of a minimum reserve of **500 000 tonnes** in physical stock and up to **436 000 tonnes** in monetary value will be upheld.

9.2 FUNDING ARRANGEMENTS

- Government revenue – Government will allocate a proportion of its budget for agriculture sector development in line with the Maputo Declaration by the African Union in 2003.
- Furthermore, Government will dedicate a proportion of revenue from sale of minerals to support the agricultural sector.
- **Surtax** and **surcharges** on imports and buyers of agricultural products which will be put into an Agricultural Fund to finance agricultural development initiatives and subsidies.
- Government will prescribe a certain proportion of lending by commercial banks to the agricultural sector at concessional rates

The objective is to come up with an arrangement that will channel resources towards financing the development of the agricultural sector

10.0 GENDER MAINSTREAMING IN AGRICULTURE

Women in Zimbabwe play a major role in the agricultural sector at all the stages of the value chain from accessing inputs, production of various products, storage, preservation and processing, marketing and distribution. Women have difficulties in accessing credit, equipment and machinery essential for production, technical knowledge and expertise to produce high quality products and markets. Information about markets and strategies to penetrate those markets on a sustainable basis is a big challenge for women. Women remain largely excluded from the decision making processes within the public and private spheres and this poses a major challenge for them to participate in the national development process.

Policy objective: To mainstream gender in agriculture

Policy statements

The Government will:

- i. In consultation with relevant women's organisations, identify barriers to entry by women into agribusiness and enhance their participation removal of the barriers through policy, government incentive and training.
- ii. Identify resources for investment, credit, partnership mechanism that will enhance women participation in the sector;
- iii. Review existing and potential financing arrangements and mechanisms for women economic empowerment in the agricultural sector;
- iv. Develop resources mobilization strategy for women economic empowerment in the agricultural sector.

11.0 CONCLUSION

The success of the agriculture sector is anchored on the adequacy of financing arrangements for the agricultural sector and the establishment of the Agriculture Fund. This Fund will have a strong emphasis on improving servicedelivery to the sector and subsidizing agriculture production, thereby enabling farmers to produce more food at a lower cost. The low production costs will enable farmers to be competitive on the market.

To operationalize this policy framework, the Ministry of Agriculture, Mechanisation and Irrigation Development will guide the sector in the development of specific, achievable and targeted agriculture sub-sectoral policy strategies underpinned by the objectives and statements provided in this document. The policy framework and strategies will guide the implementation modalities to achieve the short, medium and long term targets given in the attached Annexure.

Annexure 1: Targets Budgetary Requirements for Agricultural Sector (Medium to Long Term)

Programme/Project Outputs	Unit	Target				Budget/Cost (US\$)				Medium Term (Up to 2015) Total	Long Term (Up to 2032) Total
		2012	2013	2014	2015	2012	2013	2014	2015		
1. Maize production increased to two million tonnes per year by 2015	'000 MT	1 800	1 850	1 900	1 950	360 000 000	370 000 000	380 000 000	390 000 000	1 500 000 000	6 630 000 000
2. Wheat production increased to 200000 tonnes per year by 2015	'000 MT	60	100	125	200	22 400 000	37 300 000	46 600 000	74 600 000	180 900 000	1 268 200 000
3. Small grain production increased to 400000 tonnes by 2015	'000 MT	250	300	350	400	65 000 000	68 200 000	73 100 000	81 200 000	287 500 000	1 380 400 000
4. Tobacco production increased to 220 million kg per year by 2015	'000 000 kg	170	180	200	220	398 000 000	402 000 000	434 000 000	512 000 000	1 746 000 000	8 704 000 000
5. Cotton production increased to 330000 tonnes per year by 2015	'000 MT	270	300	315	330	216 000 000	240 000 000	252 000 000	264 000 000	972 000 000	4 488 000 000
6. Soyabean production increased to 150000 tonnes per year by 2015	'000 MT	45	70	100	150	27 000 000	36 000 000	46 000 000	62 000 000	171 000 000	1 054 000 000
7. Sugar production increased to 600000 tonnes per year by 2015	'000 MT	450	500	600	600	100 000 000	120 000 000	131 000 000	131 000 000	482 000 000	2 227 000 000
8. Horticultural crop production increased to USD 150 million per year by 2015		75 000	80 000	110 000	150 000	60 000 000	64 000 000	88 000 000	120 000 000	332 000 000	2 040 000 000
9. Production of minor crops (Groundnuts, Beans, Cassava, Rice, Bambara nut) increased from 539 to 734 tonnes per year by 2015	000MT	539	602	668	734	652 000	713 000	798 000	941 000	3 104 000	15 997 000
10. National cattle herd increased from 5.1 million to 6 million by 2015.	'000	5 200	5 400	5 700	6 000	15 000 000	20 000 000	22 000 000	25 000 000	82 000 000	425 000 000
11. Tonnage of meat from non-livestock animal species (fish, game) increased from 20 000 to 100 000 by 2015	'000 MT	30	50	80	100	2 000 000	2 200 000	2 500 000	2 800 000	9 500 000	47 600 000
12. Cattle off take increased from 8% to 15% by 2015	%	8	10	13	15	500 000	600 000	800 000	1 000 000	2 900 000	17 000 000
13. Average milk yield per cow increased from 7 to 15 litres per day by 2015	Litres	7	9	12	15	1 000 000	2 000 000	2 000 000	2 500 000	7 500 000	42 500 000

14. Dairy herd increased from 25000 to 35000 by 2015	Number	25000	27 000	30 000	35 000	10 000 000	15 000 000	15 000 000	15 000 000	55 000 000	255 000 000
15. Small scale dairy schemes increased from 33 to 40 by 2015	Number	33	35	37	40	700 000	200 000	200 000	300 000	1 400 000	5 100 000
16. Layers' flock increased from 1.2 million to 2 million by 2015	Number (million)	1.2	1.5	1.7	2	200 000	100 000	100 000	100 000	500 000	1 700 000

Annexure 1: Targets Budgetary Requirements for Agricultural Sector (Medium to LongTerm)

Programme/Project Outputs	Unit	Target				Budget/Cost (US\$)				Medium Term (Up to 2015)	Long Term (Up to 2032)
		2012	2013	2014	2015	2012	2013	2014	2015	Total	Total
17. Livestock products inspection, grading and certification services coverage increased from 45% to 80% by 2015	%	45	55	65	80	2 000 000	2 000 000	3 000 000	3 500 000	10 500 000	22 865 000
18. Irrigated land increased from 155 000 ha to 220 000 ha by 2015	(ha)	150 000	170 000	190 000	220 000	90 000 000	120 000 000	180 000 000	96 000 000	486 000 000	1 632 000 000
19. Area under mechanized tillage increased from 210 000 ha to 300 000 ha by 2015	(ha)	210 000	230 000	260 000	300 000	55 000 000	60 000 000	65 000 000	70 000 000	250 000 000	1 190 000 000
20. Total land area conserved increased to 115 000 ha by 2015	(ha)	20 000	45 000	75 000	115 000	900,000	2 000 000	6 000 000	4 000 000	12 900 000	68 770 000
21. Post harvest losses reduced from 30% to 20% by 2015	%	28%	26%	23%	20%	1 000 000	1 000 000	1 500 000	1 500 000	5 000 000	25 500 000
22. Establishment of a functional agricultural commodities exchange market (excluding maize and wheat)	Number		1			500 000				500 000	0
23. Functional Agricultural Sector Coordination Unit established by June 2012		1				1 200 000	1 300 000	1 300 000	1 300 000	5 100 000	22 100 000
24. Agricultural Information Management System (AIMS) established by December 2012	System		1			500 000	700 000	300 000	300 000	1 800 000	5 100 000
25. Legislation reviewed and approved	Number of Acts	10	15	10	3	100 000	150 000	100 000	85 000	435 000	0
26. Legal Unit established	Number		1				100 000			100 000	0
27. Sub-sector policies formulated and approved	Number	3	3	3	1	300 000	300 000	300 000	100 000	1 000 000	0

28. Dedicated Agricultural Fund established	Number		1			500 000 000	500 000 000	500 000 000	500 000 000	2 000 000 000	8 500 000 000
29. 40% of the infrastructure and equipment rehabilitated by December 2015	%	10	10	10	10	12 000 000	15 000 000	5 000 000	5 000 000	37 000 000	12 750 000
30. 100% computerization and connectivity in the Ministry by December 2015	%	10	20	35	35	2 000 000	4 000 000	6 000 000	5 000 000	17 000 000	4 250 000
31. Agriculture support services						85 251 945	117 129 365	202 600 250	290 465 391	695 446 951	4 937 911 647
TOTAL						2 029 203 945	2 201 992 365	2 465 198 250	2 659 691 391	9 356 085 951	45 022 743 650