



## ZAGP News

### The Newsletter for the Zimbabwe Agricultural Growth Programme (ZAGP)

ISSUE 23: MARCH 2021

#### EDITORIAL

We welcome you to the 23<sup>rd</sup> issue of ZAGP News, the newsletter for the European Union funded Zimbabwe Agricultural Growth Programme (ZAGP). The newsletter brings you updates of project activities across Zimbabwe.

The focus of this issue is on Profitability for Sustainability, as we explore and share how ZAGP is addressing the weaknesses and gaps in livestock value chains that have prevented the sector from increasing productivity, production, and incomes, to their potential.

We highlight how the six projects under ZAGP are implementing interventions to facilitate, promote and support commercialisation of livestock production systems. The projects are tackling the major constraints that hinder full participation and inclusion in profitable value chains. The key is to increase the profitability of all players within the targeted value chains and support projects.

The [Beef Enterprise Strengthening and Transformation \(BEST\) Project](#) is promoting the Cattle Business Centre (CBC) model and pasture production. We share how the partnerships established under the project are putting sustainability measures in place, to ensure the viability of CBCs and all other services provided.

Under the [Inclusive Poultry Value Chain \(IPVC\)](#) project, we delve into the operations of the membership driven Poultry Business Associations (PBAs). With membership growing and volumes of feed and chicks traded increasing, we give highlights on the performance of the PBAs across the five clusters.

The [Value Chain Alliance for Livestock Upgrading and Empowerment \(VALUE\)](#) project is bringing together small and medium pork value chain players, to undertake collective action and engage in win-win business partnerships. We feature the story of the Norton Pork Producer Group farmers who which has come together to procure essential inputs such as feed materials and drugs, a move that has reduced transactional costs and positively adjusted their profit levels.

The restoration of demand driven animal health services is a key activity under the [Transforming Zimbabwe's Animal Health and Food Safety Systems \(SAFE\)](#). We feature the work being carried out by SAFE to restore and sustain the operations of Animal Health Management Centres (AHMCs) with full participation of the private sector and farming communities.

We also explore how the [Transforming Zimbabwe's Dairy Value Chain for the Future \(TranZDVC\)](#) project is moving towards improving the profitability for the different players within the dairy value chain through interventions such as the Matching Grants and Heifer Matching Facilities.

Finally, this issue focuses on the [Zimbabwe Agricultural Knowledge and Innovation Services \(ZAKIS\)](#) project's partnerships with the private sector to set up commercial ventures within the Agricultural Centres of Excellence (ACEs) to facilitate commercially oriented training, agricultural entrepreneurship, and best practice knowledge transfer.

**Happy reading and please, stay safe!**

#### CONTACT DETAILS

**Technical Assistance to the Zimbabwe Agricultural Growth Programme (TA – ZAGP)**  
18 Borrowdale Road, Harare, Zimbabwe | Tel: +263 242 790 904 | Mobile: +263 718 243 243  
E-mail: [nqorchardson@zagp.co.zw](mailto:nqorchardson@zagp.co.zw); [tnyathi@zagp.co.zw](mailto:tnyathi@zagp.co.zw); [admin@zagp.co.zw](mailto:admin@zagp.co.zw); [projects@zagp.co.zw](mailto:projects@zagp.co.zw)

[www.zagp.org.zw](http://www.zagp.org.zw)



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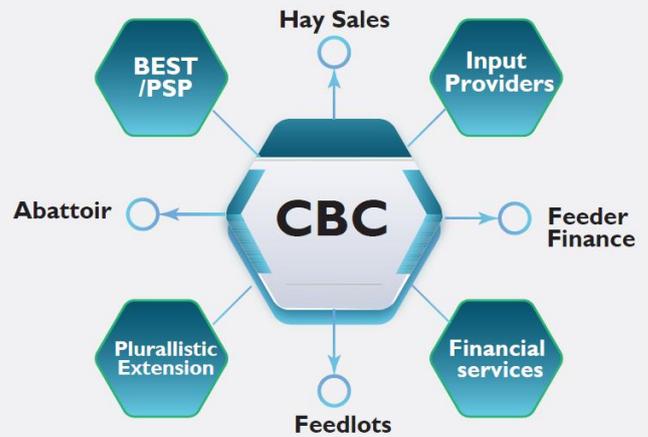


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### Improving Beef Cattle Production and Productivity through Cattle Business Centres and Pasture Production

The [Beef Enterprise Strengthening and Transformation \(BEST\) Project](#) seeks to improve small to medium scale beef cattle production and productivity through pasture production and the cattle business centre (CBC) model. The CBC is established at a central location, accessible to cattle producers and key beef value chain actors.

It is run commercially by an identified private sector company on behalf of the local cattle business association. Farmers can access critical inputs like stock feeds, hay bales, veterinary drugs as well as financial services for pen fattening. Private sector companies have been engaged to provide technical and extension services as well as inputs and output market. Joint participation of private and public sector partners is central to the sustainability of the action to ensure the cattle business will continue after the end of the project.



The BEST business model

#### Profitability of the Lapache CBC Fodder Production Enterprise



Sabie Meats is the private sector partner (PSP) managing the Lapache CBC and fodder production for hay in Mwenezi district in Masvingo province. By the end of 2020, a total of 4,422 hay bales of Rhodes Reclaimer grass (*Chloris gayana*) were produced from 17 hectares planted. Most of the bales were sold to local small to medium scale beef producers in Mwenezi and neighbouring districts.

The gross income from selling 4,029 bales was US\$ 4,793. Sabie Meats made a profit of US\$ 129 for the CBC after offsetting all production and personnel costs. Sabie Meats plans to double the production in 2021, when the remaining 18 hectares of the fodder plot has been planted.

#### Feeder Financing Scheme Records Profits from Pen Fattening



BEST engaged First Mutual Micro Finance (FMMF) to pre-finance purchase of feed from Windmill for pen fattening. Farmers signed a contract with the financier to pay for their feed and for MC Meats to deduct its value and repay the loan when the cattle were slaughtered.

For 43 cattle at Muhlangueni CBC feedlot in Chiredzi district, FMMF advanced a loan value of \$5,910 and recorded 100% loan repayment. The company realised a net income of \$1,443 within 45 days. MC Meats was the off-taker and realised net income of US\$ 5,008 from the 43 cattle fattened at the Muhlangueni CBC feedlot. The plan is to enrol many more farmers around Muhlangueni CBC and run three cycles of 60 feeders each during the 2021 pen fattening cycle.

### Pahlela Phikanisi Records Top Two Best-selling Steers after Pen Fattening



Pahlela Phikanisi is a 60-year-old small to medium-scale beef cattle producer from Musisinyane village of Chikombedzi in Chiredzi district. He is one of the 38 Farmers (30 males and 8 females) who inducted their cattle Mhlanguleni CBC and Chanienga Satellite CBC feedlots in Chiredzi district.

“In this area, we have been struggling with a market dominated by middlemen who purchase cattle at very low prices and then make huge profits. This scenario discourages many farmers. We realised that this trend discouraged investment in animal husbandry by the farmers in the district”, said Pahlela

Lack of organised marketing of cattle in Zimbabwe is one of the bottlenecks affecting beef cattle production. As a result, smallholder farmers resort to the informal way of marketing their cattle, with middlemen arbitrarily setting prices and offloading the animals at cattle auction points and to abattoirs in towns often benefiting more than the farmers themselves.

Pahlela sold two Brahman cross steers after feedlotting them for 45 days during which time they gained an average weight of 95 kg. The two animals weighed 690 kg and 670 kg and improved grade from economy at induction, up to commercial at slaughter. They had a total value of US\$ 2,064 after slaughter.



“After deductions for the costs feed, induction, grading and inspection, I took home US\$1,682. I used part of the proceeds to purchase a variety of household items for my family and agricultural inputs for the 4-hectare plot where I have planted maize and sorghum. I am also constructing a three roomed house in my homestead.

We are grateful for the BEST project for this CBC model and linking us directly to the market. With this new knowledge that we now have and the improved incomes, I foresee a brighter future for cattle producers in this district. I will be fattening four additional animals in the 2021 pen fattening season”, said Pahlela

### Profitability of Poultry Business Associations Key to Sustainability



The [Inclusive Poultry Value Chain \(IPVC\)](#) project has established Poultry Business Associations (PBAs). The PBAs are producer member institutions, that administer and coordinate collective action for farmer access to extension, inputs, financial and market services in a more convenient and cost-effective manner.

Through the bulk purchase of feed and day-old chicks at the Poultry Business Associations (PBAs) across all clusters (Harare, Bulawayo, Gweru, Masvingo and Mutare), small to medium-scale poultry producers have managed run their business enterprises at a profit.

The PBAs have established partnerships with National Foods Holding Ltd. and Windmill Zimbabwe for bulk feed supplies and with Kudu Creek, Irvine's, Masvingo Chicks and Super Chicks for day-old chicks' supplies. The bulk purchases arrangement has seen farmers saving up to US\$2.50c/bag of feed.

#### The Bulk Purchase Profitability Scenario

A 50 kg bag Retail price on average is US\$23. The 50kg bag is discounted to a selling price of US\$20. Therefore, discount per bag is US\$3.00. PBA benefit retention is US\$3.00 less US\$2.50 coming to US\$0.50c per bag. Ultimately farmer benefit retention is US\$2.50c per bag. At least 17,183 bags (50kg) of feed and 88,858 chicks have been sold to the PBA members across the 5 clusters as of February 2020.

#### TRADING PROFITABILITY (up to 31 Jan 2021)

	Harare	Mutare	Bulawayo	Gweru	Masvingo
<b>Sales (USD)</b>	216,405.43	50,640.44	27,343.97	22,585	52,074
<b>Cost of Goods Sold (USD)</b>	209,648.18	47,429.02	26,176.65	20,687	49,392
<b>Gross Profit (USD)</b>	6,757.25	3,211.42	1,167.32	1,898	2,682
<b>Total Operating Expenses (USD)</b>	2,696.68	1,505.68	6,224.00	3,522	5,916
<b>Operating Profit /Loss (USD)</b>	4,060.57	1,705.74	-5,056.68	-1,624	-3,234

## IPVC Piloting Green Technologies



To further increase profitability for farmers, IPVC is piloting green technologies. This intervention sees farmers not only going green and contributing to sustainable green economy in Zimbabwe, but also assisting them in improving their production. Rosemary Ngorima, a 65-year-old farmer from Gweru is one of the farmers who have benefitted from the installation of a 3.5 KV photovoltaic lighting system in February 2021. She is a member of the Platinum Business Association under the Gweru cluster.

A former teacher, Ngorima runs an 800-layer project. She used to rely on natural lighting system and battery powered torches to extend the egg production period. However, this yielded little impact on her production levels resulting in low profits.

“After joining the Platinum Poultry Association, I received numerous trainings in layer management, biosecurity and financial literacy. As someone with little knowledge on poultry production, this led to improvements in my management techniques.

In a space of two weeks, my production was boosted and I started producing 22 crates up from 20. “I am now getting profit of 4c/egg up from 2c/egg. I am already planning to increase my flock from 800 to 1500 birds” said Ngorima.



The installation of a 3.5KV solar system for lighting has boosted production for Rosemary Ngorima, a poultry producer in Gweru.

- The project is continuing to establish satellite PBAs. So far, satellite PBAs have been established in Umzingwane, Shangani and Norton, Mashava, Matopo, Kwekwe, Ntabazinduna, Watsomba, Mkoba and Basilbridge.
- By July 2021 four new live bird markets will be operating. They will be selling an average of 10000 live birds a month, making a profit for farmers and for the market itself.
- Feed sales at the PBAs across the five clusters will increase by an extra 40%.

### Norton Pork Producers Association Leveraging on Collective Action to Enhance Profitability



For long, small and medium pork producers have been fragmented in their attempts to ensure profitability and sustainability of their enterprises in the absence of viable farmer driven associations. It is against this background that the Value Chain Alliance for Livestock Upgrading and Empowerment (VALUE) project is working to bring together small and medium players, to undertake collective action and engage in win-win business partnerships with private sector players to tackle the myriad of challenges facing the value chain.

For the Norton Pork Producer Group, one of the small producer groups affiliated to the Chegutu Producers Association, the idea of collective action was adopted early with the group coming together to procure essential inputs such as feed materials and drugs, a move that has reduced transactional costs and positively adjusted their profit levels.

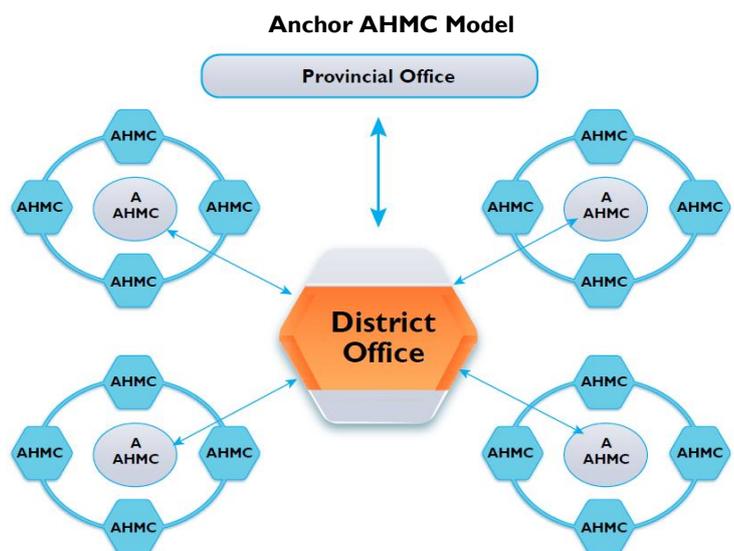
Follow the link to learn more about the group: <http://bit.ly/2PYkGvV>

### Animal Health Service Delivery Model through Public-Private Partnerships at Anchor Animal Health Management Centres (AAHMC)

The [Transforming Zimbabwe's Animal Health and Food Safety Systems \(SAFE\)](#) project is working with the Department of Veterinary Services (DVS) to sustainably restore demand driven animal health services at Animal Health Management Centres (AHMC) with full participation of the private sector and the recipient local farming communities.

AHMCs are the lowest operational unit at the farmer interface level in the provision of veterinary services. They are supervised by the provincial veterinary officer through district structures. There is an average of seven well established AHMCs per district throughout Zimbabwe. Each center is manned by one or two veterinary extension workers (VEW) who services an area with 7 to 10 dip tanks within a radius ranging from 30 to 50 km.

SAFE project has funding allocated for structural and operational improvements at selected strategically located Anchor Animal Health Management Centres that will serve as pilot sites for improved and sustainable animal health service delivery. At least four make-shift AHMC are to be linked to each Anchor AHMC for improved service delivery to farmers.



### Animal Health Service Delivery Model through Public-Private Partnerships at Anchor Animal Health Management Centres (AAHMC)

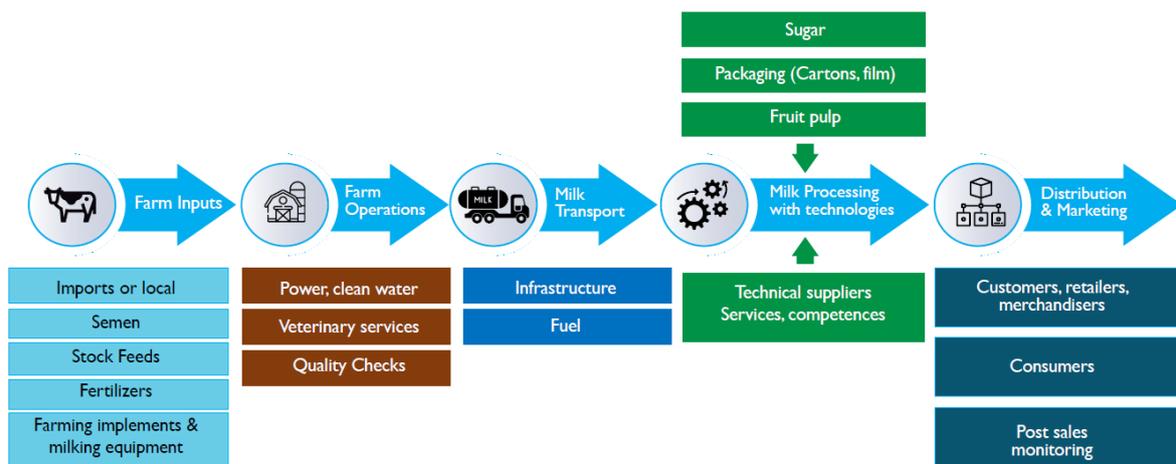


The AAHMCs will be expected to generate revenue to sustain provision of services. DVS will invite private sector participation in the joint utilisation of installed infrastructural capacity on the 26 centres to improve service delivery, installation of additional capacity to meet the local demand for veterinary services and continued roll out of the concept to other centres not covered by the SAFE project.

The selected private sector partner and DVS will enter into a legally binding Public-Private Partnership (PPP) agreement in line with guidelines to be provided by the Zimbabwe Investment and Development Agency (ZIDA) which has the mandate to preside over all PPP arrangements between government agencies and private sector partners.

### Strengthening the Linkages between Production, Processing and Financing in the Dairy Value Chain

#### An Overview of the Dairy Value Chain



To improve the profitability for the different players within the dairy value chain in Zimbabwe, the [Transforming Zimbabwe's Dairy Value Chain for the Future \(TranZDVC\)](#) project is spearheading innovative approaches. These include the Heifer Matching Facility where 200 in-calf heifers have so far been distributed to 43 dairy farmers. TranZDVC facilitated viable contracts between the farmers and the processors.

As a result, five large-scale dairy processors; Dairibord Zimbabwe Ltd, Dendairy, Probrands, Nestle Zimbabwe and Kefalos will get an indirect benefit of an additional two million litres of milk per annum.

TranZDVC has also implements the Matching Grants Facility (MGF) targeting small, medium and large scale farmers, and small-scale processors to invest in productive assets and infrastructure.

### Red Tractor Farm Improves Operations after Purchasing a Packaging Machine

Red Tractor Farm, a small-scale processor in Umzingwane district in Matabeleland South province benefitted from Window 2 of the Matching Grants Facility. The dairy enterprise procured a packaging machine for various milk products, opening opportunities to increase their product range.

Before the investment, they packaged their fresh and sour milk in used Polyethylene Terephthalate (PET) bottles, collected from restaurants. Health experts advise against reusing PET bottles. Such bottles may be safe for one-time use but reuse should be avoided.

Thanks to the investment, Red Tractor Farm is now professionally packaging their products using 300ml and 500ml plastic sachets and production is no longer dependant on the availability of the empty plastic bottles.

This has expanded the markets for the farm as they can now sell their product to the formal retail chains. The farm is now acquiring milk from five surrounding small-scale farmers to push more volumes to the retailers. Before the intervention, they collected milk from one farmer. On average, they have reported a US\$750 increase in their monthly profit.

#### Before



Used PET cool drink bottles ready to package the milk. (Right) Milk packaged in the used PET bottles ready for the market.

#### After



(Left) The automatic filling and packaging machine acquired by Red Tractor Farm. (Right) Sour milk packaged in sachets using the machine

### Commercial Ventures to Facilitate Training, Agricultural Entrepreneurship and Best Practice Knowledge Transfer

The [Zimbabwe Agricultural Knowledge and Innovation Services \(ZAKIS\)](#) project has established Agricultural Centres of Excellence (ACEs) at Chibero College of Agriculture and Matopos Research Institute. District Agricultural Centres of Excellence (DACEs) has also been established in Mhondoro-Ngezi, Insiza, Matobo and Chegutu districts.

Within these centres, ZAKIS has partnered with private sector players to set up commercial ventures to facilitate commercially oriented training, agricultural entrepreneurship, and best practice knowledge transfer. These include Prime SeedCo, Fish Feeds and National Foods Ltd. To date, the project has embarked on various initiatives which include horticulture, aquaculture, poultry production, agricultural equipment hire and fodder production.

The revenue generated from these ventures funds operational expenses and to purchase inputs to enable independent production for follow up cycles. The centres operate within public service institutions where most services are provided at cost, and profits are re-invested into servicing of infrastructure. The income earned will allow the centres to sustainably carry out their key mandate of sharing agricultural knowledge and promoting innovations. This will ensure the strengthening of the centres to conduct crop and animal husbandry research and demonstrate good agricultural practices, innovations and modern farming technologies.

#### ACEs Revenue from Business Enterprises

Chibero College of Agriculture Business Enterprises (USD)				Matopos Research Institute Business Enterprises (USD)			
Enterprise	Gross Revenue	Total variable costs	Gross Profit	Enterprise	Gross Revenue	Total variable costs	Gross Profit
*Broilers	\$7000.00	\$7112.00	-\$112.00	Cabbage	\$577.00	\$150.00	\$427.00
Hay bales	\$202.00	\$50.00	\$152.00	Tomatoes	\$185.00	\$50.00	\$135.00
Planter hire	\$1634.00	\$48.00	\$1586.00				
Horticulture	\$432.00	\$286.00	\$146.00				
<b>Total</b>			<b>\$ 1772.00</b>	<b>Total</b>			<b>\$562.00</b>

*\*National Foods Trials- There was high mortality on the chicks of 256 caused by yolk sack infection from the hatchery which affected the profitability of the enterprise. Variable costs were high due to inefficient power source for lighting.*



1. Aquaculture project supported by Fish Feeds 2. Broiler chicken production supported by National Foods 3. The hay baling venture: equipment and training provided by Radzim



[Read more about the business ventures implemented by the ACEs](#) – Daily News; February 2021

### PROJECT UPDATES

#### The Poultry Direct Business Association (Harare PBA) Receives 10-metric tonne Truck



The Poultry Direct Business Association (Harare PBA) received a 10-metric ton truck to assist the PBA with input deliveries. The truck was handed over to the PBA chairman at the Sustainable Agriculture Technology (SAT) offices in Harare.

Speaking at the handover, Bryan Saunders, the SAT Country Director said that the idea was to assist the Harare PBA with profitability, as the vehicle will be used to provide logistics to members of the PBA. The logistics include deliveries of feed, day-old-chicks, and other inputs.

To date, the Poultry Direct Business Association has sold about 47,495 day-old-chicks and 513.55 tonnes of feed to its members.

#### Fodder for Thought: Manicaland Farmers Embrace Fodder Production



Mr Extra and Mrs Otilia Gutu are among the 310 farmers in Buhera and Makoni districts in Manicaland province who have taken up fodder production under the BEST project.

“This is our second season of growing fodder after adopting the crops during the 2019/2020 season. We started off on a small scale using seed acquired through the BEST project. We managed to harvest a total of 66 bales of Velvet Beans and 22 bales of Sun Hemp”, said Mrs Gutu.

Out of these, the couple sold 15 bales US\$3.00 per bale to neighbouring farmers whose animals were in dire condition due to the drought. They also sold 70 kg of fodder seed to the local community at US\$2.00 per kg.

“While surrounding farmers lost their animals due to the drought, all our animals survived and remained healthy as we fed them with fodder. This was a wake up moment for us and we made the decision to increase the hectarage under fodder crops and we kept some of the seed from the 2019/2020 harvest that he used to plant during this 2020/2021 season”, continued Mr Gutu.



Mr and Mrs Gutu showing their Velvet Bean and Sun Hemp crop.

For the 2020/21 agricultural season, the Gutus have grown one hectare of Velvet Beans, half a hectare of Sun Hemp, half a hectare of Lablab and one acre of sorghum.

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