

# Space, Markets and Employment in Agricultural Development

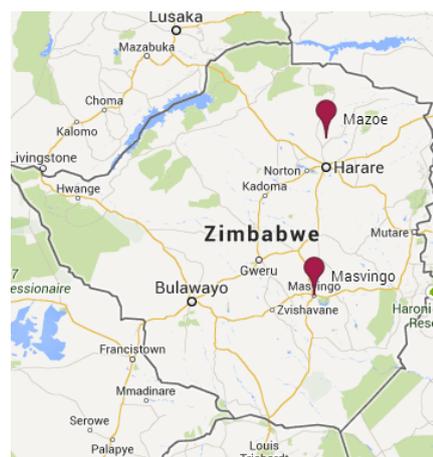
## Research Update

*Chrispen Sukume*

### ZIMBABWE

The study in Zimbabwe is centred on two sites in Masvingo district and Mazoe districts. Masvingo town is the commercial and administration centre of Masvingo Province most of which is a relatively dry. The province has the largest cattle population in Zimbabwe most of which following the recent land reforms are in the smallholder sector. Mazoe is a village in Mashonaland Central province, with a population of less than 10 000.

Key value chains creating employment and generating income, include cattle and vegetables in Masvingo, and tobacco, maize and dry beans in Mazoe.



### *The emerging cattle value chain in Masvingo*

Three of the largest beef processors – Montana Meats, Cold Storage Company and Carswell Meats – have abattoirs in Masvingo. Relying on beef from the widely dispersed smallholder sector, which sells few cattle at a time, has created employment opportunities for aggregators, who in turn employ agents in the villages to identify cattle sellers. When aggregators have accumulated economic numbers of cattle they contact the meat processors to collect the cattle. Other independent entrepreneurs also buy cattle through agents for resale to meat processors; they typically hire trucks from private operators creating further employment opportunities. Meat processors also rent land from larger scale farmers (A2 farmers or municipal land) in areas around Masvingo, where they have set up feedlots to finish cattle before slaughter, further creating local employment and value. Key ingredients in the feedlots – cotton seed and molasses – are sourced from Chiredzi district in the south of Masvingo province. However, most head offices for the large scale abattoirs are in Harare and the main meat markets served are in Harare and Manicaland province, representing an export of retail and distribution value and employment outside Masvingo province.

### *The vegetable value chain in Masvingo*

Small and large scale farms surrounding Masvingo town are fortunate to be close to the large water bodies of Lake Mutirikwi and its tributaries, providing them with a comparative advantage of being able to supply out-of-season vegetables to Masvingo town as well as other districts in Masvingo province. Horticulture producers provide income and employment to other non-horticultural producers during the dry season, small scale wholesalers and vendors, bakkie transporters who carry produce from farms, as well as in supermarkets that source vegetables from these local farmers.

### *The tobacco value chain in Mazoe*

Although tobacco trading in Mazoe does not create many links within the district it generates significant local income and employment in the service sector. From the farm, tobacco is traded in auction floors or contractor buying points in Harare, 80km away. However, contracted tobacco crops – representing 60% of the crop – bring in inputs on credit which represents an inflow of capital into Mazoe early in the growing season. Selling activities inject liquidity into the local economy from February to August, which helps support the local retail sector. Tobacco farmers estimate that tobacco gives them higher return than other crops, and supports the local bakkie and truck transport sector from February to August – an otherwise quiet time in the agricultural transport business since other crops are typically sold during June to September. Harvesting and curing tobacco also provides employment to non-tobacco growers, when they have finished weeding and are waiting for their harvests.

### *Maize and dry bean value chain in Mazoe*

Mazoe is a major producer of maize and dry beans in the country. Most maize and beans are sold through locally-based agents who buy bulk and sell to food and feed processors in Harare. Some agents are local shop operators, farmers or temporary traders who set up shop at the villages during the harvest period. Though they offer essential bulking services and create post-farm employment, excessive margins create expenses for farmers. In the 2013 season agents were offering 40% less than bulk buyers in Mvurwi town (10km away) or Glendale (25km away). However, the agents buy as little as 16kg buckets regardless of moisture content, while bulk buyers only accept maize and beans at an acceptable level of dryness and in a minimum of 50kg bags. Agents also operate within villages, hence farmers save on transport.