

November 2017

BETTER
AGRICULTURE



Sustainable Intensification of Market Based Agriculture (SIMBA) **#SIMBA_Impact**

Improving livelihoods through market access |
Caritas Dube and African Bird's Eye Chilli



For a world without hunger



Disclaimer: This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of APT and WHH and can in no way be taken to reflect the views of the European Union.

Background

Mrs Caritas Dube is wife to Mr Aramu Dube, a former head of Mudzongwe Primary school in Ward 23 of Chisina. Aramu came to the Chisina area of Gokwe South, Zimbabwe in 1969 as a school teacher. In 1972 he married Caritas and decided to settle in the area. He started building his homestead there and embarked on farming – growing cotton, maize and groundnuts for many years. He stopped growing cotton in 2009 because of sub-economic prices caused by the collapse of international commodity markets. The discontinuation of cotton left the family with maize and groundnuts which they could not sell at viable prices. The failure of the state marketing authority – the Grain Marketing Board (GMB) – to pay timeously, caused a crisis for most farmers.

"The decision to stop growing cotton was very difficult for us seeing that we had grown the crop since the 70's. Cotton income supplemented my teaching salary, enabling us to send our children to good schools and develop our homestead. Without cotton, we remained only with maize and groundnuts for which the only market was the GMB. We could not count on GMB income in our budgeting because they would pay us very late, disrupting our plans for the following seasons," recalled Aramu.

"My husband subsequently reached retirement age and left teaching. This meant that we would have to rely on farming for our livelihood. It was fortunate that our children had finished school, otherwise we would have struggled financially. We however still needed something to help us in our retirement."

While still searching for an alternative livelihood, Caritas attended a field day at Mr Mthombeni's homestead in Ganyungu in 2015. The field day was sponsored and organised by the SIMBA programme. This event was an eye-opener.

"Although I am typically a proactive member of the community, I had shunned the SIMBA programme because of its insistence on Conservation Agriculture (CA). Digging of planting stations was too labour-intensive and was associated with poor people who have no draught power. We called it 'dhigaufe' which is literally translated as 'dig and die'. We were also not interested in learning new things because we had been successful farmers for years and my husband was a retired teacher," said Caritas.

The new things I learnt at the field day have changed our lives forever, giving us new hope. We now have a new zeal to learn and try out new things. It is indeed a good feeling for old people like us. Besides new knowledge, SIMBA introduced us to new cash crops such as chilli and sesame. We will never look back," said Caritas, smiling.

Opportunity

At the field day Caritas heard about the market linkage work being done by SIMBA. She heard that the programme was introducing several crops with contracted markets and technical extension support, working with farmers practicing CA. The African Bird's Eye Chilli (ABE) and sesame were some of the new cash crops. Chilli is contracted by Better Agriculture (BA) who supply Nando's, an international fast food and chilli sauce manufacturer. Sesame, on the other hand, is contracted by IETC, a Harare-based commodity trader.

"My husband kept one perennial chilli bush in front of our kitchen which often looked neglected and only flowered in summer. He would pick the ripe pods around April, dry them and forget about the plant until the following rainy season. He never watered, applied manure or sprayed

insecticides on it. It was therefore difficult to see how such a crop could be turned commercial," recalled Caritas

The Chisina area in 2014 Caritas had taken no interest in it. She was not sure how a crop she had seen growing randomly in people's backyards could be turned into a viable cash crop. Sesame, on the other hand, was a completely new crop which she thought she was too old to learn about.

There were also some myths and handling chilli. Some people said it could cause tuberculosis (TB) because it often caused one to cough when handling it. Because of the close connection between TB and HIV/AIDS, it was said that chilli quickened the onset of AIDS. Others said that continuous exposure to chilli causes blindness because it irritates the eyes.

"We feared developing TB at our age, given that it's a stigmatized ailment in rural areas like Chisina. The risk of going blind was also a threat to us. So we adopted a wait-and-see attitude until we were sure," said Caritas.

Asked about sesame, she said, "My husband's attitude was that there was nothing new he could be taught, having been a teacher for most of his life. I also adopted the same attitude for most of my life. It's therefore not surprising that I shunned sesame because it was a completely new crop which required me to learn new things. Again, my experience at the Mthombeni field day, organized by SIMBA, ignited my desire to adopt and learn new ideas."

Caritas' experience at the field day helped her to shrug off her initial doubts, and she embarked on chilli and sesame production in 2015. She quickly struck a good working relationship with BA and IETC extension and supporting SIMBA staff. Experienced chilli farmers were also an important source of knowledge. Since 2014, the number of farmers growing chilli in the Chisina area has increased substantially, however there is a limit to the number of farmers that BA can contract due to the annual quotas imposed by Nando's.



The Dube's & their newly installed Borehole

Profitability Analysis

Gross income

At the start of the 2017 marketing season BA was purchasing chilli at a price of \$2.85/kg for dried A-grade. The price was subsequently increased to \$3.00/kg. The situation in Gokwe South is unique because the company allows farmers to value-add by drying their freshly harvested chilli. Elsewhere BA buys wet chilli for \$0.80/kg which it dries at its own expense. In Gokwe, farmers earn an additional \$0.60/kg through their value addition. IETC sesame prices started low at \$0.45/kg at the beginning of the season, before increasing to \$0.55/kg and then again to \$0.60/kg towards the end of the season.

In 2017, Caritas earned \$1 800 through the sale of 600 kg of dried chilli to BA at a price of \$3.00/kg. This result was achieved from 750 plants on an area of about 378m² – therefore, each plant produced about 800 g of dry chilli, equivalent to a wet chilli harvest of more than 47 tons/ha! Caritas also grew 1.25 ha of sesame, harvesting 950 kg valued at \$570.

Costs

The table lists many of the materials and services usually associated with smallholder cropping enterprises. In some cases, where there is no cost, the service is still listed to explain how it was funded.

GROSS INCOME	
Chilli sales	1 800.00
COSTS	
Inputs	101.00
Training and extension	0.00
Chemicals	7.00
Land preparation	0.00
Labour services	47.00
Bulk water supply	0.00
Financial services	18.00
Fuel for irrigation	15.00
Transport	0.00
Total	188.00
BENEFIT	
Net income	1 612.00

Costs were:

- Inputs: Caritas received 750 seedlings from BA at a cost of \$0.01/seedling which she planted on 30 November 2016. She used 15.2 kg of Compound C, 15.2 kg of Ammonium Nitrate (AN) and 15 ml of Lambda agro-chemical.
- Training and extension: Training and extension is especially important for a new commodity such as chilli. BA employed an extension officer to advise farmers and to manage its contract farming programme. These costs were absorbed by the company and provided to farmers as an embedded service.
- Land preparation services: Caritas prepared the field for CA with her family.
- Labour: The only activity requiring labour was harvesting – Caritas hired two people to assist her in harvesting the chilli, paying them a total of \$47.
- Financial services: BA paid contracted farmers through an electronic payment system called 'TextaCash'. Caritas had to travel to the nearest CABS branch at Gokwe Centre to retrieve her cash and was charged a 1% cash withdrawal fee. For many of the chilli farmers TextaCash represented their first banking experience.
- Transport services: BA operate a buying point in the area, to which Caritas delivers her dried chilli.

Net income

The gross income for chilli was \$1 800, against total costs of \$188, leaving a net margin of \$1 612. This is equivalent to over \$42 000/ha!

Impact

Caritas has benefitted through the market development work of APT through:

- Access to a high value cash crop: Chilli came at a time when the family and wider community had no cash crop after discontinuing cotton in 2009.
- Diversification: In addition to chilli, Caritas also grew sesame which has bolstered her income. The market development activities promoted under SIMBA have provided farmers with numerous options for diversification.
- Improved income: The years following discontinuation of cotton were characterized by income insecurity for the

Dube household. The introduction of SIMBA has improved incomes for the Dube household and the wider community.

- Asset purchases: Caritas has invested some of her income into drilling and equipping a borehole, erecting a perimeter fence around the homestead, and building a kitchen and pit latrine.
- Training and extension: BA provides technical training and extension services to contracted farmers. The new skills have been adopted in other crops, which have also shown improved results.



Caritas chilli seedbed

In addition to market development work, Caritas has also benefited greatly from the other activities implemented by SIMBA including:

- Improved land use: CA has now become foundational all farming activities. The resulting improvements in soil physical properties and fertility will benefit the family in the medium and long terms.
- Improved lifestyles: The SIMBA programme also focused on hygiene, health, internal savings clubs and nutrition gardens. Caritas benefited immensely from these activities.



The Dube's are excited with their new ideas and skills and hope to expand their farming activities into 2018 and beyond. The area of chilli under production is set to increase from 750 plants (378 m²) in 2017 to 2 000 plants (1 008 m²) in 2018. They have already established seedbeds for planting of the 2017/18 crop and are now waiting for the rains to plant. They also have plans to continue growing sesame for IETC.

Sustainability

The approach of APT is to identify existing and new value chain opportunities that work well in the socio-geographic context, and to lasting relations between farmers and lead firms, with the goal of developing a pro-poor inclusive business model. BA commenced their operations in Gokwe South in 2014 with a pilot programme targeting 10.5 ha. The programme expanded in 2015/16 season to 30 ha before contracting to 22 ha in 2016/17 due to a Nando's oversupply. Continued surplus stocks mean that this area will be maintained in the 2017/18 season. Caritas is looking forward to many more years of producing chilli for BA.

About SIMBA

SIMBA was a four-year (2013-2017) EU-funded programme, co-implemented in Gokwe South District by WHH and APT. The overall objective of SIMBA was to enable smallholder farmers to diversify and upgrade their diets to recommended levels, and to run part of their farming as a family business in cooperation with other value chain stakeholders, generating income. To achieve the objective, five results areas were defined:

1. Production and storage sustainably intensified to increase the variety, quality and quantity of nutritious and marketable commodities building on previous EU and Protracted Relief Programme (PRP) initiatives.
2. An inclusive pro-poor business model established based on six principles for a robust cash crop value chain that links small scale farmer household groups with commodity specific open and closed markets.
3. Community Health Clubs (CHC) reached the highest level of the group maturity index and demonstrate sound hygiene, health and nutrition behaviour.
4. A demand-driven, sustainable government and private sector coordinated advisory and research service established using a broad range of communication tools.
5. Lessons and experiences from the project widely shared and disseminated.

This brochure is one of a series describing the market interventions being implemented under Result Area 2.

About WHH



Welthungerhilfe is one of the largest non-governmental organisations (NGO) in Germany, founded in 1962. WHH's focus is to fight hunger and poverty and we want to achieve #zerohunger wherever we work by 2030. The organisation provides integrated aid, from rapid disaster aid to long-term development cooperation projects. Help to self-help is the basic principle; it allows to strengthen structures from the bottom up together with national partner organizations and ensures the long-term success of project work.

The organisation is operating in Zimbabwe since 1980, implementing Food and Nutrition Security projects in various parts of the country. The WHH Vision in Zimbabwe, like elsewhere in the world, is that all people can exercise their right to lead a self-determined life with dignity and justice, free from hunger and poverty. www.welthungerhilfe.de and www.facebook.com/welthungerhilfezimbabwe/

Welthungerhilfe | Block 8 Arundel Office Park, 5 Norfolk Road, Mt. Pleasant, Harare, Zimbabwe | Tel: +263(4)369789

About APT



The Agricultural Partnerships Trust is a Zimbabwean registered trust that was formed in July 2010 out of concern for the development of rural communities in Zimbabwe, with focus on smallholder agriculture.

The Trust raises and disburses funds to assist in improving livelihoods in the rural areas of Zimbabwe by enhancing economic development through sustainable agricultural and business methods and facilitating partnerships between smallholder farmers and organisations in the private and public sectors.

Since 2010 APT has been involved in a number of programmes, either singly or in consortia but always focusing on smallholder output and service market linkages – in other words, Market Systems Development. More information can be viewed at our website www.apt.co.zw or follow us on Twitter (www.twitter.com/apt_zimbabwe) or Facebook (www.facebook.com/apt.zimbabwe/). Alternatively, contact APT directly:

Michael Dawes | Agricultural Partnerships Trust

11 Hodson Avenue, Alexandra Park, Harare, Zimbabwe
michael@apt.co.zw | Tel: +263(4)744559 or +263(77)2212201

APT's partnership approach

APT is essentially a facilitator, brokering partnerships between the private sector and farmers. Although the type and level of support vary from programme to programme, APT has a history of delivering value to partnerships in many ways:

- **Intervention design:** Context analyses help APT understand the needs of farmers and companies for the design of relevant, innovative, profitable and sustainable market based interventions.
- **Partnership support:** Supporting partners in navigating their partnering journey by helping them to create a map, plan their route, choose their mode of transport and change direction when necessary.
- **Stakeholder mapping and introductions:** APT has working knowledge of market and non-market based organisations – contacts that are part of the building blocks of market systems development. For example, linkages with local government authorities in the districts are important at the start of the programme.
- **Extension service support:** Programmes such as SIMBA rely on a network of field officers and lead farmers who develop close working relationships with company Field Extension Officers, and who help extend the reach, or reinforce the knowledge transfer of company agents.
- **Administration services:** Company field officers have access to office and communication resources at the project centre, making it easier to work in the operational area.
- **Farmer training and organisation:** Programmes are often well resourced, able to assist companies in mobilizing farmers, organising meetings, hosting meetings and providing training resources, thereby reducing budgetary pressure on companies.
- **Platforms for dialogue:** As a neutral facilitator, APT has assisted companies in various ways. For example:
 - Intercompany dialogue to increase value chain efficiencies by linking non-competing companies for shared services. APT organised a series of 'Networking Platform Meetings' under SIMBA which resulted in inter company linkages and increased transaction efficiencies.
 - Mediation between companies and farmers: APT organised post-harvest meetings in most value chains to provide a platform for dialogue between farmers and companies, reviewing past performances & planning for the next season.
 - Conflict resolution: Conflict between farmers & companies typically occur on several occasions during implementation of a programme. APT assists in conflict resolution through bilateral company and farmer meetings, & subsequent monitoring.
- **Budget support:** Depending on the nature of the programme, APT may be able to assist partners with cost sharing arrangements. This type of support might be necessary to
 - (1) reduce perceived and real risks associated with inclusive business models;
 - (2) reduce start-up costs that might otherwise prevent a company from engaging in this type of business model; &
 - (3) reducing the time taken to impact, an important consideration since donor-funded programmes are often short term.

- **Results measurement:** APT has considerable experience in the monitoring, evaluation and reporting of private sector development programmes. Reports are designed for quick turn-around, to ensure that companies and farmers have access to real time information concerning the market based intervention.