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Challenges and Opportunities on Beef Cattle Marketing and off Take Rates in Zimbabwe's Small Holder Farming Sector: A Case of A1 Resettlement Farmers in Umzingwane District of Matabeleland South Province

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Abstract:

The study sought to establish and analyze the challenges and opportunities on beef cattle marketing and off take rates of Zimbabwe's A1 resettlement farmers, particularly focusing on those resettled in marginalized regions of the country. The main objective was unveiling practical and feasible strategies for improving beef cattle production and marketing viability in the country's disadvantaged communities. To achieve this, a descriptive study design was used while random stratified sampling procedure was employed to select a sample of 90 farmers specializing in beef cattle production in the district. Thirty farmers were randomly picked in each of the selected three villages. Questionnaires were used to solicit for primary data from the respondents. Secondary data from government departments and other stakeholders was obtained through interviews. The generated primary and secondary data sets were analyzed qualitatively to ascertain challenges and opportunities associated with Zimbabwe's smallholder beef industry, with particular emphasis on the resettled small-scale farmers. It was established that beef cattle off take rates were generally low in resettlement areas of Zimbabwe, standing at 3, 3% compared to the national target of 15%. The irrefutable findings of the study revealed that lack of proper beef management and marketing skills, economically viable herd sizes and poor access to rewarding markets are the major challenges constraining beef production in Zimbabwe's resettlement areas. The study, therefore, recommended that government and other stakeholders should provide adequate technical and institutional support to effect robust positive developments on the country's smallholder beef production, to recover the lost past glories of the lucrative industry.

Keywords: Challenges and opportunities, beef cattle marketing, off take rates and small holder farming sector

1. Introduction

In most parts of southern Africa, cattle farming constitutes a significant proportion of agricultural activities and contributes largely to the sustenance of rural populations. Beef cattle farming, which used to be taken as a simple art has evolved and become a highly sophisticated scientific business which requires technical expertise for maximization of beneficiation from the venture. Over the past years Zimbabwe has seen major changes in the livestock sector. The land reform program of the year 2000, combined with major changes in the macro-economy, resulted in significant shifts in ownership, use and management of livestock, with serious implications for the national beef herd population, marketing and off-take rates. Prior to the Land Reform Program beef production accounted for about 30% of Zimbabwe's GDP, 10% of Zimbabwe's exports and 45% of total employment in agricultural related sectors (Zimstat, 2007). Current statistics, however signal that there is a sharp decline on the national herd population, which now stands at 5 241 192 and beef off-take which is currently at 3, 3% against a national target of 15%. It is against this background that the study sought to assess the implications of improved access to the best paying beef cattle markets and credit line facilities on the viability of smallholder beef enterprises through improved off-take rates across the country.

2. Background

With the advent of majority rule in 1980, the government of Zimbabwe (GoZ) adopted the goal of 'growth with equity (Chiremba and Masters, 2003). New policies aimed at bringing underutilized land into full production and reducing the inequality in land holdings were adopted. This was, however, followed by a highly disorganized and chaotic accelerated Fast-Track Land Reform Program (FTLRP) of the year 2000, which created a new model of farmers known as the A1 and A2. The main economic rationale for land reform was motivated by the inverse-farm productivity relationship, which argues that for given technology levels, small farms are more efficient than large farms due mainly to reduced managerial hassles and problems of supervision (Deininger et al., 2002). Events following the fast track land reform program witnessed an exodus of black peasantry from rural and urban centers onto the fertile agricultural lands, mostly large scale commercial farms (LSCFs) mainly under White ownership some of whom were specializing on cattle ranching in the drier parts of the country. As these were surrogated by smallholder farmers, the beef industry drastically started to witness major declines. Erratic rainfall and high incidences of droughts in most communal areas, particularly in the Northern parts of Matabeleland Province aggravated the situation as the majority of the resource-poor farmers had solemnly to depend on livestock for their livelihoods.

The Fast-Track Land Reform did not translate into an automatic increase of output. In the absence of other necessary conditions that include having the right suitably qualified beneficiaries on the land, secure tenure arrangements/ property rights; adequate extension support and unrestricted access to farming inputs, the program did not yield expected positive results in agricultural productivity (Zikhali, 2008). The program was also accompanied by a decline in funding for Agriculture from 74% down to less than 17% in 2013 (Moyo and Sunga, 2004). Ministry of Indigenization and Empowerment, (2012 Report) cited that although it was known that among smallholder farming systems, commercial beef production was not a major objective because cattle served a number of purposes other than beef production, the overall herd sizes and off take rates in areas where A1 settlements were located were in a deplorable state thus significantly contributing to the national herd decline. Similarly, there has been a reduction in average carcass weight from 200 to 140kg and the trends of cattle slaughter indicate that most farmers are offloading cattle that have low market value (Livestock and Meat Grading Services, 2010). The enormous changes in Zimbabwe's beef cattle production and marketing environment after the Fast Track Land Reform Program necessitated paradigm shifts in management, inputs and marketing in the beef industry.

Deininger and Kinsey, (2004) & United Nations, (2008) indicate that poor agricultural performance among smallholder farmers is due to a wide array of interrelated economic, social, institutional and policy obstacles. According to Zikhali, (2008) the FTLRP has also caused some tenure insecurity among its beneficiaries, which has translated into low land-related investments and has made the private sector less willing to bear the risk of accepting land permits popularly known as offer letters as collateral against financial loans. The national livestock policy document (October 2004:14-15) stipulated that smallholder farmers needed to be organized and become more commercialized and progressive livestock farmers rather than livestock keepers. And that for rebuilding the national beef herd; sufficient long- term concessionary finance needed to be availed for beef producers to purchase breeding stock and ancillary beef husbandry inputs. As very little has been done to capacitate farmers and make them realize the full potential in beef cattle production, Zimbabwe was bound to continue to meet her animal protein needs through expensive importation of genetically modified white meat products from other countries and the bulk of its beef from neighboring countries in the region.

It is against such a historical background, of once a vibrant industry, but now characterized by failure and is on the verge of total collapse, that the research sought to analyze the constraints hindering beef cattle production and off-take rates in Zimbabwe. The objective being, establishing ways of reviving a once lucrative industry through uncovering complex empirical realities on the ground and identifying choices and tradeoffs for enhancing the industry. The study therefore, focused on the socioeconomic and institutional constraints, facing smallholder beef production in the resettlement areas with the hope of restoring order and enhancing beef productivity and effect alignments on livestock policy in Zimbabwe.

3. The Research Problem

Over the past years Zimbabwe witnessed major changes in the livestock sector. The land reform program of the year 2000, combined with major changes in the macro-economy, has resulted in significant shifts in ownership, use and management of livestock, with serious implications for the national beef herd population, marketing and off-take rates. And as signaled by the current statistics, there is a sharp decline on the national herd population, which is assumed to be at 5 241 192 and beef off-take of 3, 3% against a national target of 15%. Signifying that the events following the fast track land reform program had never been supportive and favourable for beef cattle production as vast lands, mostly large scale commercial farms LSCFs under ownership of White farmers were seized and fragmented into miniature portions not suitable for cattle ranching. The considerable fertile agricultural land was also lost through being converted into human settlement leading to massive destruction of flora and fauna, and finally depletion of the vegetation which constitutes the main source of animal nutrition for the resource poor farmers. It is therefore against this background that the study sought to assess impacts of improved access to viable beef cattle markets and credit line facilities on the viability of smallholder beef enterprises through improved off-take rates across the country.

4. Research Objectives

The main purpose of the study was to assess Challenges and opportunities in the beef cattle marketing and off take rates in Zimbabwe's small holder farming sector: using resettled farmers under A1 model as a case/point of reference.

More specifically, the research aimed to:

1. To establish the beef cattle marketing channels used by smallholder farmers under the current A1 resettlement model in Zimbabwe's Matabeleland province.
2. To identify the challenges and opportunities in the beef cattle marketing structures for smallholder producers in the resettlement areas
3. To describe stakeholders' participation in assisting to improve beef cattle marketing and off- takes for maximization of farmers' beneficiation.

5. Research Methodology

5.1. The of Study Area

Umzingwane district consists of 13 villages under the A1 resettlement model which occupies a total land area of 111 066, 2 Ha inhabited by a total of 2042 households settled under the Fast Track Land Reform Program in the year 2000 (Ministry of Lands and Resettlement, 2010). Each household was allocated a maximum of 5 hectares of arable land and granted free access to grazing area of a herd not exceeding 5 Livestock Units (LUs) on the communally owned natural veld.

5.2. Population and Sample Composition

Through stratified random sampling, based on the farmers' herd sizes, a sample of 90 house-hold heads was chosen from a population of 2042 for the purposes of the study. A structured questionnaire complemented with field observations was used for obtaining primary data from the respondents. Secondary data was also obtained from sampled cattle buyers, farmers' unions, government agricultural marketing agencies, abattoirs and financial institutions through interviews.

6. Results and Findings

6.1. Awareness on Cattle Grading & Pricing Systems Used in Public Auction Cattle Sales

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	45	75.0	75.0	75.0
	No	15	25.0	25.0	100.0
	Total	60	100.0	100.0	

Table 1: Awareness about the live cattle grading and pricing system used in public auction cattle sales
Source: Primary data

The majority of the respondents indicated that they are familiar with the available live grading and pricing systems used in public auction sales. Only 25% of the respondents indicated that they were not acquainted with the systems and pointed the need for clarifications on how prices were arrived at under public auction sales.

6.2. Extent to Which Farmers Are Able to Finance Beef Cattle Farming

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10%	15	25.0	25.0	25.0
	25%	23	38.3	38.3	63.3
	50%	12	20.0	20.0	83.3
	75%	7	11.7	11.7	95.0
	100%	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Table 2: Level of extent to which farmers are able to finance beef cattle farming
Source: Primary data

The table above shows that the majority of the respondents cited that they did not have the capacity to financially support their cattle production enterprises. Results show that the major challenges limiting model A1 beef enterprises are exploitative prices from private buyers and inadequate financial resources to restock and revitalize the enterprise. A significant number of respondents proposed that localizing auction sales in their respective areas would help them access better priced markets in the industry, while others proposed that restocking loans were imperative in improving the viability of beef cattle production.

6.3. Number of Times Respondents Have Applied for Loans to Finance Cattle Production

		Frequency	Percent	Valid Percent	Cumulative Percent
	Never applied	15	25.0	25.0	25.0
	Once	1	1.7	1.7	26.7
	Two times	44	73.3	73.3	100.0
	Total	60	100.0	100.0	

Table 3: Number of times respondents have applied for a loan to finance cattle production

Source: Primary data

Results show that a significant proportion of the respondents have applied for loans at least twice to fund their cattle production enterprises, but with many failing to access aid from organizations and institutions mandated to resuscitate productivity in the sector.

6.4. Reason Why Loan Application Was Not Successful

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unknown	44	73.3	100.0	100.0
Missing	No response	16	26.7		
	Total	60	100.0		

Table 4: Reason why loan application was not successful

Source: Primary data

From the 98% of the respondents who applied for loans to fund cattle production, it was established that all of them prophesied ignorance of the reasons why their loans were not processed and approved. It was observed that respondents, who had sizeable herds, sourced the cattle by purchasing from own savings or coffers, especially with money generated from non-farming activities and remittances.

7. Discussions and Conclusions

Zimbabwe's resettlement farmers, mostly practice mixed farming where a few species of livestock are kept, with cattle being predominant. Maize, the staple food tops the list of cereal crops grown in all provinces of the country, though in drier region's crops have consequently suffered major failures due to droughts. Mixed farming has traditionally been taken as a mitigatory strategy for risks and uncertainties associated with the farming business. But in situations where labour is limited, the farming system results in stiff competition on time allocated to different farming activities. And in areas where crops are combined with livestock, animal productivity is badly affected as priority is given to crops hence livestock succumb to mediocre management practices leading to high mortality and morbidity rates.

It has been observed that as most beneficiaries of land reform were drawn from the surrounding communal areas, with poor farming backgrounds, this had drastic implications on continued practices of poor cattle management practices on their strongly diluted native breeds (Hard Mashona type), with the animals lacking traits of economic significance, imperative in beef cattle production for lucrative markets as cited by (Moyo and Mpofu, 1996).

The study established that retrenches and pensioners such as war veterans constitute the bulk of the people who benefitted under the fast track land reform program. As these are no longer employable elsewhere, they are forced to be permanent resident in these properties, meaning their fulltime farming is not by choice. This also possibly accounts for the reason why they have limited livestock herds as they have inadequate disposable income to invest on restocking through buying in of improved breeds with the pedigree to produce super carcasses at slaughter for better prices.

Remittances were found to be the only stable source of cash income, an indication that farmers are not getting any meaningful returns from their enterprises. The recurrent crop failure due to devastating droughts has worsened the liquidity crisis among farmers as some resort to unlawful mining activities such as gold panning for sustainable livelihoods.

Though farmers make efforts to apply for loans to fund cattle production it is saddening to discover that almost all of the applicants who applied during the period of the study 2013 to 2014 were not successful and all prophesied ignorance on the reasons why their applications were turned down. This showed that the major stakeholder (government) is not adequately committed in capacitating the farmers to boost production, as the minimal effort made by the government to revive the country's cattle industry has never produced desired results. And under the current economic situations, where banks are also struggling to break even the situation is expected to worsen.

The study revealed that majority of the slaughter stock is marketed through private buyers. A finding which concurs well with findings of the meat grading services' statistics of 2012 (DLPD), which reflected that farmers sold over 90% of their cattle directly to abattoirs. These private buyers include speculators who buy and resell stock in public auctions where they fetch better prices. Abattoirs and local butcheries also exploit farmers through buying livestock at minimal prices taking advantage of situations such as food shortage, the need for tuition fees and inputs for other agricultural activities on the farm. The finding concurs with (Musemwa et al 2008) & NDA, (2005), who identified that abattoirs, as a marketing channel are not very favourable for reasons such as distance from the producers,

slow speed of payments, highly likelihood of animals being condemned on the basis of health status, and many charges involved in using the channel resulting in low revenue for the farmer. Farmers claim that though informed about the existing beef marketing structures, the statutory instruments governing the sale of cattle and knowledge about the grading and pricing systems, and poverty were the driving force pushing them to sell at such unprofitable markets.

It was established that farmers in the study are practicing uncontrolled grazing as all paddock fences has been vandalized, bearing serious implications on the availability and quality of the forage currently available for the livestock. Sentiments from settlers who worked for the former white farmers revealed that the grazing resources are in a state of rapid deterioration, left with colonizer hardy vegetation species highly unpalatable for the herbivores. This was attributed to high stocking rates which do not match carrying capacities of the available grazing lands as much area has been turned into settlement land.

Findings reflected that diseases were a serious threat to the livestock off-take rates with tick-borne infections accounting for high mortalities of cattle and mainly affecting wiener-calves, heifers and steers. These diseases are eroding the possible marketable and replacement stock hence exposing farmers to a limited pool from which they can build replacement stock. The other noted factor pinning down beef productivity in the sector is the traditional mindset of the new farmers which resists new technology and has attributes of a static society which has jeopardized the output of beef industry in the resettlement areas. If the status quo is unchecked, the country's beef herd will continue to decline hence make it impossible to attain the desired off-take rates and viability.

The study revealed that there is high uncontrolled breeding and all the pure breeding gene pool has been severely diluted by the indigenous breeds hence compromising the quality of the marketable stock. The findings concur with Mades's (2010), assertion that while the bull to cow ratios appeared to be good, the quality of bulls and breeding systems remained the major challenge undermining the attainment of the desired calving performance targets in Zimbabwe. As predominant breeds among the resettled farmers, were the indigenous Hard Mashona, Nkone and Tuli. The findings also concurred well with Dhar *et al.* (2001) who also noted that breed improvement under the smallholder sector is difficult as animals graze communally and breed randomly, as farmers do not realize the need to invest in bulls for improved progeny. Furthermore this was supported by Assan, (2012) who noted that improvement of indigenous breeds is trailing behind due to the unavailability of infrastructural requirements needed to perform such breeding programmes like artificial insemination and performance recording.

8. Recommendations

1. A significant number of respondents proposed that localizing auction sales in their respective areas and formation of marketing co-operatives will help them to access better priced markets. It is therefore imperative that government resuscitates infrastructure and provide suitable structures to support auctioning of beef cattle in the new resettlement areas.
2. Transport network to auction places needs to be improved through rehabilitation of roads and bridges as most of them are in a deplorable state and are almost impassable. To augment this communication through mobile net-working also needs to be improved through installation of boosters for better connectivity in the remote areas.
3. Responsible local authorities need to work on modalities of reducing the long cycles between cattle auction sales dates as this exposes farmers to unscrupulous speculative buyers who always maintain ties with disadvantaged communities where they access animals cheaply.
4. As Restocking loans are imperative in enhancing viability of beef cattle production, financial institutions and government need to come to a consensus through a memorandum of understanding (MOU) where local documentation availed to farmers such as offer letters and land permits can be legally accepted as property rights and allowed to serve as collateral when farmers access loans from banks.
5. Farmers need a paradigm shift from subsistence to a more commercial mindset and apply commercial management practices as financial institutions are not at liberty to entrust their funds to entities that do not operate on economic grounds guided by clear principles. As they demand farmers to demonstrate financial management skills and high professionalism in the management, production and marketing of their livestock.
6. As improved off take rates can only be a reality through boosting livestock numbers to viable herd sizes government and stakeholders should partner and embark on a nationwide restocking exercise that focusing on all provinces of the country.
7. Given the aforementioned scenario that the responsible extension organizations are not carrying out their mandate, this necessitates a strategic improvement of extension delivery so as to improve productivity and quality of animals and market orientation of smallholder producers.
8. Government needs to put in place subsidies for livestock inputs such as feed and veterinary chemicals as former commercial farmers used to receive high levels of such support from former governments and also benefited from generous import and export agreements to the European Union's (EU) lucrative markets.

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