Food Security and Livelihoods Cluster

Effective market linkages for rural farmers

Virtual Meeting, Friday 5 November 2021
Evolution of MLA

• 2007-2008 – SNV contract farming best practice series of conferences
• August 2008 – first meeting of the Market Linkage Working Group Steering Committee
• 2009 – Concept developed for a Zimbabwe Agricultural Development Trust (ZADT) to fund smallholder agriculture
• April 2011 – MLA constituted by 20 organisations
• August 2021 – 44 paid up corporate members
Corporate members, 2021
Associate members
A bit of market theory

Closed and Open Output Markets

- Closed markets (e.g., contract farming) provide some level of material and service supports to farmers.
- Open markets are where self-financing farmers sell their commodities.

BUT closed Markets can have their own challenges relating to
- Farmer Default
- Company Default
A market system is comprised of the core transaction, services and rules. Many do not recognise that services are markets. The regulatory environment can make or break a market system.
Our members work toward contributing to the achievement of government’s sector strategy goals

- Development organisations – market linkage facilitation
- Private sector organisations – direct market access
  - Input markets (Coopers, Farm Shop, Fivet, Grow Agriculture, K2, SeedCo, Kurima Machinery, Zimplow)
  - Service markets (CABS, CBZ Insurance, Minerva, ZADT, Zambuko Trust)
  - Off-take markets (Delta, IETC, MC Meats, PHI, Schweppes, Staywell, Surrey,
TechnoServe is implementing Coffee and Horticultural export programs in partnership with NESPRESSO and Anglo American respectively, supporting the Horticulture Strategy.

We are reviving coffee origins in Mutare, Chipinge, Honde Valley and Chimanimani, working in partnership with the Zimbabwe Coffee Mill (ZCM) and at least 750 farmers affiliated to ZCM. We are exporting an average of 18MT of coffee to NESPRESSO annually, helping farmers achieve export sales revenue of over USD 110,000.00 annually.

We are proud to have developed the “Tamuka muZimbabwe” coffee brand, which is sold at a premium, ensuring sustainable return to the farmers.

We are implementing an Agricultural development program focusing on horticulture, poultry and beef value chains in Shurugwi and Gweru. This is set to benefit at least 600 farmers, realizing a sales revenue of over USD 900K by 30 September 2022.

85 farmers have already planted 8.6 ha of mange tout peas in partnership with Lingflora, a private sector company exporting fresh produce to Europe. 62 % of the farmers are women. The farmers are expecting sales revenue of at least USD 110k from the crop.

We have a program to plant 20 ha for export this year over and above 25 ha under local production in partnership with 9 irrigation schemes in Shurugwi and Lower Gweru.

We adopt a Whole Farm Management approach to commercialize irrigation schemes. The irrigation schemes have been registered for GLOBALGAP certification.
Closed markets

• Annual business requirements
  – red sorghum 13,500 tonnes,
  white sorghum 2,000 tonnes
• Growing areas – Chiredzi,
  Gokwe, Sanyati, Buhera,
  Mutoko, Muzarabani,
  Mhangura, Chinhoyi/Lion’s Den,
  Banket, Muzarabani, Binga,
  Mayo, Matepatepa
• 9158 contract growers
• Benefits to farmers
  • Assured market
  • Form of livelihood
  • Technical expertise
    (agronomic support)
  • Timeous access to inputs
  • Ensures higher
    productivity to the farmer
  • Price risk is reduced as
    contract stipulates a pre-
    planting price
  • Helps in skilling farmers
    through field days and
    other information
    dissemination platforms
    (WhatsApp broadcasts,
    newsletters).
Open and closed markets

- Monthly offtake requirement: 6600 cattle and 5280 goats

- Location of abattoirs and main areas of offtake: Nyabira (Mashonaland buying stations), Masvingo (Masvingo buying stations), Gokwe (Midlands buying stations), Kwekwe (Matabeleland buying stations)

- Purchase methods
  - Farmers selling direct to abattoirs
  - Middlemen aggregate and sell to abattoir
  - Farmers aggregate and company collects (local agent coordination)

- Other smallholder interventions
  - Feeder finance: Contract farming during second half of the year. MC Meats provides stock feed and farmers feed the cattle which are slaughtered at MC Meats abattoirs when feed costs are deducted.
  - Cattle for feed swop: Done in second half of the year when grazing is scarce. Cattle swapped for a similar value of feed. The feed sustains the remaining herd.
Open and closed markets

- Guavas and mangoes mainly sourced from communities but not getting enough
- Currently supporting Shashe Irrigation scheme in Beit Bridge for Orange supplies into the processing facility. Facility currently operating at 40% capacity due to fruit availability challenges
- Tomato supply into Norton facility currently not meeting demand. Facility operating at 35% capacity.
- Guaranteed market for contracted farmers/Small holder farmers – providing Agronomy support

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<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Projections</th>
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<tbody>
<tr>
<td>Orange</td>
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<td>Lemon</td>
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<td>Granadilla</td>
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<tr>
<td>Guava</td>
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<td>3,000</td>
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<tr>
<td>Mangoes</td>
<td>300</td>
<td>1,500</td>
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<td>Grapefruit</td>
<td>2,500</td>
<td>10,000</td>
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Local service markets

- Developing village businesses that buy/process and aggregate commodity for local and urban offtake:
  - Local stockfeed manufacture, sunflower processing, maputi popping, grain dehulling
- Developing village businesses that provide services to communities
  - Grain threshing, cattle/goat/chicken breed improvement
- Facilitating linkages between urban offtakers and smallholder farmers:
  - Sorghum (Buntu Foods), Sunflower (Mzilikazi Feeds), Chilli (Kacholo), Flower Seeds (Amalubarina), Cattle (MC Meats)
Social Enterprise

Agriculture Business Centre (ABC) Project – a social enterprise in Gokwe South

- Marketing of Nyimo, procurement and processing of groundnuts into dovi, purchase and drying mangoes, commodity brokerage on behalf of SCF, contract farming of sunflower and oil processing, access to affordable inputs for SCF/bulk purchases, chili contract farming.
Tips for market facilitators

• Have a solid exit plan from the start – or watch the system collapse soon after programme exit 🙁

• Select market players with capacity and genuine inclusive ambition

• Facilitators are external to the market system - not part of the system!

• Avoid free handouts - they weaken the market system, increase dependency and reduce sustainability

• Contract farming is a difficult model to implement successfully, rarely resulting in win-win. Proceed with caution!
For more information

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