Sugar Production after the Fast Track Land Reform Programme in Zimbabwe: A focus on out growers in Triangle, Hippo Valley and Mkwasine estates.

by

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1.0 Introduction

- The Fast Track Land Reform Programme implemented in 2000, reversed racially skewed land ownership patterns, broadened land access for the black peasantry and replaced private property rights with land user rights (Moyo, 2011a).
- Large-scale commercial farms which were owned by about 4500 white farmers were expropriated and redistributed to over 145,000 peasants under the A1 and A2 model schemes (ibid).
- Despite pressures from below, agro-industrial estates owned by domestic and foreign private capital as well as by Parastatals engaged in Sugar, tea, coffee and timber production were less affected by the redistributive character of the FTLRP.
- 4% of Zimbabwe’s land is held by domestic and foreign capital a scenario made possible by historical processes of colonialism, Structural Adjustment Programmes and the renewed highly financialised investments involving monopolistic firms of Asian and western origin (Moyo et al, 2012, Moyo, 2011).

- Estates were which were least affected by the FTLRP were expected to play a role in employment creation, generation of foreign currency as well as producing food and agro-fuels to reduce the import bill and promoting self sufficiency in the face of a hyperinflationary environment and western sanctions (Moyo, 2011).
2.0 Agrarian Context

- A bi-modal structure composed of 4,500 large-scale farmers and over a million peasants was replaced by a tri-modal structure constituting family farms, medium to large scale and agro-industrial modes of production.
- All these modes of production are found in Chiredzi although agro-industrial estates for sugar production and wildlife conservancies constitute the bulk of the land.
- The major question in Zimbabwe’s land reform was, what was to be the role the state and the private sector in the financing small-scale and middle-scale farmers (Moyo, 2011).
- Small to middle-scale farmers relied most on self-finance, remittances and government inputs while cotton and sugar out growers at Hippo Valley, Triangle and Mkwasine remained vertically integrated to world markets (AIAS, 2009; Moyo and Chambati, 2013).
- A decline in production for the 15 major crop commodities was witnessed after the implementation of FTLRP and scholars like Richardson (2005) attributed this to the loss of property rights while arguing that the only way to return to maximum productivity was a return to freehold title.
Sugar production faced challenges and a decline by 20% of the 1990s level in 2006, followed by a further 50% in the 2007/8 season was witnessed. Out growers fought with estate owners over transport and input costs as well as milling charges. (Moyo and Chambati, 2013).

The re-liberalisation of the economy which took place in 2008 resulted in an increased interest by agrarian merchants in export oriented crops such as sugar, cotton and tobacco thus explaining a surge in cash crop production while domestic commodities attract lower prices on the market owing to competition from GMO imported products.

Under the A1 and A2 model which some sugar out growers benefitted land in the three estates, permissory tenure is used to mediate the relationship between the state and individual farmers while for a few A2 farms 99 year leases were issued with or without an option to buy (Moyo, 2005; AIAS, 2014)

Large-agro industrial investments continue to be held on free-hold tenure as well as some large-scale commercial farms.
3.0 A agriculture finance for Out growers-Results

- 71% of the out growers relied on credits given by the Plantation estate and an Anglo-American bank to purchase inputs under the Successful Rural Sugar Cane Farming Community Project (Susco) (AIAS, 2014).
- 29% of the out growers are independent and provide their own inputs (AIAS, 2014).
- Majority of the farmers expressed dissatisfaction with interest rates, high input, land clearing charges as well as sugar milling costs charged by the estate and the bank. The data was collaborated by in-depth interviews with producer organizations (AIAS, 2014).
- Continued reliance on credit by out growers over the past years underscores a high level of dependency syndrome and on the estates by out growers while the company estate on the other hand has admitted that their input charges are above market rate and there is a need for them to revise (AIAS, 2014).
- 100% of the women in our sample had access to credit in all the years and indicated that they face no hurdles in getting access to loans.
- The increased financing directed to small to middle-scale capitalist farmers not only in the sugar industry but also in other cash crop commodities such as tobacco and cotton invalidates the commonly held view that freehold title to land is the only enabler to access to capital and increased farm productivity.
3.1 Production trends for Outgrowers.
3.1.1 Value of Sugar

![Graph showing the average value of sugarcane per farmer over different seasons. The graph indicates a rise in the average value from 2010/11 to 2012/13.](image)
3.2 Agricultural employment

- The Triangle and Hippo Valley plantation estates employ over 9,000 workers from communal lands in that district and other surrounding districts such as Zaka (Moyo and Chambati, 2013; AIAS, 2014).

- 100% of the out grower households hire wage labour and 52.6% of these households depend solely on hired labour while 47.4% use a combination of hired and family wage labour (AIAS, 2014). These findings feed into the agrarian structure as posited by Moyo (2011) where A1 and A2 farmers have turned into capitalist farmers and rely on wage labour as one of the characteristics.

- A further analysis on households supplying family labour reveals that family members only did 20.6% of the work while 79.4% labour was hired (AIAS, 2014).

- A disturbing pattern noted is the provision of labour by children. In 2013 alone, 6.2% of children provided labour, while women provided 35.9% with men providing 57.9% (AIAS, 2014).
3.3 Re-investments in agriculture by out growers.

- By 2013, 56% of households owned tractors compared to only 6% who owned them during the year of settlement, while ownership of double-cab trucks increased from 3% in year of settlement to 34% (AIAS, 2014). These are success stories in sugar production though a lot more can still be done. 100% ownership of tractors should be possible.

- No major re-investments were made in other productive infrastructure such as irrigation canals and dam construction as farmers inherited these from former farm owners (AIAS, 2014).
3.3.1 Accumulation by out growers

Expenditure as a Percentage of income for 2012 and 2013
3.3.2 Water Investments.

- 100% of the out growers have irrigation facilities. 96.8% of the irrigations was inherited from former farm owners while only 3.2% invested using their own income (AIAS, 2014). From those who invested using their income, 100% none were female.

- Low dam levels have led to reduced irrigated areas in the plantations and also on out grower farms thus curtailing cane expansion and root planting for estates and out growers (Tongaat Hullets Annual report, 2013).

- The resuscitation of irrigation infrastructure in lands considered to be “uncontested” by the European Union led to improved sugar outputs. Producer organizations in Chiredzi say these investments had spill over effects to resettled farmers (AIAS, 2014).
3.5 Land Conflicts

- From the survey, 94% of farmers hold land under permissory tenure held through offer letters while only 6% o hold land through 99 year leases.

- The survey in Chiredzi shows that since the FTLRP, 9.4 % of farmers have been involved in land conflicts with 67% percent of these related to boundary disputes with neighbors while 33% cases are over inheritance and access to natural resources.

- Interestingly, no females have been involved in land conflicts amongst out growers. Further information gathered from key informants reflects the existence of inheritance conflicts and transfer of ownership constraints affecting women upon the death of a spouse.

- The broader national results show that 23.1% of A1 and 40% A2 female landholders continue to experience conflicts related to ownership of land and farm boundaries, A2 women faced 17.5 % eviction threats in comparison to men (4.1%). (Moyo et al, 2014 upcoming).
4.0 Conclusions

- The study shows a reinsertion of capital in Zimbabwe’s agriculture sector and its penetration on FTLRP lands, validating assertions by other scholars (see Moyo, 2011; Moyo and Chambati, 2013; Binswanger-Mkhize and Moyo, 2012).

- Estates working with out-growers have boosted sugar production although markets remain distorted owing to Tongaat Hullets monopoly control of sugar milling. This is as a result of unequal power relations between farmers on one hand and trans-national companies and private banks on the other.

- The research noted critical areas which need the attention of the GOZ and other players in the sugar industry which include provision of a functional legal framework, reformation of the Zimbabwe Sugar Sales Board, end of over-reliance by farmers on Tongaat Hullets credit system, a need to bring to an end monopoly control as well as regulating prices by an independent authority which operates fairly and transparently.
4.0 Conclusions cndtd....

- With regard to land conflicts, the situation calls for the strengthening and reconstitution of the Land administration system to ensure that it is gender sensitive, decentralized and structured in a way that there are no multiple overlapping institutions with conflicted mandates.

- There is need for serious lobbying and activism by farmer organizations so as to ensure farmers fully benefit from by-products. Data obtained through key informant interviews show that farmers are paid for the sugarcane juice only and do not benefit from the value of the fiber material (bagasse).
• Thank You