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Zimbabwe’s horticultural sector has the potential to gain a strong global competitive position, thereby providing substantial social and economic benefits to the country. Prior to the fast track land reform (FLTR) program, export growth in the horticulture sector was impressive, being the fastest growing agricultural sector in the country and the second largest foreign exchange earner after tobacco. This growth was anchored on the large-scale commercial farming sector as smallholder indigenous farmers, and farmer groups in communal and resettlement schemes participation was low. However, out grower schemes under various contract arrangements slowly created linkages between the exporters and smallholder farmers and the number of farmers participating was increasing.

The out grower schemes concentrated on the fruit and vegetable exporting sector of Zimbabwe since it had advantages for both parties avoiding dependence on a few large growers. Packers/exporters preferred the diversification of supply sources and the geographical dispersion of production which minimizes the risk of loss due to climatic variation and regional pest and disease problems.
The advantage to small farmers was that the
exporters provided an assured market for their
produce, technical assistance and inputs on credit.
The horticultural sector thus provided great
opportunities to create employment both directly
and indirectly. Although a number of smallholder
schemes showed promise, there was no history of
(economically) successful smallholder schemes in
Zimbabwe prior to the fast track land reform
programme.

The FTLRP which was implemented in 2000, saw
extensive commercial farming sector
re-designations and re-allocation to the black
majority farmers. The land reform declined in
value by approximately 70% from 2001 to 2013.
There were disruptions in the commercial farming
sector and the subsequent. The uncertainty
surrounding the land tenure discouraged both the
newly resettled and the white farmers for any long
term investment in the sector.

The smallholder sector started getting marginally
involved in export of horticulture. Marketing
became informal, with middle men visiting farms
and purchasing the horticultural produce at low
prices. The farmers are forced to sell because they
need cash to meet daily expenses. Most of the
packing facilities, except Selby Enterprises were
no longer functional. The only processing company
that soldiered on is Chegutu Canners, which is still
contracting farmers to produce jam tomatoes for
processing. However, the firm is grappling with
viability challenges.

The continued decline in sector performance since
2009 had an impact on the country’s GDP. Some of
the factors that have contributed to the death of
local horticulture processing companies include
imported finished products from China and other
countries at half the cost of local processing.
Another factor is inconsistent supply from farmers
due to failure by farmer organizations and
processing companies to build a strong, consistent
grower base.

The five broad issues in horticulture that
need to be addressed are:

i. **Organization** (the organization of the sector
must be aligned with the global nature and
dynamic demands of the industry);

ii. **Production** (the smallholder sector must
become an important supplier of export
produce),

iii. **Logistics** (effectiveness and efficiency must
be improved),

iv. **Marketing** (a value-added strategy should
be pursued), and

v. **Relationship with Government**
(a constructive and mutually beneficial
partnership must be developed in cooperation
with all relevant stakeholders).

3 main value chains are discussed: the general
fruit and vegetable and the banana value chains.

A value chain approach necessitates
understanding a market system in its totality. A
value chain is described simply as the various the
various stages of a production process starting
from input supply, production, marketing and
consumption and these are linked through
different relationships.
Constraints in the various value chains include:

i. Lack of good quality seeds.
The farmers indicated that some seed vendors sell products that have poor germination and they have to travel to urban areas to buy seeds. Seed suppliers revealed that the main varieties sold were the old varieties as the improved hybrids are more expensive,

ii. Lack of access to reliable water for cropping.
The rainfall pattern can be very variable and this affects most smallholders as they rely on streams and shallow wells for irrigation.

iii. Pests and diseases - farmers face major problems when it comes to disease control.
This is due to inadequate training and insufficient funds to purchase proper crop chemicals,

iv. Lack of appropriate and adequate training and extension support in horticultural production.
Most extension and trainings are aimed at the main staple crops like maize.

v. Lack of and cost of fertilizers.

vi. Inadequate production technologies.
The horticultural sector lacks an inventory of available foreign technology, including sources and cost and does not have a coordinated approach to adapt foreign technology.

vii. Lack of appropriate post-harvest technologies.
The major causes are metabolic changes, bruising and mechanical injury, moisture loss or transpiration, physiological breakdown and rots. Very few smallholder farmers have access to loans for horticultural production. The major vehicle through which smallholder farmers access inputs is through contract farming arrangements.
Background of the Study
SNV was engaged by the Danish International Development Organisation (DANIDA) to implement the Rural Agriculture Revitalisation Project - Commercialisation of Smallholder Farmers (RARP CSF), an initiative which seek to facilitate commercialisation of smallholder agriculture with a view to promote improved household incomes, employment and food security. The project aim was to reach 280,000 smallholder farming households throughout all eight rural provinces in Zimbabwe.

The development objective of the project was to commercialise smallholder farming in the country by re-instating sustainable commercial input and output marketing channels as well as technical and business development services provision. The RARP CSF was implemented following an integrated value chain development approach that addresses all constraints hindering growth in specific sub sectors.

The project components which include improving small scale farmers’ access to the right and high yielding inputs, development of win-win sustainable contract farming arrangements and provision of effective business development services have been designed to facilitate the revitalisation of the horticulture, oil seeds and dairy sub sectors.

Horticulture is a strategic sub sector in the country’s economy, in terms of its contribution to national productivity, employment creation and foreign currency generation hence RAR CSF selected it as one of its components/sub-sectors. The Land Reforms disrupted sub-sector growth and created a huge supply gap of horticultural produce resulting in most local retailers resorting to importing fruits and vegetables mostly from South Africa. Yet smallholder farmers, the majority of them women, produce a lot of horticultural produce but are frustrated by lack of defined and dedicated market opportunities.

Taking a leaf from cotton and tobacco, where the private sector has developed the sub sectors by engaging smallholder farmers, SNV intends to explore horticulture market channels that can be developed in partnership with the private sector, smallholder farmers and development agencies like SNV. This study was commissioned to try and help identify smallholder farmer opportunities, willing private sector actors and propose pilot interventions for the RAR CSF Horticulture Component that address constraints hampering private sector partnership with smallholder farmers.

### The project’s immediate objectives are:

1. **To facilitate** access to credit for intermediaries in the agricultural and food value chains.

2. **To promote** private sector competitiveness through “Matching Grants” that will promote technology upgrades and market development.

3. **To promote** food security through improved access to inputs and output marketing channels and processing services.

4. **To facilitate** smallholder farmers participation in formal markets through development of the dairy, oil seeds and horticulture value chains.

5. **To consolidate** and enhance programme development through studies, pilots and innovation.
Zimbabwe’s horticultural sector has a potential to develop a strong global competitive position, thereby providing substantial benefits to the country. The global markets for horticultural products remain attractive and Zimbabwe has the potential to supply the global horticulture market since production of fruits and vegetables continues to move away from the industrialised nations and exports continue to outpace production.

Horticultural production is conducted in mainly three farming systems: large scale commercial farms, ARDA, company owned farms and A2 farms; smallholder comprising communal, resettlement A1 and old resettlement, and small scale commercial farms; and peri-urban and urban producers practicing horticulture in the backyards of residential properties.

**1.1 During and Post the Fast Track Land Reform Program**

The FTLRP implemented in 2000 saw increases of A1 farms. The small scale farming base was broadened as production is concentrated to a large extent in the hands of smallholders, see **Figure 1**.

From 2001 to 2013, the land reform resulted in the exporters losing their land and packing facilities to resettled farmers, resulting in a decline in value of approximately 70% **(Figure 2)**.
• The marketing became informal, with middle men visiting farms and purchase fresh produce, wheat before harvest time at very low prices. The farmers are forced to sell because they need cash to meet daily expenses.

• There were disruptions caused in the commercial farming sector which discouraged long term investments in the horticulture sector.

• Most of the packing facilities, except Selby Enterprises and Mitchel & Mitchel are no longer functional.

• Many food processing companies folded. Fresca was a company that used to dry various types of vegetables (cabbages, onions, carrots, peppers – green, red & yellow - butternuts and tomatoes into a wholesome markets closed down. 70% of this product was for Nestlé Zimbabwe, which used it to produce baby food while about 15% was exported. The remainder was consumed locally. The closure of Fresca has negatively affected farmers who have been forced to search for alternative markets.

Zagrinda used to require 90 tons of tomatoes per run for its huge machinery. This became a nightmare, especially with farmer organizations showing little interest in building strong commodity associations. Cairns used to produce tomato puree with raw materials from Cashel Valley and other sources. Although there are efforts to recapitalize it, the firm has stopped operating viably. Lyons used to process tomato puree for export to Malawi and other countries but has closed. Other firms that have stopped agro-processing include Flue Pack, Muchero Wholesalers and Kutapira. The only processor that has soldiered on is Chegutu Canners, though grappling with viability challenges.

Cheap processed food imported from China have contributed to the death of horticulture processing companies. Also inconsistent supply from farmers due to failure by farmer organizations and processing companies to build a strong, grower base resulted in closure of food processing industry in Zimbabwe. Recurring problems like post-harvest losses require fresh strategies.

Thus, there is a need to identify incorrect assumptions in order to sort out the right value addition strategies. We should strongly think about aligning agriculture with the country’s industrialization efforts, otherwise value addition will remain nice words in policy documents for the next 50 years without any visible positive practical impact.

• The continued decline in sector performance since 2009 had an impact on the country’s GDP. (See Figure 3)

![Figure 3: Horticulture sector performance (2009 to 2013)](source: ZIMSTAT)
The main purpose of this assignment was to identify and assess leading smallholder farmer horticulture market channels / value chains with potential for private sector led development in Zimbabwe. In addition, the study should serve as a guide for the Government in the formulation of policies that support the development of viable smallholder farmer based horticulture value chains in Zimbabwe.

The ultimate aim of the study was to:

i. Identify the main actors in the sub sector, their functions and links with other actors.

ii. Identify and analyse the major supply channels in the sub-sector and the markets they serve.

iii. Map the sub-sector showing the existing supply chains and actors.

iv. Identify the main horticulture market channels that can be developed for small holder farmer commercialization.

v. Analyse the critical success factors for the participation of smallholder producers to participate in the channel.

vi. Identify the risks and potential problems related to the development of the proposed value chain.

vii. Develop and propose models for linking smallholder farmers to private sector markets and to strengthen their access to other Business Development Services such as finance, inputs, business training etc.

viii. Identify and recommend donor and corporate funding opportunities and requirements which SNV can consider.
The horticulture sub-sector analysis focused attention on the fruit and vegetables mainly produced and traded in the local and export markets amongst smallholder farmers. Market analysis at the local level was conducted through studies in Mashonaland Central, Mashonaland East and Manicaland.

Discussions with market participants and key informants with knowledge about the sector were conducted, with the aid of an interview guide. From this, a sub-sector map was developed, graphically presenting the key subsector actors and their relationships. Interviews were carried out to identify the nature and category of constraints and opportunities in the sub-sector.

The interview guide assisted not only in identifying primary actors in the sub-sector, but also their roles, interrelationships, governance structures and market channels. The study identified actors from input supply, production, assembling, processing, to delivery of the final commodity to consumers locally, regionally and internationally.

The study made use of a combination of quantitative and qualitative data collection methodologies. **Actors sampled during the study included the following:**

- **Exporting pack houses** – LonrhoAgri (Rollex) 
  Selby Enterprises,
- **Wholesalers** – FAVCO (Harare) and Matanuska
- **Processors** – Selby Enterprises
- **Retailers** – OK and TM Supermarkets, Mbare Musika and Sakubva vegetable markets, Fruit and Vegetable venders in Mutare and Harare, Farmers Market Westgate,
- **Support organizations** – Zimtrade, Horticultural Promotion Council.
- **Input providers** – Windmill, ZFC, Prime Seeds, Hunyani packaging.
- **Producer Organizations** – Zimbabwe Farmers Union, DOPA & MAPA Producers Associations.
- **Transporters** – Rollex
- **Public institutions** – Marketing Division and AGRITEX within the Ministry of Agriculture
- **Financial services providers** – Agribank, CBZ,
- **NGOs** – ZimAied, ZimACP

The majority of the horticultural producers interviewed for the survey were communal farmers and A1 scheme beneficiaries.

**Challenges faced during the study were:**

- **Due to absence of** documented data on fruit and vegetable production and marketing most of the figures provided are estimates based on observation, information from key informants and projections from the production survey conducted as part of this study.
- **Sometimes even if** interviews were planned and times agreed in advance, some of the informants were not available.
Eaton and Shepherd (2001) classify contract farming into 5 models depending on the product, the resources of the company and the required intensity of the relationship between the farmer and company.

### 4.1 Centralised and Nucleus Models

In this model the company is usually a centralized processor or packer that requires to feed through a processing procedure. Processing may vary in complexity from simple operations (cooling, grading, sorting and packaging operations) to sophisticated procedures (vegetable freezing and canning).

These operations are usually vertically coordinated with stringent quota allocation and quality control. A direct farming approach is often used in these projects when smallholder farmers are managed or organised and requires a high level of management. Company sponsorship varies from minimal input provision (e.g. seed) to the opposite extreme (land preparation, seedlings, fertilizers, agrochemicals etc.). Selby Enterprises Ltd and Safari Fresh Ltd fit in this model.

### 4.2 Nucleus Estate Model

In this model the company is represented locally through a central estate or plantation. The central estate is usually used to guarantee throughout for the processing plant in this type of contract, the core estate is usually in close proximity to the contracted farmers. It often provides significant of material and management resources. The contracted farmers therefore benefit from the central estate’s economies of scale. In many countries of the world this model is used with resettlement schemes.

*Figure 4: Illustration of the centralised and nucleus models*
4.3 Multipartite Model

This multipartite model is used when more than one organisation collaborates in the farmer contract. Separate organisations may be responsible for credit provision, production, management, processing and/or marketing. Multipartite models can develop from the centralised or nucleus estate models.

4.4 Informal Model

This model is more common for short season crops such as fresh vegetables for wholesalers or supermarkets. The crops generally require a minimal amount of processing. These contracts do not usually involve directed farming and financial investment is minimal because individual promoters do not have large financial resources.

Material inputs are restricted to provision of seeds and basic fertilizers. Technical advice is restricted to grading and quality control and developers often rely on government support services such as extension – Selby Enterprises Ltd and Lonrho Agric (Rollex) fit in this model.

4.5 Intermediary Model

Companies that do not want direct contact with the farmers and may choose to subcontract production to an intermediary party. There are no examples of this type of contract in the companies surveyed. In this type of setup there is a danger that the company may lose partial (e.g. prices paid to farmers) or entire control of production.

Figure 5: Illustration of the multipartite model

Figure 6: Illustration of the intermediary model
Value chains concept is an approach to analyze and explain new forms of international trade. This approach necessitates understanding a market system in its totality, a set of actors and activities that bring a product from conception to its end use in a particular industry.

Actors along a value chain often move beyond spot market transactions to establish relations with each other through contracts, vertical integration, alliances, and other forms of coordination. These relations can cover a multitude of arrangements for production, processing, and logistics. The benefits that are usually sought from stronger linkages include improved access to inputs, technology, information, markets, and capital. The strength of relations within the value chain is determined by the trade-off between the economic incentives associated with stronger relationships and the costs of losing independence.

### 5.1 Chain Governance

Governance describes the extent to which interactions between chain participants are organized. Generally, governance occurs when some actors in the chain work to parameters set by others.

Three dimensions of governance are examined here:
- (i) chain organization,
- (ii) institutions,
- (iii) legislation and regulation.

*Figure 7: A typical value chain diagram*
Chain Organization

Chain Organization describes the ways farmers are linked to agribusiness, how information and services flow along the chain, and pricing mechanisms. Based on these indicators, chains are ranked with respect to the strength of their inner linkages.

Institutions

Institutions bring different actors together along the chain. Because institutions serve as links between chain participants and outsiders (that is, government), they are neither completely internal nor external to the chain. Their effectiveness affects the capacity of the value chain to innovate and positively influence its business environment.

Legislation and Regulation

Legislation and regulation determine how governance external to the chain affects its performance. This aspect of governance encompasses chain-specific acts and laws as well as general public sector interventions relevant to the development of value chains.

5.2 Costs and Returns Along the Value Chain

The quantitative value chain analysis is constructed around enterprise budgets. These budgets take into account the total cost of production and marketing of each agricultural commodity, including labour, land, inputs, and capital.

5.3 The Main Actors and their Functions in the Horticulture Sub-Sector

a. Producers

Main producers for fresh vegetables for both local/domestic and export markets are concentrated around cities (approximately 100 km radius). Export citrus is grown mainly by big estates as well as by some large scale commercial farmers in Mazowe and Beitbridge areas. The rest is supplied by farmers in Mvurwi, Guruve, Mazowe, and Chegutu areas. Bananas are grown by both smallholder and large scale farmers in Burma valley, Chipinge and Bindura areas.

b. Farmers’ Unions

These are the Zimbabwe Farmers Union (ZFU) representing predominantly communal and small scale farmers, Zimbabwe Commercial Farmers Union (ZCFU) representing largely black indigenous commercial farmers and the Commercial Farmers Union (CFU) representing largely the white large scale commercial farmers. The fourth farmer organization, the Zimbabwe National Farmers Union (ZNFU) represents the newly resettled A2 farmers – this is not very active.

Each of the farmer organizations has a commodity association that represents the interests of the farmers growing specific commodities such as horticulture. Due to both budgetary and financial constraints, these various Unions are either not operating effectively or not at all.

c. Farmers’ Associations

At the local level in the smallholder areas there are various farmer associations, grouping together
farmers growing and in some cases collectively marketing horticultural produce. Examples of such associations in the main horticultural growing areas are Murewa Agriculture Producers Association (MAPA) in Murerwa and Motoko Communal Areas and Domboshava Horticulture Producers’ Association (DOPA), representing farmers farming in Domboshava Communal Area.

d. Processors/Exporters
They process and export fresh produce and are involved with various out grower schemes. The main exporters in Zimbabwe are Selby Enterprises (Harare), Lonhro Agric/Rollex (Marondera), Crostel (Macheke).

e. The Main Markets in the Horticulture Sub-Sector
The main vegetable markets are Mbare & Lusaka – Highfield (Harare); eMalaleni & Bulawayo Upmarket Traders Association (Bulawayo); Sakubva & Chipangano (Mutare), Kudzanayi & Kombayi (Gweru); Garikayi & Mucheke (Masvingo); Kwekwe; Chinhoyi; Bindura. There is insufficient information on markets from other smaller towns and growth points.

f. Input suppliers
i. Suppliers of fertilisers and technical services on crop nutrition: ZFC, Windmill, Omni, Proffer, Superfast, Farmers World, Bayer, Green Yard, Agricore, Prime Crop Protection (Part of Prime Seeds), and a host of new, upcoming and smaller players.

ii. Suppliers of agrochemical and technical services on plant protection: ZFC, Agricura, Windmill, Pivotal, Curechem, Polachem, Intercrop, Citichem, Technical Services Africa

iii. Packaging material: Hunyani Paper Mills

g. Trade Promotion Bodies
Zimtrade: Exhibiting Zimbabwe goods at the major international trade fairs, arranging inward and outward trade missions, preparing generic promotional material, aimed at the international horticultural trade press, provision of information about overseas markets and providing introductions to Zimbabwe exporters for overseas importers. Horticultural Promotion Council which promote and represent the interests of all producers of horticultural produce and to liaise with all processors, exporters, traders, shippers of such produce and with all other businesses involved in the horticultural industry in Zimbabwe.

h. Seed suppliers
Identified players in the seed and planting material industry include Platinum Seeds, National Tested Seeds, Pioneer, Prime Seeds, Pedistock and East West Seeds.

Most seed houses are supplying seed imported from South Africa. Seed - Co, Impala seeds and Pioneer have been conducting vegetable seed trials. Seed - Co is considering venturing into the production of certified horticulture seed.

The challenge to the vegetable producers lately has been the unavailability of vegetable seeds in the market. Smallholder farmers produce their own seed from tomatoes and leafy vegetables such as covo and tsunga.

Smallholder farmers access seed and planting materials that are distributed largely through retail outlets such as Farm and City and chain supermarkets such as Town and Country, OK, TM and Meikles. Leafy vegetables and tomatoes are
easy to recycle so they are the dominant vegetables produced by the smallholder farmers. Potatoes are hardly produced by the smallholder farmers due to the high cost of the potato seed.

i. **Cross-Cutting Providers**

Financial institutions, Government Departments, NGOs like SNV, ZimACP, ZimAied, and Mercy Corps. The NGO sector, with actors such as SNV, is providing the forum for multi-stakeholder coordination and the identification of supply chain constraints and potentially sustainable intervention strategies to strengthen smallholder participation in the vegetable sector.
6.1 The Fruit and Vegetable Value Chains

The main export vegetables grown are mange tout peas which occupy 40% of the exports, French beans at 20%, and baby corn at 10 to 15%. Others include sweet corn, baby carrots, chillies and cherry tomatoes. The main vegetables grown for the domestic market are basics (e.g. cabbages), kale, tomatoes, onions, potatoes and indigenous African vegetables (pumpkin leaves, bean leaves, and nyeve).

These are grown mainly during the rainy season. The big sellers in terms of vegetables through the main informal Mbare Musika market are for tomatoes, cabbages, kale, potatoes, and onions.

*Table 1* shows the main fruits and vegetables sold through the Mbare wholesale market during the first three months of 2014 and *Table 2* shows crops produced for domestic and export markets.

**Table 1: The quantity/pockets, the volume and estimate revenue (E.R.) of fruit and vegetables sold through the Mbare wholesale markets (January – March 2014)**

<table>
<thead>
<tr>
<th>Product</th>
<th>Quantity</th>
<th>Tonnage</th>
<th>ER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabbages</td>
<td>137,230.00</td>
<td>343.08</td>
<td>$119,055.00</td>
</tr>
<tr>
<td>Potatoes</td>
<td>121,710.33</td>
<td>1,827.46</td>
<td>$1,321,573.00</td>
</tr>
<tr>
<td>Bananas</td>
<td>32,333.23</td>
<td>582.00</td>
<td>$420,331.99</td>
</tr>
<tr>
<td>Watermelons</td>
<td>27,900.00</td>
<td>139.50</td>
<td>$66,600.00</td>
</tr>
<tr>
<td>Mangoes</td>
<td>21,400.00</td>
<td>107.00</td>
<td>$85,600.00</td>
</tr>
<tr>
<td>Onions</td>
<td>15,795.00</td>
<td>158.33</td>
<td>$145,875.00</td>
</tr>
<tr>
<td>Carrots</td>
<td>9,095.00</td>
<td>90.95</td>
<td>$90,950.00</td>
</tr>
<tr>
<td>Lettuce</td>
<td>6,562.00</td>
<td>10.50</td>
<td>$6,562.00</td>
</tr>
<tr>
<td>Apples</td>
<td>4,224.13</td>
<td>76.03</td>
<td>$118,275.72</td>
</tr>
<tr>
<td>Butternuts</td>
<td>3,634.00</td>
<td>181.70</td>
<td>$82,080.00</td>
</tr>
<tr>
<td>Green Beans</td>
<td>2,250.00</td>
<td>22.50</td>
<td>$16,700.00</td>
</tr>
<tr>
<td>Cucumbers</td>
<td>1,950.00</td>
<td>19.50</td>
<td>$11,700.00</td>
</tr>
<tr>
<td>Peas</td>
<td>1,000.00</td>
<td>10.00</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Green Pepper</td>
<td>825.00</td>
<td>8.25</td>
<td>$7,925.00</td>
</tr>
<tr>
<td>Red Pepper</td>
<td>575.00</td>
<td>5.75</td>
<td>$5,275.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,504,502.71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 2: Crops produced for domestic and export markets*
Main Fruits Grown

The main export fruits are citrus (oranges, lemons, and tangerines (or easy peelers)), grapefruit, passion fruit, strawberry and avocados. Oranges account for about 90% of fruit exports, with all the other fruits accounting for 10% of the exports. The main fruits for the local market are bananas, oranges, apples (mostly imported), and mangoes (Bernsten, 2011).

Export citrus is grown mainly by big estates like Mazowe Citrus Estates, owned by Interfresh, has about 600ha of citrus (of which 75ha is under lemons and the rest is under navel and Valencia oranges) and supplies 15-20% of the export crop. Large estates in Beitbridge grow citrus on about 1,000 ha and supply about 60% of the export crop. The rest is supplied by farmers growing citrus in Mvurwi, Guruve, Mazowe, and Chegutu areas.

Bananas are grown by both large scale farmers in Burma valley and Chipinge areas, who contribute about 60% of the bananas on the market, and by communal small scale growers in Honde Valley, Chipinge and Chimanimani areas. There are about 1000 small scale growers growing bananas on 0.5ha to 1.5ha and Claremont Estates (a member of Ariston Holdings) in Nyanga grow pome fruits on 58 ha and stone fruits on 24 ha. These are mainly for the local market. An example of a typical banana value chain is presented in Appendix 3.

Figure 8: Expected revenue for horticultural produce per province
Source: Knowledge Transfer Africa (ER: Expected Revenue Jan – March 2014)
6.2 Crop Production and Input Factors

Horticultural production is mainly practiced in agro-climatic regions I and II and to some extent in regions III and IV. Most of the production is limited to the winter months which make the requirement for irrigation a prerequisite for the successful growing of the crops. Sowing takes place until about June when there is less planting because of reduced water availability.

6.3 Constraints in the Fruit and Vegetable Value Chains

a. Seed availability and cost.
Farmers who were interviewed indicated that some seeds are of mixed material or of poor germination. They have to travel to urban areas to buy seeds. Seed suppliers revealed that the main varieties sold were the old varieties. Prime Seeds have improved hybrids for sale but they are usually more expensive and they normally sell them only if they have a specific order.

b. Lack of access to reliable water for cropping.
The main constraints are inadequate accessibility and cost of irrigation water.

c. Pests and diseases.
Farmers face major problems when it comes to disease control due to inadequate training and insufficient funds to purchase proper crop chemicals. There is frequent inappropriate use of chemicals.

The main problems observed were the inability to measure out the correct dosage, lack of spraying equipment or poorly maintained sprayers and wrong diagnosis of pest or disease problem or control remedy. It has been reported for example that growers sometimes use chemicals used in dipping livestock for controlling diseases and pests in their fields.

d. Lack of appropriate and adequate training and extension support.
This is mainly due to the fact that most extension and trainings are aimed at the main staple crops like maize and very little is aimed at supporting horticultural production.

e. Lack of and cost of fertilizers.
Farmers have to incur the extra cost of transporting the fertilizer to the village, hence increasing production costs.

f. Inadequate production technologies.
The horticultural sector does not have a coordinated approach to adapting to foreign technology and lacks an inventory of available foreign technology. This high dependence on foreign technology has resulted in smallholder farmers being unable to access technologies appropriate to their specific needs.

g. Inadequate post-harvest technologies.
There are five main causes of spoilage of vegetables including metabolic changes, bruising and mechanical injury, moisture loss or transpiration, physiological breakdown and rots.

6.4 Recommendations

a. Seed availability and cost.
Promotion of production of locally grown seed by smallholder farmers under supervision of seed houses. The seed could be sold locally hence cheaper to the growers.
b. Reliable water for cropping.
Agronomic practices to improve water use efficiency. Introduction of drip irrigation scheme that will ensure that there is no over-irrigation. There is a need to consider other soil and water management practices like the use of mulches. Visits made to farmers’ fields did not reveal the use of mulches as a regular agronomic practice and yet if growers did apply a mulch to the soil, they could reduce their water application rates by as much as 50%.

c. Pests and diseases.
Introduction of Integrated Pest Management (IPM). This will include the use of disease resistant varieties for summer production. The selection of varieties with short growing periods so that a three season rotation can be fitted into one year. The use of mulches and composite that conserve water and supply the plants with nutrients.

d. Training, research and extension support.
The public institutions should align themselves to match the pace of growth of the private sector; their research and extension programmes should therefore be appropriate to the demands of the horticulture sector.

e. Availability and cost of fertilizers.
Introduction of organic and conservation farming. Some of the artificial fertilizers are alleged to be unsuitable for sustainable crop production, i.e., fertilizers of organic origin are preferred like Guano or use of composites that are cheaper than artificial fertilizers.

f. Post-harvest handling.
Reducing temperature after harvesting will reduce rate of metabolism, hence reduces spoilage and growth of organisms that cause rots. Proper management of the cold chain, e.g., using charcoal coolers in the field.

6.5 Marketing

Domestic Markets

The domestic market is supplied by all producers (smallholder, LSC, urban and peri-urban). The main target markets are both the formal and informal markets. Formal market channels are dominated by wholesalers which are estimated to be 20 in Harare, including FAVCO, and Harare Produce Sales. FAVCO has an exclusive marketing arrangement with OK retail supermarket chains, and supply the 40 out of the 55 supermarkets in its northern areas.

FAVCO sells 75% of its produce through OK, while the balance is supplied to other wholesalers and supermarkets on a need basis. Other wholesalers such as Harare Produce Sales are integrated and sell some of the produce through their own retail outlets, while some are supplied to supermarkets such as SPAR, catering companies, schools, hospitals, and institutions such as the Army and the Air Force. Fruit for the domestic market is mainly sold through outlets such as the Mbare Market and through supermarket chain stores such as TM or OK stores.

Export Markets

Depending on the target markets, the main requirement for the export market is certification (Global GAP, Fairtrade etc). This requires the farmer to meet certain standards and includes factors such as traceability, the quality of water and types of chemicals used in production, standards of farm hygiene and labelling, social
issues for workers, and residue levels that fall within the accepted limits, among others. Certification for Global GAP is normally from independent assessors annually at a fee of approximately US$ 1,000.

For exports targeting specific supermarket chains in the UK market, these may require extra certification, e.g. Tesco Nature’s Choice, BRC which is more stringent than Global GAP and are also done annually through technical farm audit visits. These requirements exclude most smallholder farmers from participating in producing for the export market. However, they can participate through supplying export certified pack-houses or LSC farmers under contract or as out-growers.

The main export destinations for Zimbabwean vegetables are The Netherlands, Germany, France and Belgium. Over 60% of the vegetables exported were destined for the UK market, although now South Africa is increasingly becoming an important market. Numerous exported are listed (Appendix 2) and are available to do business with local farmers.

Oranges are mainly exported to Europe (50% of oranges), where they are sold on consignment from Hamburg in Germany. It takes 90-120 days to get paid from Germany from the time when the fruits leave Zimbabwe. Other export destinations are Russia (10%), Abu Dhabi and Saudi Arabia (15%) and Hong Kong.

Lemons are also sold in the Middle East. Passion fruits are sold mainly to Europe (Germany, France, UK, Netherlands, and Belgium). Some avocados are grown in the Eastern Highlands by companies such as Ariston Holdings, and exported to the Middle East.
Figures are represented below to illustrate the horticulture subsector mapping in Zimbabwe.

**Figure 9:** Shows that the informal sector is the largest vegetable supply channel handling about 66,717 tons of vegetables annually (Jaure 2008).

The next biggest channel is the formal domestic market handling 48,402 tons annually. The international market channel comes third with 4,974 tons as in 2006 and lastly the regional market channel with 1,415 tons. There are a lot of commodity exchanges between the channels and amongst companies along the same supply channel.

Source: Jaure (2008)
The distribution channels in Bulawayo shown in Figure 10 is different from Figure 9, the latter showing the national position in Bulawayo. Most of the producers are large scale producers, who are required to deliver their produce to commission agents or sell to the wholesalers such as Willsgrove rather than handling the marketing of their produce directly to the customers. Matabeleland is deficit in vegetable production so the formal wholesalers import from excess supply areas such as Mashonaland East, Manicaland and Midland provinces. See Figure 9.

To be competitive in the informal supply chain one has to be competitive in price, logistics and transport complimented by a good communication
But smallholder farmers are very weak on the logistics and transport side. Most of the successful street vendors have pick up vehicles from which they sell their produce and are able to quickly go and collect produce from surplus supply areas and deliver to markets at a profit.

It is important to note that there is a very high percentage of local sales as some hotels now go straight to source their vegetables from the producers to ensure reliable supply and avoid embarrassing food shortages to their guests.

In the rural areas the councils are also establishing farmers markets where producers can wholesale their produce. Such farmers markets are now operational in Chinamhora (Goromonzi district) and Mutoko District. The informal market offers the highest return to the producer with a gross margin of 59, 4% and immediate cash (Jaure, 2008).

7.1 The Main Marketing Channels of Horticultural Produce For Both Fruits and Vegetables

*Figure 11* gives the various channels used by the producers. The main channel is the first one, i.e., grower/processor/wholesaler/retailer/consumer. Smallholder farmers can participate in all channels as growers, but have to meet the prerequisites laid out in the next chapter.
## Success Factors for the Participation of Smallholder Producers in the various channels

### Constraints / Weaknesses

<table>
<thead>
<tr>
<th>Constraints / Weaknesses</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9.1 Production</strong></td>
<td></td>
</tr>
<tr>
<td>a. Low levels of investment in horticulture</td>
<td>Lobby government to finalise policies on land, indigenisation and water</td>
</tr>
<tr>
<td>b. Marginal inclusion of smallholder farmers</td>
<td>Promotion of smallholder horticulture, e.g. through trade fairs, local and foreign</td>
</tr>
<tr>
<td>c. Highly inefficient irrigation systems</td>
<td>Introduction of new technologies, e.g. drip irrigation</td>
</tr>
<tr>
<td>d. Dependence on vagaries of the weather</td>
<td>Introduction of new technologies, e.g. drip irrigation</td>
</tr>
<tr>
<td><strong>9.2 Logistics</strong></td>
<td></td>
</tr>
<tr>
<td>a. Insufficient air freight capacity</td>
<td>Attract more airlines to collect cargo</td>
</tr>
<tr>
<td>b. High cost of production</td>
<td>Attract more players to encourage competition</td>
</tr>
<tr>
<td>c. Lack of alternative destinations</td>
<td>Explore new markets for horticulture produce</td>
</tr>
<tr>
<td>d. Lack of private sector competition</td>
<td>Attract more players to encourage competition</td>
</tr>
<tr>
<td><strong>9.3 Marketing</strong></td>
<td></td>
</tr>
<tr>
<td>a. Lack of marketing mix</td>
<td>Develop data collection team or collect data monthly for the top ten importers and the top ten imported products</td>
</tr>
<tr>
<td></td>
<td>Develop data collection strategy to collect information for top ten buyers in each importing country</td>
</tr>
<tr>
<td></td>
<td>Develop short and long term strategy for the horticulture sector</td>
</tr>
<tr>
<td>b. No sectorial strategy</td>
<td></td>
</tr>
<tr>
<td>Constraints / Weaknesses</td>
<td>Solutions</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>9.3 Marketing</td>
<td></td>
</tr>
<tr>
<td>c. No Private Public Partnership</td>
<td>Strength HPC and the horticulture Task Force</td>
</tr>
<tr>
<td>d. Lack of market knowledge</td>
<td>Encourage partnerships by lobbying Government and private sector, capacitate ZimTrade</td>
</tr>
<tr>
<td>e. Lack of local production</td>
<td>Develop and promote the local gap as a marketing tool</td>
</tr>
<tr>
<td>9.4 Funding</td>
<td></td>
</tr>
<tr>
<td>a. Uncertainty regarding land, indigenisation &amp; water</td>
<td>Lobby government to finalise policies on land, indigenisation and water</td>
</tr>
<tr>
<td>b. Poor macroeconomic climate</td>
<td>Encourage and support linkages between different organisations, including donors and government</td>
</tr>
<tr>
<td>c. Lack of support from donors and financial sector</td>
<td>Encourage and support linkages between different organisations, including donors</td>
</tr>
<tr>
<td>d. Lack of business dexterity and dynamics</td>
<td>Capacity building of farmers in understanding wholesale and retail price and business dynamics - to understand farming as a business - training them on budgeting, gross margin analysis, etc</td>
</tr>
<tr>
<td>9.5 Human Resources</td>
<td></td>
</tr>
<tr>
<td>a. Dwindling human resources base and under-utilization of available resources</td>
<td>Attract return of experienced workers outside the country</td>
</tr>
<tr>
<td>b. Insufficient training and education programs</td>
<td>Assess most efficient way of building knowledge and know-how</td>
</tr>
</tbody>
</table>
Financing for Smallholder Horticultural Production

The major vehicle through which smallholder farmers access inputs is contract farming arrangements mostly involved in the export of fresh vegetables. Government policy is biased towards ensuring food security, usually at the expense of other crops such as horticultural produce for the domestic & export markets. The main issues for smallholder farmers to access finance are in the following table.

<table>
<thead>
<tr>
<th>Sources of Finance</th>
<th>Credit Facility Offered</th>
<th>Condition of Credit Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agribank, Standard Chartered, Stanbic,</td>
<td>Loans for capital projects ad recurrent expenditure, e.g. Agribank offered a credit</td>
<td>Seasonal loan with interest rates ranging from 14-22% per annum</td>
</tr>
<tr>
<td>Barclays &amp; CBZ</td>
<td>facility for prefabrication of irrigation for banana farmers who sold to FAVCO</td>
<td></td>
</tr>
<tr>
<td>MicroKing</td>
<td>Loans for capital projects ad recurrent expenditure, e.g. seasonal arrangement with</td>
<td>Seasonal loan with interest rates ranging from 20-50% per annum -</td>
</tr>
<tr>
<td></td>
<td>ZimAid/Fintrac for tomato and sugar bean production</td>
<td>repayment within 6 months</td>
</tr>
<tr>
<td>Virl Microfinance</td>
<td>Loans for capital projects ad recurrent expenditure</td>
<td>Special arrangement with Fintrac at interest rate of 4% per month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>for buying fertilizer. Repayment through stop order facility -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>repayment within 6 months</td>
</tr>
<tr>
<td>Matanuska</td>
<td>Provision of new improved varieties of bananas at a subsidised price</td>
<td>Repayment through stop order facility</td>
</tr>
<tr>
<td>Credit for Agriculture Trade and Expansion (CREATE) Fund. A fund set up by the Zimbabwe Agricultural Development Trust (ZADT). Currently run by 3 banks, namely FBC Bank, NMB Bank and Steward Bank, and set up in 2011. Currently funded to the tune of more than US$30 million.</td>
<td>Value chain actors in which smallholder farmers meaningfully benefit directly or indirectly and those who procure from, sell to and distribute to low income groups and are engaged in other agro-rural economic activities that create rural employment</td>
<td>Business plan showing how your business is connected to small scale farmers (contractor, agro-processor, agro-dealer, wholesaler, agro-input / implement manufacturer, small scale farmer, agro-trader)</td>
</tr>
</tbody>
</table>

Table 5: Shows credit facilities open to smallholder farmers with limited information on finance providers, the interviewees indicated the following finance providers.
**Subsector Entry Points**

**Organisation**

This could be done by either strengthening farmer organisations, like ZFU and HPC, to best service the farmers by providing the following:

a. Technical support, e.g., staff training, staff numbers, etc
b. Logistical support, e.g. mobility

g. Support government and functionality of standards (for local and export markets) and regulatory framework,

i. **Identify, adapt and implement** internationally accredited inspection and quality control systems, like Global GAP and

ii. **Raise awareness on** consumer hazards, including MRLS

**Production**

Develop potential in the smallholder sector to produce for both domestic and export market by:

a. Facilitating linkages between farmers and exporters, by promoting and encouraging contract farming models,

b. Promote efficient irrigation systems, like drip irrigation schemes,

c. Identifying and building the capacity of local Seed houses willing to venture into horticulture seed production,

d. Assisting farmers adopt a least cost strategy, e.g., promotion of organic and conservation farming,

f. Assessing post-harvest constraints and developing mitigatory interventions, e.g. low cost on-farm pre-coolers (charcoal coolers, etc)

h. Support research and technological advances - blending available research finding with extension to,
   - develop vernacular manuals, production guides, pest pictograms, weed pictograms, etc
   - scout techniques for various pests and diseases, e.g., using board & pegs
   - develop thresholds for various pests

i. Support revival of processing firms who take large volume with minimum quality requirements, e.g. Cairns, Honeywood, Mitchel & Mitchel, Exhort, Zim tomato, Flue Pack, Muchero W/S, Kutapira, Global Import and Export & Chegutu Canners)
**Marketing**

Develop and promote Local GAP standard ASA precursor for full Global GAP certification. Approximately 100 farmers already certified in Zimbabwe to Global GAP Standards. Mainly large scale and A2 certified in Zimbabwe.

- Raise awareness on consumer hazards, including MRLS, e.g., involve local councils in testing for chemical residues
- Introduce and promote other consumer standards, e.g. Fairtrade (4 farms already certified) and Organic (3 farmers certified)
- Explore more markets, other than relying on Europe
- Assess the scope and strategic support for reoccupation of Zimbabwe export space
- Assess informal market interventions, e.g. data collection at the airport and local markets, lobby for improvement of facilities for producers at markets
- Promote multi-stakeholder interactions, to develop a strategy for the horticultural sector
- Resuscitate the Horticulture Task force (Multi-stakeholder Task force).

**Post-Harvest Interventions**

- Assessing post-harvest constraints and developing mitigatory interventions, e.g., low cost on-farm pre-coolers (charcoal coolers, etc)
- Develop and distribute post-harvest manuals, in vernacular.
- Lobby at the local councils and DDF to improve road infrastructure which has been reported to result in about 15% loss of fresh produce quality during transportation.
• The global market for horticultural products remains high and a systematic approach to building competitive position to reclaim lost market share should be undertaken.

• The smallholder sector could become an important supplier of export produce if it is capacitated to do so.

• Zimbabwe possesses high quality and diverse soils and climate, which are ideal for horticultural production. Added strengths are: relatively well-developed financial sector, highly skilled farmers and well-established international links.

• Zimbabwe has a relatively good availability of inputs along with good relationship between growers and suppliers.

• However, there is need to address a number of weaknesses, which include;
  
i. insufficient leveraging of economies of scale,
  
ii. relatively low investment levels,
  
iii. marginal inclusion of smallholder farmers,
  
iv. high costs of inputs, lack of marketing knowledge,
  
v. no sectorial strategy mainly due to the ineffectiveness of farmer unions, especially ZFU and HPC,

• uncertainty regarding land,
• underutilisation of resources due to lack of finance and political instability,
• dependence on foreign technologies.
ACDI/VOCA, DAI (February, 2009),
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Understanding Zambia’s Domestic Value

Zambia commercial value chains in Zambian agriculture: Do smallholders benefit?
Appendix
## Appendix 1: Companies Interviewed

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>INTERVIEWEE</th>
<th>CONTACT No.</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agribank</td>
<td>Tinashe Madombo</td>
<td>334930/3</td>
<td><a href="mailto:customerservices@agribank.co.zw">customerservices@agribank.co.zw</a></td>
</tr>
<tr>
<td>Barclays Bank</td>
<td>---</td>
<td>334930/3</td>
<td><a href="mailto:barmkt@africaonline.co.zw">barmkt@africaonline.co.zw</a></td>
</tr>
<tr>
<td>Stanbic Bank</td>
<td>---</td>
<td>332300/6</td>
<td><a href="mailto:stanbicnet@zol.co.zw">stanbicnet@zol.co.zw</a></td>
</tr>
<tr>
<td>Microking Microfinance</td>
<td>---</td>
<td>707281</td>
<td>---</td>
</tr>
<tr>
<td>FAVCO</td>
<td>James James</td>
<td>0777 35 414</td>
<td><a href="mailto:james@favco.co.zw">james@favco.co.zw</a></td>
</tr>
<tr>
<td>ZimACP/HPC</td>
<td>Dominic Mubvuta</td>
<td>0772 444 295</td>
<td>---</td>
</tr>
<tr>
<td>ZimAied</td>
<td>Mark Benson</td>
<td>338961-71</td>
<td><a href="mailto:mbenzon@fintrac.com">mbenzon@fintrac.com</a></td>
</tr>
<tr>
<td>MAPA</td>
<td>Francis Kambewa</td>
<td>0773 524 989</td>
<td>---</td>
</tr>
<tr>
<td>DOPA</td>
<td>C. Marimo</td>
<td>0774 273 336</td>
<td>---</td>
</tr>
<tr>
<td>ZFU</td>
<td>Simba Muchena</td>
<td>0775 063 686</td>
<td><a href="mailto:smuchena@zfu.org.zw">smuchena@zfu.org.zw</a></td>
</tr>
<tr>
<td>Selby Enterprises Ltd</td>
<td>Adam Selby</td>
<td>0772 250 348</td>
<td><a href="mailto:adam@selby.co.zw">adam@selby.co.zw</a></td>
</tr>
<tr>
<td>SafariFresh</td>
<td>Freddie Shoko</td>
<td>0773 917 335</td>
<td>---</td>
</tr>
<tr>
<td>LonrhoAgric/Rollex</td>
<td>Robson Vambe</td>
<td>0772 189 785</td>
<td>---</td>
</tr>
<tr>
<td>Gudzanga Irrigation Scheme</td>
<td>---</td>
<td>0775 969 330</td>
<td>---</td>
</tr>
<tr>
<td>ZimTrade</td>
<td>Chamberlain Mupundu</td>
<td>369330-45</td>
<td><a href="mailto:cmupundu@zimtrade.co.zw">cmupundu@zimtrade.co.zw</a></td>
</tr>
<tr>
<td>Matanuska</td>
<td>Chaphika</td>
<td>0731 258 545</td>
<td>---</td>
</tr>
<tr>
<td>Negomo</td>
<td>---</td>
<td>0772 523 600</td>
<td>---</td>
</tr>
</tbody>
</table>
## Appendix 2: Exporters of Horticultural Produce

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>HORTICULTURAL PRODUCTS EXPORTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quicklink Business Management</td>
<td>Fruit &amp; vegetables.</td>
</tr>
<tr>
<td>(Exporter &amp; Importer)</td>
<td></td>
</tr>
<tr>
<td>Divine Investment Group</td>
<td>Vegetables: potatoes, butternuts, etc.</td>
</tr>
<tr>
<td>(Exporter &amp; Importer)</td>
<td></td>
</tr>
<tr>
<td>Seapeg Consultancy (Pvt) Ltd</td>
<td>Vegetables: potatoes, cauliflower, peas, beans, tomatoes, cucumbers.</td>
</tr>
<tr>
<td>(Exporter)</td>
<td>Fruits: apples, oranges, avocados</td>
</tr>
<tr>
<td>Sakurima (Pvt) Ltd</td>
<td>Vegetables: potatoes, tomatoes, sweet potatoes, carrots, onions, peas.</td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Chimuka S.G. Fresh Produce</td>
<td>Vegetables: peas, potatoes, peppers, baby corn, lettuce and butternut.</td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Smart Solutions</td>
<td>Fresh &amp; dried fruits &amp; vegetables.</td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Chapinduka Farm Produce</td>
<td>Vegetables: potatoes, onions, cucumbers.</td>
</tr>
<tr>
<td>(Exporter)</td>
<td>Horticultural products, butternut.</td>
</tr>
<tr>
<td>The Green Growers</td>
<td>Vegetables: fresh carrots.</td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Dimensional Advertising</td>
<td></td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Salnoid Enterprises</td>
<td></td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Nyanga Produce Market</td>
<td></td>
</tr>
<tr>
<td>(Exporter &amp; Importer)</td>
<td></td>
</tr>
<tr>
<td>Distribute (Pvt) Ltd</td>
<td></td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Deo Fresh Farm Produce</td>
<td></td>
</tr>
<tr>
<td>(Exporter &amp; Importer)</td>
<td></td>
</tr>
<tr>
<td>Bevypay Investments</td>
<td></td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
<tr>
<td>Shabotha Enterprises</td>
<td></td>
</tr>
<tr>
<td>(Exporter)</td>
<td></td>
</tr>
</tbody>
</table>

Source: www.globalsuppliersonline.com/Zimbabwe/Vegetable
Appendix 3: Banana Value Chain

One success story in horticulture is banana production in Manicaland. The success story for banana production is due to the active participation of the following:

a. Smallholder farmers in Rusitu Valley (7,500 families farming 0.5 ha, each family); Honde Valley (4,000 families farming on average 0.4 ha each family) and Mutema/Chibuwe (440 families farming on average 0.25 ha);

b. Marketing organisations: Matanuska, Sunspun and FAVCO, and markets e.g., Mbare Musika, Sakubva market, vendors and supermarkets. Matanuska treats bananas with fungicides and sells to high value markets; and Sunspun and FAVCO sells approximately 90% of their produce to vendors. Matanuska provides transport and extension services.

c. NGOs, especially ZimAied and SNV introduced tissue culture bananas that are yielding on average 60 MT/ha as compared to the local variety (nzarayapera) which yields on average 15 MT/ha.

d. Financial support from Agritrade, Agribank and Microking.

i. Agritrade finance is a facility organised by ZimAeid (Fintrac) through Virl Microfinance for 47 farmers in the Honde Valley to purchase fertilisers at an interest rate of 4% per month, with a repayment period of 6 months.

ii. Agribank is funding rehabilitation of irrigation equipment organised through FAVCO, the loan has an interest rate of 18-24% per annum, with a repayment period of 6 months.

iii. Microking offers loan facility to Mutema farmers for tomato and sugar beans – the loans repayment within 6 months.
Appendix 3: Banana Value Chain Map

Input/Supply → Production → Logistics → Distribution

- **Seedling**
  - Matanuska

- **Fertilizers**
  - Matanuska
  - & VIRL
  - Microfinance

- **Extension Services**
  - Matanuska

- **Producers**

- **Exporters**

- **Packhouses**

- **Phytosanitary Certification**

- **Temperature controlled storage**

- **Port of exportation** (Beitbridge)

- **Urban markets**

- **South Africa markets**

- **High value markets, e.g. supermarket**

- **Low value markets/vendors, roadside stalls**

- **Traders, incl.**
  - Matanuska

- **Non-refrigerated**
Horticulture Sub-Sector Validation Workshop, Rural Agriculture Revitalisation Program – Commercialising Smallholder Farming, 05th August 2014, Crowne Plaza, Harare

<table>
<thead>
<tr>
<th>NAME</th>
<th>ORGANISATION/DESIGNATION</th>
<th>ORGANISATION/DESIGNATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 C. Marimo</td>
<td>DCHCPA / Chair</td>
<td><a href="mailto:marimogardens@gmail.com">marimogardens@gmail.com</a></td>
</tr>
<tr>
<td>02 T.O. Nyarumbu</td>
<td>Horticulture Research Officer</td>
<td><a href="mailto:nyarumbutrish@yahoo.com">nyarumbutrish@yahoo.com</a></td>
</tr>
<tr>
<td>03 S. Chikanza</td>
<td>USAID</td>
<td><a href="mailto:schikanza@usaid.org">schikanza@usaid.org</a></td>
</tr>
<tr>
<td>04 S. Roberts</td>
<td>ZIM-AIED</td>
<td><a href="mailto:sroberts@fintrac.com">sroberts@fintrac.com</a></td>
</tr>
<tr>
<td>05 M. Benzon</td>
<td>ZIM-AIED</td>
<td><a href="mailto:mbenzon@fintrac.com">mbenzon@fintrac.com</a></td>
</tr>
<tr>
<td>06 S. Mudenga</td>
<td>ZFU</td>
<td><a href="mailto:smuchena@zfup.org.zo">smuchena@zfup.org.zo</a></td>
</tr>
<tr>
<td>07 D. Sango</td>
<td>SNV</td>
<td><a href="mailto:dsango@snvworld.org">dsango@snvworld.org</a></td>
</tr>
<tr>
<td>08 D. Mangemba</td>
<td>ARC</td>
<td><a href="mailto:mangembad@gmail.com">mangembad@gmail.com</a></td>
</tr>
<tr>
<td>09 Charity Gwandomba</td>
<td>ZADT / Intern</td>
<td><a href="mailto:cgwandomba@zadt.co.zw">cgwandomba@zadt.co.zw</a></td>
</tr>
<tr>
<td>10 Godfrey Chinoera</td>
<td>ZADT / CEO</td>
<td><a href="mailto:ghinoera@zadt.co.zw">ghinoera@zadt.co.zw</a></td>
</tr>
<tr>
<td>11 Ellen Gwasira</td>
<td>SAZ</td>
<td><a href="mailto:egwasira@saz.org.zw">egwasira@saz.org.zw</a></td>
</tr>
<tr>
<td>12 Themba Pilime</td>
<td>ZFC / Limited Technical Advisor</td>
<td><a href="mailto:pilimet@zfc.co.zw">pilimet@zfc.co.zw</a></td>
</tr>
<tr>
<td>13 Minenhle Ngwenya</td>
<td>SNV</td>
<td><a href="mailto:mngwenya@snvworld.org">mngwenya@snvworld.org</a></td>
</tr>
<tr>
<td>14 Michael Mugani</td>
<td>Prime Seed Sales / EXEC</td>
<td><a href="mailto:mike@primeseed.co.zw">mike@primeseed.co.zw</a></td>
</tr>
<tr>
<td>15 Elton Mudyazvivi</td>
<td>SNV</td>
<td><a href="mailto:emudyazvivi@snvworld.org">emudyazvivi@snvworld.org</a></td>
</tr>
<tr>
<td>16 Darlington Sarupinda</td>
<td>SNV</td>
<td><a href="mailto:dsarupinda@snvworld.org">dsarupinda@snvworld.org</a></td>
</tr>
<tr>
<td>17 Lawrence T. Gono</td>
<td>Windmill (Pvt Ltd</td>
<td><a href="mailto:gono@windmill.co.zw">gono@windmill.co.zw</a> • 0772 546 208</td>
</tr>
<tr>
<td>18 Hey Bata</td>
<td>Chimanimani Gudyanga Scheme</td>
<td>0773 044 049</td>
</tr>
<tr>
<td>19 John Masunda</td>
<td>SNV</td>
<td><a href="mailto:masundajohn@gmail.com">masundajohn@gmail.com</a> • 077 887 527</td>
</tr>
<tr>
<td>20 Charles Dhewa</td>
<td>Knowledge Transfer Africa (Pvt Ltd / CEO</td>
<td><a href="mailto:charles@knowledgetransafrica.com">charles@knowledgetransafrica.com</a> • 0772 137 717</td>
</tr>
<tr>
<td>21 Perpetua Murimi</td>
<td>WEILAND Enterprises P/L</td>
<td><a href="mailto:pmurimi@gmail.com">pmurimi@gmail.com</a> • 0773 808 175</td>
</tr>
<tr>
<td>22 Cloffas Nyagumbo</td>
<td>SNV</td>
<td><a href="mailto:cnyagumbo@gmail.com">cnyagumbo@gmail.com</a> • 0772 937 291</td>
</tr>
<tr>
<td>23 Kennedy Chakanyuka</td>
<td>TALLY MARK</td>
<td><a href="mailto:kennedy@zol.co.zw">kennedy@zol.co.zw</a> • 0772 937 291</td>
</tr>
</tbody>
</table>
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