

**AN ASSESSMENT OF THE TRANSFORMATION OF MKWASINE SUGAR ESTATE  
AFTER LAND REFORM: THE TENSIONS AND CONFLICTS**

**By**

**FRANCIS MUROMO**

**Submitted in partial fulfillment of the requirements for**

**PhD Degree in Agricultural Extension and Rural Resource Management**

**In the**

**School of Agriculture, Earth and Environmental Sciences**

**College of Agriculture, Engineering and Science**

**University of KwaZulu-Natal**

**Pietermaritzburg**

**June 2017**

## **DECLARATION**

**COLLEGE OF AGRICULTURE, ENGINEERING AND SCIENCE**

**SCHOOL OF AGRICULTURE, EARTH AND ENVIRONMENTAL SCIENCES**

### **DECLARATION - PLAGARISM**

I, FRANCIS MUROMO declare that;

1. The research reported in this thesis, except where otherwise indicated, is my original research.
2. This thesis has not been submitted for any degree or examination at any other university.
3. This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
4. This thesis does not contain other authors' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
  - a. Their words have been re-written but the general information attributed to them has been referenced
  - b. Where their exact words have been used, then their writing has been placed in italics and inside quotation marks, and referenced.
5. This thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the References sections.

Signed:

F. Muromo (Candidate) Date .....

As the candidate's supervisor, I agree to the submission of this thesis;

Professor P. Mafongoya (Supervisor) Date .....

## **ABSTRACT**

In examining whether corporate agriculture can be replaced by small-scale agriculture undertaken through the nucleus estate-out grower model after land reform in Zimbabwe's sugar estates in the south eastern Lowveld, there is need to answer the following critical questions: 'Has the unbundling of formerly large-scale corporate plantations to much smaller scale farming units destroyed the once vibrant sugar estate? Is the participation of ordinary farmers without experience in sugarcane-production a wise move and does that initiate new modes of accumulation from below? Can contract farming arrangements with corporate processors or buyers provide a more viable support model than involving state support in kick-starting small-scale farmers' entry into sugarcane production? Who currently owns what, who does what, who gets what and what do they do with it? Despite the negative perception being peddled in the local and international media about the dramatic transformation of the three sugar estates in Zimbabwe's south eastern Lowveld, land redistribution in the sugar estates had to be done to redress the colonial disparity in land ownership. This study therefore examined the subdivision of one of the sugar estates (Mkwasine Estate) into small-scale farming units, against the backdrop of tensions and conflicts between a South African multinational firm-Tongaat Hulett Zimbabwe (THZ) and the resettled black farmers. This is done to determine the changes that have occurred in the land ownership structure, land tenure system as well as contestations that arose over input accessibility, utility provision and sugar pricing after the reconfiguration of the estate. To achieve this, a stratified random sample of 45 farmers from three broad farmers' strata, namely the high, middle and low producer categories was used to collect both quantitative and qualitative data that described what unfolded in the estate in the aftermath of land reform. Overall, the results highlighted significant land ownership and tenure system changes in the estate after the transformation. The results also established tenure insecurity in the estate as freehold tenure paved way to leasehold tenure after the Fast Track Land Reform Programme (FTLRP). There was gender disparity in the land allocation exercise as only 31.1% of the sample who benefited is women compared to 68.9 % men. Of the same sample 73.3% of the beneficiaries had no sugarcane farming experience against 26.7% who had it prior to receiving farms on the estate. The former are A2 farmers who were resettled under the FTLRP and came from the civil (35.5%) as well as the security services (37.8%) and are farming on a part time basis. The term 'A2 farmers' refer to a new class of black commercial farmers introduced by government under

the FTLRP to deracialise commercial farming. The latter (26.7%) came from the Chipiwa Settlement Scheme and are into full-time sugarcane farming and are former THZ employees. Since their incorporation in the industry, the resettled farmers' contribution to total sugar output rose from 17% in 2011 to 33% in 2016. The study also established that two formulas are used by Tongaat Hulett Zimbabwe (THZ) to procure the farmers' sugarcane namely the milling agreement (MA) and the cane purchase agreement (CPA). The MA allows farmers to enjoy proceeds from byproducts of sugar whereas the CPA does not allow farmers to enjoy those benefits. Of the sample 26.7% indicated they use the MA and 73.3 % used the CPA raising questions as to why two procurement formulas were used by THZ for farmers on the same estate. Lastly, further evidence from the study also shows the benefits of land reform going beyond sugar production as all the resettled farmers in the estate engage in a diverse range of livelihood portfolios like petty trading, livestock farming and natural resources extraction to augment their family incomes. The study recommends farmer capacity and capability building since over 70% of the sample had no prior sugarcane farming experience. It also recommends the standardization of land sizes and tenure system as well as the adoption of one procurement price for all the farmers' sugarcane in the estate. The formation of a sugar council by all the stakeholders to regulate the industry by government is also recommended as it does to other crops under its input support programmes. This would greatly reduce the challenges facing the sugar industry in Zimbabwe.

## **ACKNOWLEDGEMENTS**

Firstly, to the Lord Almighty, I thank Thee because Your eyes were always on me throughout my study. Thank You for Your spiritual guidance through Your anointed men, Pastor Musindo of the Christian Revival Centre (Senga Assembly) of Gweru in Zimbabwe and Pastor Muswaka of the Divine Life Centre of Pietermaritzburg in South Africa. The two great men invested their prayers in me which made me tick in the face of adversity! Thank you for the Divine protection on my numerous field and holiday trips to and from Zimbabwe and stay in South Africa. The mere knowledge that You were with me gave me the faith to move mountains. Glory to Your Mighty Name!

Secondly, I would like to thank the University of KwaZulu-Natal for its full-fees remission policy adopted in 2009 for local, SADC and international students who are full-time research Masters and doctoral students. The policy went a long way in assisting me realize this long cherished dream. Without it, this study would have been impossible considering that I had no sponsor

Thirdly, many thanks go to Professor Mafongoya for his invaluable guidance and supervision throughout the study. Thank you for believing in me and accepting to supervise my study. I have grown under your wings.

I would also like to thank Dr Dewah and Dr Sharaunga for their constructive criticism in the early stages of this thesis proposal writing. Your contribution assisted me to refine the problem under study. To Onismo Muza thank you for your invaluable assistance in data analysis particularly the SPSS software. To Khayelihle Ncama- my hostel mate thank you very much for editing my chapters and for your constructive criticism and valuable insights throughout the study.

Many thanks go to Mkwesine Estate farming community including Tongaat Hulett Zimbabwe (THZ) and Zimbabwe government officials in Chiredzi District for welcoming me into their

workplaces and homesteads, to live with and learn from them. Without your cooperation, this work would have been impossible.

Lastly to my wife Beauty and children: Ruvimbo Lorraine, Takudzwanashe Leon and Ruramai Lesley and friends, thank you for being always there for me despite my long absence from home! This is what kept me from you for that long away! I hope you also share the joy of having it done at last! Ebenezer!

I salute you all!

## **LIST OF ACRONYMS**

ACP	African Caribbean and Pacific states
Banc ABC	African Banking Corporation
BOT	Build Operate and Transfer
CAP	Community Agricultural Policy
CAQDAS	Computer Aided Qualitative Data Analysis Software
CF	Contract Farming
CPA	Cane Purchase Agreement
CSA	Commonwealth Sugar Association
CSFAZ	Commercial Sugarcane Farmers Association of Zimbabwe
CSS	Chipiwa Settlement Scheme
EC	European Community
ESAP	Economic Structural Adjustment Programme
FTLRP	Fast Track Land Resettlement Programme
GIP	Government Investment Plan
HVA	Hippo Valley Act
LHC	Lancaster House Constitution
LRRP	Land Rural Resettlement Programme
MA	Milling Agreement
MSS	Mpapa Settlement Scheme
NCA	National Constitutional Assembly
NOCZIM	National Oil Company of Zimbabwe
NRZ	National Railways of Zimbabwe
OG	Out grower
SADC	Southern Africa Development Community
SCA	Sugar Control Act
SLA	Sabi Limpopo Authority
SusCo	Successful Rural Communities
THZ	Tongaat Hulett Zimbabwe

UDI	Unilateral Declaration of Independence
UK	United Kingdom
UKZN	University of KwaZulu Natal
WB	World Bank
WSWB	Willing Seller Willing Buyer
ZANLA	Zimbabwe African National Liberation Army
ZESA	Zimbabwe Electricity Supply Authority
ZINWA	Zimbabwe National Water Authority
ZIPRA	Zimbabwe People's Revolutionary Army
ZNLWVA	Zimbabwe National Liberation War Veteran Association
ZSS	Zimbabwe Sugar Sales



## LIST OF TABLES

Table 3.1: Farmer group .....	62
Table 3.2: Farmer Categories.....	62
Table 3.3: Access to land and access and socio-economic characteristics .....	81
Table 3.4: Biographical characteristics of farmers .....	82
Table 3.5: Annual group contribution to total production, 2016 .....	89
Table 4.1: Land access and some socio-economic variables .....	111
Table 5.1 Farmer group and milling agreements .....	132
Table 6.1: Socio-economic characteristics of farmers (Categorical variables) .....	150

## LIST OF FIGURES

Figure 1.1: Study area map .....	14
Figure 3.1: Resettled farmers' annual contribution to total sugarcane output .....	91

## TABLE OF CONTENTS

DECLARATION.....	i
ABSTRACT.....	ii
ACKNOWLEDGEMENTS .....	i
LIST OF ACRONYMS .....	iii
LIST OF TABLES .....	i
LIST OF FIGURES .....	i
TABLE OF CONTENTS .....	i
CHAPTER 1.....	1
GENERAL INTRODUCTION.....	1
1.1. The research problem.....	1
1.2. Background to the study.....	2
1.2.1. Willing Seller, Willing Buyer phase .....	3
1.2.2. Compulsory land acquisition (with compensation) phase (1990-1999) .....	5
1.2.3. The Fast Track Land Resettlement Programme (2000 and beyond) .....	8
1.3. Study aim .....	11
1.3.1. Objectives of the study.....	11
1.4. Justification of the study.....	11
1.5. Study site.....	13
1.6. Scope and limitations of the study .....	15
1.7. Ethical Considerations.....	17
1.8. Organization of the study .....	18
1.9. References.....	20
CHAPTER 2 .....	22

<b>LITERATURE REVIEW .....</b>	<b>22</b>
<b>2.1. Introduction.....</b>	<b>22</b>
<b>2.2. Conceptual Framework: Transformation, the out grower model, land reform and agrarian reform.....</b>	<b>24</b>
<b>2.2.1. Transformation .....</b>	<b>24</b>
<b>2.2.2. The out grower model.....</b>	<b>24</b>
<b>2.2.1.1. Advantages to the farmers .....</b>	<b>28</b>
<b>2.2.1.2. Advantages to the agro-industrial firm.....</b>	<b>29</b>
<b>2.2.3. Land reform .....</b>	<b>30</b>
<b>2.2.3. Agrarian reform.....</b>	<b>30</b>
<b>2.3. Out grower schemes in Southern Africa.....</b>	<b>32</b>
<b>2.3.1. Zambia .....</b>	<b>33</b>
<b>2.3.2. Malawi.....</b>	<b>35</b>
<b>2.3.3. Tanzania.....</b>	<b>36</b>
<b>2.3.4. South Africa.....</b>	<b>38</b>
<b>2.4. The inception of the sugar industry in Zimbabwe .....</b>	<b>39</b>
<b>2.4.1. Triangle Estate (1920s) .....</b>	<b>40</b>
<b>2.4.2. Hippo Valley Estates (1956) .....</b>	<b>41</b>
<b>2.4.3. Mkwazine Estate (1968).....</b>	<b>42</b>
<b>2.5. The inception of the out grower scheme in the sugar estates .....</b>	<b>44</b>
<b>2.6. Legislation of the out grower model in the sugar estates .....</b>	<b>45</b>
<b>2.6.1. The Hippo Valley Act (1957).....</b>	<b>45</b>
<b>2.6.2. The Sugar Production Control Act .....</b>	<b>46</b>
<b>2.6.2.1. The Mpapa Settlement Scheme in Triangle.....</b>	<b>47</b>
<b>2.7. Out grower schemes as a rural development strategy .....</b>	<b>48</b>
<b>2.8. Beyond the out grower partnership with the core estates .....</b>	<b>49</b>

2.9. Conclusion .....	52
2.10. References .....	55
<b>CHAPTER 3 .....</b>	<b>58</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>58</b>
3.1. Introduction.....	58
3.2. Research design .....	58
3.3. Sample size and sampling techniques.....	60
3.4. Gaining entry into the area .....	63
3.5. Data collection .....	64
3.5.1: Interview .....	64
3.5.2. Conversations and interactions.....	64
3.5.3. Participant-observation .....	65
3.5.4. Focus group discussions.....	65
3.6. Methods and Procedures for Recording and Storing Data .....	66
3.7. Data Analysis and Interpretation .....	67
3.8. Lessons learnt .....	68
3.8.1. Researcher as a learner .....	68
3.8.2. A politically-sensitive environment .....	69
3.8.3. Skepticism of participants .....	70
3.8.4. The problem of over-researched cases .....	71
3.8.5. Knowledge as power and the problem of exclusion .....	71
3.8.6. Addressing gender-sensitivity .....	72
3.8.7. The nature of research assistants.....	72
<b>CHAPTER 4 .....</b>	<b>74</b>
<b>POST-INDEPENDENCE LAND AND AGRARIAN REFORMS IN</b>	
<b>MKWASINESUGAR ESTATE.....</b>	<b>74</b>

<b>4.1.</b>	<b>Abstract.....</b>	<b>74</b>
<b>4.2.</b>	<b>Introduction.....</b>	<b>75</b>
<b>4.2.1.</b>	<b>The Chipiwa Settlement Scheme (CSS) in Mkwesine .....</b>	<b>77</b>
<b>4.2.2.</b>	<b>The A2 sugar scheme under the FTLRP.....</b>	<b>79</b>
<b>4.3.</b>	<b>Results .....</b>	<b>80</b>
<b>4.3.1.</b>	<b>Socio-economic characteristics of the beneficiaries .....</b>	<b>80</b>
<b>4.3.2.</b>	<b>Biographic characteristics of the farmers.....</b>	<b>81</b>
<b>4.3.3.</b>	<b>Qualitative responses from interviews and focus group discussions .....</b>	<b>83</b>
<b>4.3.4.</b>	<b>The Successful Rural Communities Project (2011-2015) .....</b>	<b>88</b>
<b>4.3.5.</b>	<b>Annual sugar output by THZ and resettled farmers' contribution .....</b>	<b>89</b>
<b>4.4.</b>	<b>Discussion.....</b>	<b>92</b>
<b>4.5.</b>	<b>Conclusions .....</b>	<b>102</b>
<b>4.6.</b>	<b>References.....</b>	<b>105</b>
	<b>CHAPTER 5 .....</b>	<b>108</b>
	<b>TENSIONS AND CONFLICTS BETWEEN TONGAAT HULETT ZIMBABWE AND THE RESETTLED FARMERS AFTER LAND REFORM.....</b>	<b>108</b>
<b>5.1.</b>	<b>Abstract.....</b>	<b>108</b>
<b>5.2.</b>	<b>Introduction.....</b>	<b>109</b>
<b>5.3.</b>	<b>Results .....</b>	<b>110</b>
<b>5.3.1.</b>	<b>Contestations between THZ and the resettled farmers .....</b>	<b>111</b>
<b>5.3.1.1.</b>	<b>Access to THZ loans and credit:.....</b>	<b>111</b>
<b>5.3.1.2.</b>	<b>Farming implements ownership by farmers.....</b>	<b>111</b>
<b>5.3.1.3.</b>	<b>Water payment arrangement to ZINWA.....</b>	<b>112</b>
<b>5.3.1.4.</b>	<b>Extension support from THZ.....</b>	<b>112</b>
<b>5.3.1.5.</b>	<b>Power cut offs .....</b>	<b>113</b>
<b>5.3.1.6.</b>	<b>Growing other crops .....</b>	<b>113</b>

5.3.2. Processing of farmers' sugar .....	114
5.3.2.1. Transport .....	114
5.3.2.2. Weighbridge .....	115
5.3.2.3. Laboratory tests .....	115
5.3.3. Tensions and conflicts in the estate.....	115
5.4. Discussion.....	118
5.5. Conclusion .....	124
5.6. References.....	127
<b>CHAPTER 6 .....</b>	<b>129</b>
<b>MILLING AGREEMENTS AND MARKETING OF SUGAR AFTER LAND REFORM: THE SOCIO-ECONOMIC BENEFITS .....</b>	<b>129</b>
6.1. Abstract.....	129
6.2. Introduction.....	129
6.3. Results .....	131
6.3.1. Milling agreements.....	131
6.3.2. Milling levies .....	132
6.3.3. Transport charges:.....	133
6.3.4. Pricing of sugar .....	134
6.3.5. Benefits from byproducts .....	135
6.3.6. Marketing of resettled farmers' sugar .....	135
6.3.6.1. The domestic market .....	136
6.3.6.2. The export market .....	137
6.3.7. The wider economic benefits.....	138
6.4. Discussion.....	139
6.5. Conclusion .....	143
6.6. References.....	146

<b>CHAPTER 7 .....</b>	<b>148</b>
<b>BEYOND SUGAR PRODUCTION:.....</b>	<b>148</b>
<b>7.1. Abstract.....</b>	<b>148</b>
<b>7.2. Introduction.....</b>	<b>149</b>
<b>7.3. Results .....</b>	<b>150</b>
<b>7.3.1. The reconfigured sugar estates .....</b>	<b>150</b>
<b>7.3.2. Utilizing the acquired the land.....</b>	<b>151</b>
<b>7.3.3. Other livelihood activities.....</b>	<b>160</b>
<b>7.3.3.1. Dryland and livestock farming .....</b>	<b>160</b>
<b>7.3.3.2. Hunting and fishing .....</b>	<b>161</b>
<b>7.3.3.3. Natural resource extraction .....</b>	<b>161</b>
<b>7.3.3.4. Informal petty trading.....</b>	<b>163</b>
<b>7.3.3.5. Cross border trade .....</b>	<b>163</b>
<b>7.4. Discussion.....</b>	<b>165</b>
<b>7.5. Conclusion .....</b>	<b>167</b>
<b>7.5. References.....</b>	<b>169</b>
<b>CHAPTER 8.....</b>	<b>171</b>
<b>CONCLUSION AND RECOMMENDATIONS.....</b>	<b>171</b>
<b>8.1. Conclusions.....</b>	<b>171</b>
<b>8.2. Recommendations.....</b>	<b>174</b>
<b>8.3. Further areas of study .....</b>	<b>177</b>



## **CHAPTER 1**

### **GENERAL INTRODUCTION**

#### **1.1.The research problem**

This study assessed the reform of Mkwase Estate and the transformation thereof that resulted after land reform in Zimbabwe. In the process it also explored tensions and conflicts between a South African multinational firm-Tonga Hulett Zimbabwe (THZ) and black farmers in Chiredzi District in Masvingo Province. The major questions addressed by the study were ‘Has the unbundling of the formerly large-scale corporate estate to much smaller scale farming units destroyed the once vibrant sugar estate? Is the participation of ordinary farmers without previous experience in sugarcane-production viable and can it initiate new modes of accumulation from below? Can contract farming arrangements with a corporate processor or buyer provide a more viable support model than involving state support in kick-starting small-scale farmers’ entry into sugarcane production? Who currently owns what, who does what, who gets what and what do they do with it in the sugar estate after land reform? These questions are partially addressed by existing literature need to be subjected to empirical analysis.

This study therefore provides a broad sketch of the transformation of Mkwase Estate as well as the livelihood activities beyond sugar production that emerged in and around the estate in the aftermath of land reform. The study examined changes in the land ownership structure, tenure system as well as operational relations between THZ and the resettled black farmers after the transformation of the estate. It argues that the unbundling of the formerly large corporate entity into smaller farming subdivisions destroyed the once vibrant sugar estate is wrong as the resettled farmers’ productivity is improving on an annual basis. Their contribution towards total sugar output has been improving over the years despite a marked decline in sugar production in the initial years of their resettlement. The study further argues that the linking of the resettled farmers to a corporate processor mills enabled them to participate in an industry that had high barriers to entry due to its capital intensive nature while at the same time meeting their production constraints.

The inclusion of black farmers in the sugar industry broadened the sugar production base which was previously confined to white farmers in the colonial period. The transformation therefore culminated in the current tensions and conflicts bedeviling the sugar estate. Despite its spreading of economic benefits to a wider section of society, any understanding of the structural changes that took place in Mkwazine under the government's broad land redistribution exercise rolled out after independence in 1980 needs therefore a detailed analysis. The transition of the estate from a corporate entity under THZ' sole ownership and control alongside a few local white commercial sugarcane farmers to decentralized 20 hectare subdivisions owned and controlled by approximately 450 black farmers brought a variety of changes that culminated in tensions and conflicts between THZ and the resettled farmers as THZ continued to process and market the resettled farmers' sugarcane after land reform.

Alongside the reconfiguration of the estate, a diverse range of livelihood portfolios emerged in and around the sugar estate. This study is by no means exhaustive and it may contain some omissions or gaps as it might only scratch the surface of very complex issues. The study does not enter into a discussion of whether the current politicization of the land issue in Zimbabwe by the ruling Zimbabwe African National Union–Patriotic Front (ZANU-PF) party is being carried out altruistically, or is simply being done in the pursuit of self-preservation.

## **1.2. Background to the study**

The current nucleus estate-out grower model in Zimbabwe's three sugar estates of Triangle, Hippo Valley and Mkwazine in the south eastern lowveld was first adopted in the colonial era. The model linked the sugarcane out growers to the core estates' processing mills. This arrangement spilled into the country's post-independence land reform programme. During the land reform Mkwazine Estate was wholly acquired by the government for the resettlement of black farmers to produce sugarcane alongside THZ.

Globally, the out grower scheme or contract farming model is polarized between two schools of thought with one school viewing it as a pro-poor method of incorporating small-scale farmers in agribusiness with high barriers to entry (Minot, 1986; Glover and Kusterer, 1990) on one hand

while on the other hand, the agricultural model is viewed as oppressive and exploitative (Sachikonye, 1989; Watts, 1994). This tension between the two schools of thought has also been ever present in Zimbabwe's sugar estates in the south eastern Lowveld since the inception of the sugar out grower scheme in Triangle in the colonial era in 1954. However, over the years, the sugar out grower model in the sugar industry has gone through significant changes as the corporate ownership and control of Mkwase Estate paved way to individual black farmers' ownership and control in the aftermath of the country's land reform.

The Zimbabwean government's broad Land Reform and Resettlement Program (LRRP) was started after independence in 1980. The LRRP under which the transformation of Mkwase Sugar Estates falls comprises three phases: firstly, the willing seller willing buyer (WSWB) phase, sometimes referred to as the 'state-centred market based' land reform which spanned from 1980 to 1990. The second phase, commencing with the compulsory acquisition of land started from 1990 to 1999. Although land was designated for redistribution to black farmers, this phase dictated that compensation be made to the white farmers whose land was taken away by the government. Lastly, the Fast Track Land Resettlement Programme (FTLRP) phase implemented in the year 2000 and beyond expropriated land from white commercial farmers and foreign firms for redistribution without compensation.

The purpose of the LRRP in general and in the sugar estates in particular was to redress past land alienation which was inherited from the colonial era. It aimed at creating equal access to land for the wider section of the population. The LRRP's major goals were therefore twofold; firstly, to create political stability by promoting economic growth through wider equitable land redistribution and secondly to foster national food security, self-sufficiency and agricultural development through labor-intensive small-farm production (Moyo, 2011).

### **1.2.1. Willing Seller, Willing Buyer phase**

Despite the extensive financial assistance from the United Kingdom (UK) after independence, the first phase of Zimbabwe's land reform programme was widely regarded as unsuccessful due

to the insignificant amount of land acquired for resettlement. Despite the first resettlement phase's orderliness, the government was only able to acquire 3 million hectares for redistribution instead of the intended target of 8 million hectares (Masiiwa and Chipungu, 2004). During this period, land purchasing by the government for resettlement purposes was guided by the willing seller-willing buyer (WSWB) clause of the Lancaster House Constitution (LHC) and then redistributed to beneficiaries. Under the LHC which ushered the country's independence in 1980, the private sector influenced the identification of land and controlled the supply available for resettlement, while the government only played the role of buyer. The major weakness of the WSWB clause is that it had not the legal instrument to force the private sector to release land on the market for purchasing by the government.

Once the land was available, the government, in turn, made it available to beneficiaries who were selected mainly by its district officials under the direct supervision of central government officials. Because of the constraints of the WSWB, the government was unable to redistribute land on any significant scale across the country. The land ownership structure in Mkwase Estate was first altered when approximately 2 000 hectares of sugarcane plantations were acquired by the government from Tongaat Hulett Zimbabwe in 1982. This initiative by the government managed to resettle only 191 black farmers on 10 hectare plots each under the Chipiwa Settlement Scheme (CSS).

During the first phase of land reform, the government cited financial constraints, a severe drought that occurred in 1986, in addition to the WSWB constraint as the three overriding factors that influenced the slow progress of land reform during in that phase. However, Moyo et al (2009) cite lack of initiative and trained personnel within the Ministry of Lands, Resettlement, and Rural Development (MLRRD) itself, to plan and implement mass resettlements. It is in that context that parliament passed the Land Acquisition Act in 1986, which gave the government the first right to purchase excess land for redistribution to the landless people. That Act also empowered the government to claim tracts of land adjacent to the former Tribal Trust Lands (now known as "Communal Areas") and mark them for resettlement purposes provided the owners of such land could be persuaded to sell.

Alongside these developments, Triangle Estate introduced the Mpapa Settlement (MSS) Scheme in 1988 for its former managers who had demonstrated exceptional sugarcane management skills. This private sector initiative was not part of the government's land redistribution efforts benefited only nine former employees, the majority of whom were white and allocated thirty hectares each.

Apart from the above two developments, significant enclaves of the large-scale agro-industrial estates continued to be owned by THZ despite unfulfilled popular and domestic demands for land (Moyo, 2011). Such vast enclaves were preserved and encouraged by the state to produce agro-fuel (ethanol from sugar) and sugar for domestic and export markets.

### **1.2.2. Compulsory land acquisition (with compensation) phase (1990-1999)**

After the expiration of the entrenched constitutional provisions of the WSWB clause mandated by the LHC in the early 1990s, Zimbabwe outlined several ambitious new plans for land reform. A national land policy was formally proposed and enshrined as the Zimbabwe Land Acquisition Act (LAA) in 1992, which empowered the government to acquire any land as it saw fit, although only after payment of financial compensation (GOZ, 1992). While powerless to challenge the acquisition of the land itself, the affected white landowners were permitted some lateral to negotiate their compensation amounts with the state.

The British government continued to help fund the resettlement programme, with aid specifically earmarked for land reform reaching £91 million by 1996 (Moyo, 2011). Another £100 million was granted for "budgetary support" and was spent on a variety of projects related to land reform. During that phase, Zimbabwe also began to court other donors through its Economic Structural Adjustment Policies (ESAP), which were projects implemented in concert with international agencies and tied to foreign loans.

The diversion of acquired farms for personal use by Zimbabwe's political elite began to emerge as a crucial issue during the mid-1990s (Moyo, 2011). Prime Minister Robert Mugabe, who assumed an executive presidency in 1987, had urged restraint on land grabbing by the ruling elite by enforcing a leadership code of conduct which barred members of the ruling party, ZANU-PF, from monopolizing large tracts of farmland and then renting them out for profit. Local media outlets soon exposed huge breaches of the very code by Mugabe's family and senior officials in ZANU-PF (Masiwa and Chipungu, 2004). Despite calls for accountability, the party members were never disciplined. Instead of being allocated to landless peasants, several hundred commercial farms acquired under the Land Acquisition Act continued to be leased out to politically connected individuals. In 1994, a disproportionate amount of the land being acquired was held by less than 600 black landowners, many of whom owned multiple properties (Moyo, 2011). One study of commercial farms found that over half the redistributed land that year went to absentee owners otherwise unengaged in agriculture.

On the 5<sup>th</sup> of November 1997, Britain's then Secretary of State for International Development, Clare Short, described the new Labour government's approach to Zimbabwean land reform programme. She said that the UK did not accept that Britain had a special responsibility to meet the costs of land purchase in Zimbabwe. Notwithstanding the Lancaster House commitments, Short stated that her government was only prepared to support a programme of land reform that was part of a poverty eradication strategy. She had other questions regarding the way in which land would be acquired and compensation paid, and the transparency of the process. Her government's position was spelt out in a letter to Zimbabwe's agriculture minister, Kumbirai Kangai:

I should make it clear that **we do not accept that Britain has a special responsibility to meet the costs of land purchase in Zimbabwe.** We are a new government from diverse backgrounds without links to former colonial interests. My own origins are Irish and, as you know, we were colonized not colonizers (The Herald, 5 November, 1997 page 1).

The letter concluded by stating that a programme of rapid land acquisition would be impossible to support, citing concern about the damage this might do to Zimbabwe's agricultural output and its prospects of attracting investment.

In June 1998, the Zimbabwe government published its "policy framework" on the Land Reform and Resettlement Programme Phase II(LRRP II), which envisaged the compulsory purchase over five years of 50,000 square kilometres from the 112,000 square kilometres owned by white commercial farmers, public corporations, churches, non-governmental organizations and multinational companies. Broken down, the 50,000 square kilometres meant that, the government intended to purchase 10,000 square kilometres for redistribution every year between 1998 and 2003 (Masiwa and Chipungu, 2004). In September of the same year (1998), the government called a donors conference in Harare on the LRRP II to inform the donor community and involve them in the program.

According to Masiwa and Chipungu (2004), forty-eight countries and international organizations attended and unanimously endorsed the land program, saying it was essential for poverty reduction, political stability and economic growth. They agreed that the inception phase, covering the first 24 months, should start immediately, particularly appreciating the political imperative and urgency of the proposal. The Commercial Farmers Union (CFU) freely offered to sell the government 15,000 sq. kilometres for redistribution, but the white landowners once again dragged their feet.

In response to moves by the National Constitutional Assembly (NCA)-a group of academics, trade unionists and other political activists, the government drafted a new constitution in 1999. The constitutional draft was discussed widely by the public in formal meetings and amended to include restrictions on presidential powers, limits to the presidential term of office, and an age limit of 70 for presidential candidates. This was not seen as a suitable outcome for the government by the ruling ZANU PF party, so the proposals in the draft constitution were amended and replaced with one to compulsorily acquire land for redistribution without

compensation. The opposition political parties boycotted the drafting stage of the constitution claiming that this new version was to politically entrench Mugabe.

Guerrilla veterans of the Zimbabwe African National Liberation Army (ZANLA) and Zimbabwe People's Revolutionary Army (ZIPRA) began to emerge as a radical force in the land issue around this time (Chaumba et al., 2003). The former guerrilla fighters forcefully presented their position that white-owned land in Zimbabwe was rightfully theirs, on account of promises made to them during the Rhodesian bush war. Calls for accelerated land reform were also echoed by an affluent urban class of black Zimbabweans who were interested in making inroads into commercial farming with public assistance (ibid).

Under this phase, no reform took place in the sugar estates as THZ continued to own huge enclaves of sugar plantations. Despite the financial, constitutional as well as climatic constraints, the government seemed reluctant to disturb the sugar industry due to its strategic importance as a source of foreign currency due to the increased demand of sugar and its byproducts on the international market.

### **1.2.3. The Fast Track Land Resettlement Programme (2000 and beyond)**

The period from the year 2000 was a period of intense occupations of land belonging to white commercial farmers by a war veteran led movement in Zimbabwe (Chaumba et al. 2003; Moyo 2013). The pro-Mugabe Zimbabwe National Liberation War Veterans Association (ZNLWVA) organized several people (including but not limited to war veterans; many of them were their children and grandchildren) to march onto white-owned farmlands, initially with drums, song and dance (ibid). This movement was officially termed the "Fast-Track Land Reform Program" (FTLRP) signaling the official takeover of the land allocation by the government through compulsory land acquisition without compensation (Moyo, 2011). With this development, the government introduced the A2 agricultural model to incorporate black farmers (known as A2 farmers) into the commercial farming sector previous dominated by foreign firms and white



farmers. The size of an A2 farm varied from 20 hectares to 200 hectares per farmer across the country depending on the agro-climatic conditions and agricultural activity of a specific region. The farm size was approximately 20 hectares per farmer on average in the sugar estates.

On the 12<sup>th</sup> of September 2005, the parliament, dominated by ZANU-PF, passed a constitutional amendment, signed into law that nationalized farmland acquired through the "Fast Track" process and deprived original landowners of the right to challenge in courts of law, the government's decision to expropriate their land (Masiwa and Chipungu, 2004). The Zimbabwean courts were instructed by the government to rule against legal challenges to this amendment. This left some white farmers to approach the SADC Tribunal (Campbell v Republic of Zimbabwe) for redress in 2008, the Tribunal ruled that the Zimbabwean government violated the SADC treaty by denying access to the courts and engaging in racial discrimination against white farmers whose lands had been confiscated and that compensation should be paid. However, the High Court of Zimbabwe refused to register the Tribunal's judgment and ultimately, Zimbabwe withdrew from the Tribunal in August 2009 (Moyo, 2011).

It was during this period that approximately 16 000 hectares of the sugarcane plantations that previously belonged to Tongaat Hulett Zimbabwe and white commercial farmers were compulsorily acquired and redistributed to A2 farmers, leading to a significant change in the ownership structure in the sugar estates (Scoones et al. 2010; Moyo, 2011). During this period, the whole of Mkwase Estate-co-owned by Triangle and Mkwase was compulsorily acquired from Tongaat Hulett Zimbabwe (THZ) by the government for the resettlement of A2 farmers on a 99 year leasehold tenure. An A2 farmer refers to a new breed of a commercial farmer who was allocated land by the government for commercial farming purposes under the FTLRP. In the sugar estates each A2 farmer was allocated 20 hectares under a 99 year leasehold tenure resulting in over 900 black farmers resettled across the three estates under the A2 sugar scheme/model.

The 99 year lease is an agreement between the state, through the Ministry of Lands, Land Reform and Resettlement (MLRR) and the A2 farmers, that provides for the A2 farmer to

occupy and use a certain piece of land for an agreed rental period of 99 years (MLLRR, 2006). The lease agreement provides a 99-years guarantee of land use if the farmer continues to meet the terms and conditions of the lease agreement. Land use under leasehold is limited by the purpose of the lease and land legislation. Lease conditions, for example, may set stocking limits, or land use options. The system imposes high levels of care on the leaseholder and any lease transfer may require state approval. There are no rights to subdivide or aggregate land. The state retains the power to acquire leases or withhold leases when the leasing period expires (Murombedzi and Gomera, 2004).

Just like the Chipiwa Settlement Scheme of 1982 the A2 sugarcane model introduced under the FTLRP also linked the A2 farmers in the estate to THZ, which, apart from also having vast enclaves of sugarcane plantations of its own, owned two sugar processing plants at Triangle and Hippo Valley. Under this arrangement, THZ was expected to provide inputs and extension support to the farmers and in extreme cases managed the farmers' sugarcane plantations in order to ensure that the right quality and quantity of sugarcane was supplied. The rationale behind the arrangement entailed the provision of an assured market outlet as well as access to critical production resources such as credit, technical and related assistance to the farmers by THZ. The A2 farmers, in turn, undertook to supply sugarcane to THZ for processing and marketing. In the process the farmers were expected to adhere to harvest and/or delivery date quotas in accordance with grading standards, pricing agreements and credit recovery arrangements.

With time the newly resettled farmers failed to perform to expectation due to various reasons ranging from lack of commitment to failure in securing loans from commercial banks because of lack of collateral security over the land on which they were resettled. With no security of tenure on the farms, banks were reluctant to extend loans to the new farmers, many of whom did not have much experience in commercial sugarcane farming, nor assets to provide alternative collateral for any borrowed money. This culminated in the introduction of the Successful Rural Communities Charter (SusCo) between THZ and the resettled farmers to rehabilitate sugar production to pre-FTLRP levels. The SusCo project will be briefly discussed in Chapter 3 of this study.

### **1.3. Study aim**

Following the dramatic developments that unfolded in Zimbabwe's agricultural sector in general and Mkwesine Estate in particular together with the heated debates associated with the outcomes of Zimbabwe's land reform, the major aim of the study was to assess the reform at Mkwesine Sugar Estate and the transformation that resulted amidst the tensions and conflicts that arose between THZ and the resettled black farmers after the reconfiguration of Mkwesine Estate's land ownership structure.

#### **1.3.1. Objectives of the study**

To achieve the above aim, the specific objectives of study were;

1. To establish who benefited in the sugar estate in terms gender, socio-economic background as well as changes in the land tenure system after the reconfiguration of the estate.
2. To establish areas of contestation between Tongaat Hulett Zimbabwe and the resettled black sugarcane farmers after land reform.
3. To establish milling levies as well procurement formulas by Tongaat Hulett Zimbabwe for resettled farmers' sugarcane and how sugar and its byproducts are priced and marketed after land reform.
4. To establish livelihood activities beyond sugarcane production by the resettled farmers in Mkwesine Estate.

### **1.4. Justification of the study**

This study provides an insight into the land and agrarian reforms in Mkwesine Sugar Estate largely missing in existing literature on the sugar industry in Zimbabwe after land reform. Interestingly, the popularity of out grower schemes in southern Africa as a land reform strategy to incorporate small-scale farmers in agribusiness makes this study very relevant. Lessons drawn from this study would greatly inform other countries on their land redistributive endeavors to redress the historical imbalances inherited at independence. Land reform, the world over, has

been viewed as an important vehicle in the transformation of rural people's lives as it incorporates notions of both material and non-material welfare aspects of the human conditions. It is a process that creates environments in which the beneficiaries could expand their capabilities and opportunities, both for current and future generations. Such an optimistic perspective is best illustrated by Scoones et al. (2010) who points out that any purposeful redistribution of land must entail the redistribution of wealth, income, status and capacity for saving which not only will provide incentives for increased agricultural production and labour productivity but strengthens the socio-economic position of the resettled people.

Empirical studies carried out in some parts of Africa, and elsewhere on land and agrarian reforms particularly with reference to out grower schemes (OGs hereafter), appear to show positive results for small farmers in terms of income (Warning & Key, 2002; McCulloch & Ota, 2002; Bolwig et al., 2009; Bellemare, 2012) and subjective well-being but the general consensus from a variety of case studies is that outcomes are highly-varied (Oya, 2012). Empirical findings on Zimbabwe's sugar estates before and after independence (Saunders, 1980; Jackson and Cheaters, 1994; Watts, 1994; Mlambo and Pangeti, 1996; Scoones et al. 2010 and Moyo, 2011) have highlighted some salient points in the development of Zimbabwe's sugar estates in the south eastern Lowveld but largely ignored to subject the dramatic reconfiguration of Mkwase Estate which was most affected by land reform to a detailed and systematic analysis. This study therefore filled this gap by nuancing the land redistributive efforts by the government in the estate.

While redressing the racial imbalance in land ownership in the sugar estates and economic empowerment for the initially disadvantaged black people of Zimbabwe, have been evoked as major reasons for the transformation of the sugar estates the link to rural livelihoods and development also makes this study very relevant particularly Chapter 6 which discusses livelihood activities beyond sugar production which emerged in and around the sugar estates after land reform. Rural development refers to the process of improving the quality of life and the economic well-being of the people living in the three sugar estates. Traditionally, rural development centred on the exploitation of land-intensive natural resources such as agriculture

and forestry (<http://www.geo.mtu.edu>). Over the years, the need by rural communities to approach development from a wider perspective has focused more on a broad range of development aspects rather than merely agricultural or natural resource extraction activities. Education, entrepreneurship, physical and social infrastructure are all now considered to play important roles in the rural development discourse.

### **1.5.Study site**

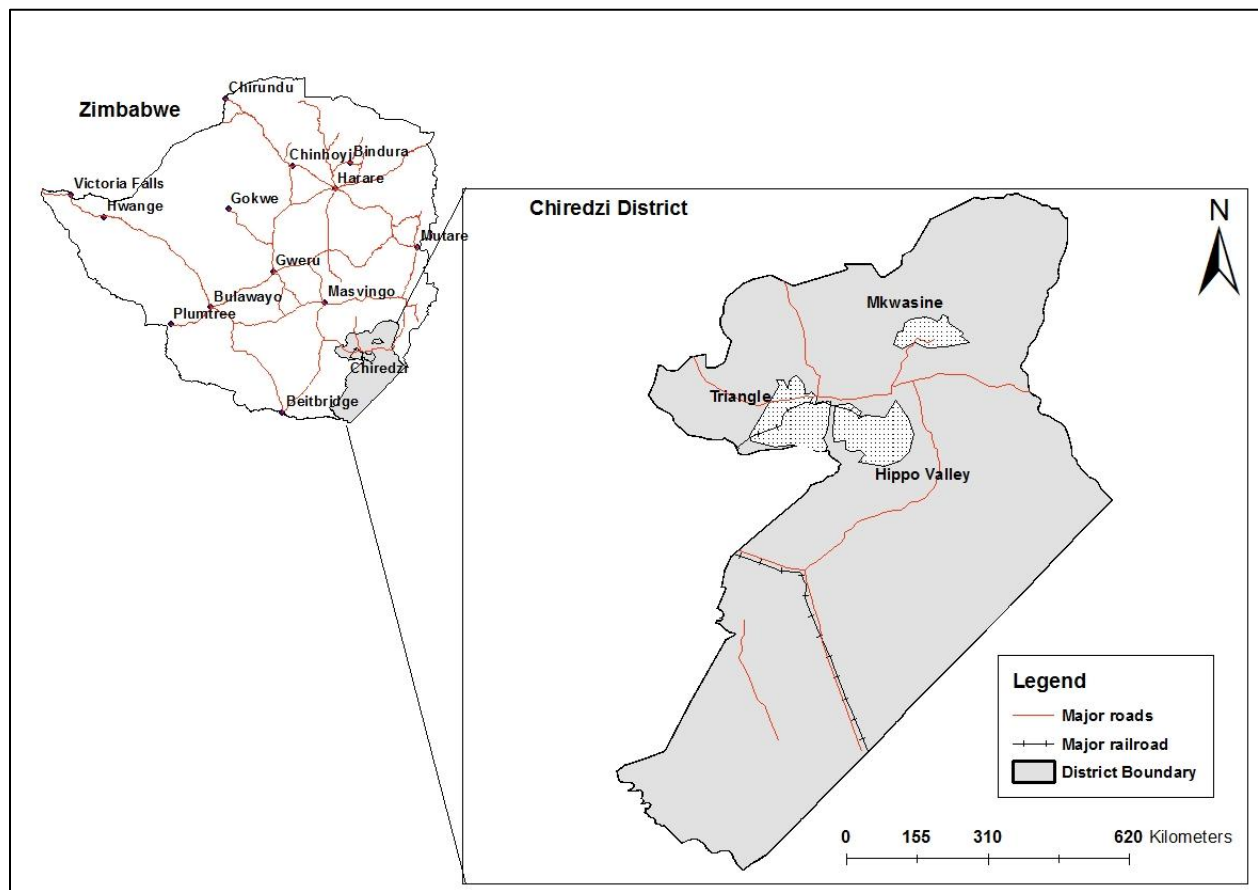
The findings of this study are based on data collected in Mkwesine Estate. The estate is located 30 kilometres north east of Chiredzi Town in Chiredzi District. The estate is 50 and 70 kilometres respectively from Hippo Valley and Triangle sugar mills where its sugar is processed and marketed. Of the three sugar estates in Zimbabwe's south eastern lowveld, Mkwesine was selected for the following reasons; the estate has approximately 50% of all the resettled black farmers in the three estates. The estate is also home to both; the first group of 191 black farmers resettled in the sugar estates under the Chipiwa Settlement Scheme in 1982 and the second group of 259 'A2' farmers who were resettled under the FTLRP in the year 2000 and beyond. This makes it the only estate from the three that captures the complete transformation that has occurred in the sugar estates.

Secondly, Mkwesine Estate was selected ahead of the other two estates because of the three estates it is the one which was wholly acquired by the government to resettle black farmers. Also before the FTLRP, the estate was co-owned and co-managed by THZ's subsidiary estates of Triangle and Hippo Valley. For that reason the estate was deemed to represent the characteristics of both Triangle and Hippo Valley.

Thirdly, given the limitations imposed by the researcher's limited budget, it was affordable for him since he had been given lodgings by a relative who worked as an extension manager in the estate for Tongaat Hulett Zimbabwe. It was relatively easy to visit all corners of the estate from there. Also, Mkwesine was chosen due to its proximity to Chiredzi Town where government officials in the ministries of lands and agriculture resided. The researcher needed also to interview these officials to triangulate the data he got from the farmers.

Fourthly, Mkwesine lies adjacent to some communal lands. An important dynamic worth noting is how the histories of forced removals in the colonial era and autochthonic claims influenced the way the land allocations unfolded in the estate. Some beneficiaries of the sugarcane farms such as Chief Gudo and Chief Chilonga from the adjacent communal lands claim to have been evicted from the area in the colonial era by the Rhodesian government. They have utilized the FTLRP to return to their ancestral lands that was lost during that time.

Lastly, unlike Triangle and Hippo Valley, Mkwesine does not have a sugar processing mill of its own, hence its farmers send their sugarcane to the Hippo Valley and Triangle about 50 and 70 kilometres away by either road or rail. The farmers in this estate incur the highest operating costs due to long distances from the processing mills and when acquiring inputs from suppliers than other farmers in Triangle and Hippo Valley. For that reason it was deemed the most suitable to give a credible description of the reforms that took place.



**Figure 1.1: Study area map**

## **1.6. Scope and limitations of the study**

The study's focus is limited to the transformation of Mkwesine sugar estates in Chiredzi District of Masvingo Province. The whole estate was wholly acquired and redistributed to black farmers. However the farmers continued to be linked to THZ's processing mills and Hippo Valley and Triangle sugar estate. The major constraints were limited time and lack of funding as the researcher was a full time university student who was expected to meet university deadlines. In order to make do with a limited budget in the absence of a sponsor and cut expenses the researcher went an extra mile to collect data over weekends and public holidays. This deprived the researcher the opportunity to observe all the activities from cane planting right up to harvesting. However the constraints provided important lessons to the researcher.

Unlike in quantitative studies where a researcher makes use of a pre-designed instrument such as a set of questions to be asked to the interviewees such as a questionnaire, qualitative interviews proceed differently. Building rapport with the farming community was highly crucial since the researcher was an outsider which meant spending a considerable amount of time to establish that. The engagement of a research assistant from the estate dispelled the suspicion the farming community had for the researcher. The research assistant helped the researcher to conform to the cultural forms of local greetings. Therefore discipline, humility and patience were key qualities that the researcher and his assistant had to have.

The land redistribution exercise in the sugar estates created many authority structures in the estates. All these structures exercised some form of authority over land and operations in the estates. That meant getting the clearance to interview research informants was a daunting task. Thus, securing clearance to undertake fieldwork was a rather complicated process that was also time-consuming. Care was also critical so that the researcher did not end up being embroiled into political discussions with the participants since land reform in Zimbabwe is a very sensitive issue. This left the researcher facing ethical dilemmas as he did not want to expose his informants to political victimization. As a result, it took him longer than expected to establish some rapport before he was welcome in the estates.

Some farmers feared that certain aspects of their responses could be misinterpreted and/or misused. Kvale (1996) and Grenier (1998) have also noted concern about the unwillingness of participants to share knowledge with outsiders. The fear of misinterpretation was addressed by assuring the participants that information synthesized after the data collection process would be availed back for their verification and validation. Besides, willing respondents were also asked to participate at a later stage of group preliminary data analysis. Skepticism about misuse of extracted information was addressed by patiently explaining to them the objectives of the study and how it was supposed to benefit the farming community.

Of late, the sugar estates have attracted intense research attention from some researchers because of the heated debates on the outcomes of the FTLRP in the sugar industry. As a result some farmers felt that their area had been ‘over-researched’ and that we were wasting their precious time. It was therefore necessary to adequately communicate the purpose of the study to the respondents, its uniqueness, the existing knowledge gaps, their role in the investigation, and how it was expected to benefit them or contribute in transforming their community. This meant knowledge about previous studies and the gaps thereof had to be known by the researcher. Such a challenge was fully tackled by establishing a good rapport with the community gatekeepers who were mostly quick in appreciating the potential role of research as a tool for community development.

Some farmers wanted to assume superiority and unmatched knowledge about their farming experience. This happened in instances where some farmers felt they were the most successful and had all the answers to my research questions. If not handled properly, such farmers would have influenced the researcher to exclude other potential respondents who could also contribute meaningfully in the research. This was addressed by asking these particular farmers to name other farmers in the estate who could share a similar or closer account of the details they had already provided. Another way the researcher went around the problem was asking those farmers to name a respondent of different sex with the view that other details could be gender specific.

Qualitative interviews embrace gender-sensitivity. One respondent felt that he could account better the details of his farming experiences when his wife assisted him. Such a practice enriched



the information given by addressing the problem of loss of memory on some key periodic events that deserve detailed narration. Interviewing women during social occasions proved to be a rather difficult process as it involved some situations of negotiating with their husbands before clearance was granted.

### **1.7. Ethical Considerations**

This study embraced appropriate ethical principles meant to protect and respect the rights of the community studied and individuals. In interview research, Johnson (2001) said that “ethical issues are meant to protect the interests and rights of both the researcher and the respondents”. Social science related research invokes some critical ethical issues particularly when the topic of rural development is incorporated (Smith, 1999). This study was subjected to rigorous scrutiny by the Committee for Ethics in the School of Agriculture, Earth and Environmental Sciences (SAEES) at University of KwaZulu Natal (UKZN). Ethics clearance was sought before commencement of field work.

It was necessary to get the informed consent of the farmers before they would be involved in the research. Before they consented to the interviews, an adequate judicious disclosure on these issues was given as to who was carrying out the research; the nature of the research, that is, what was being researched on; why participants were required to express their knowledge and views; and what the researcher intended to do with the information provided?

During the interviewing process respondents were also informed at the outset that they had the liberty of withdrawing from participating at any moment whenever they deem it expedient. Confidentiality of information and anonymity was assured in which the identities of the participants would not be disclosed and would not be linked to the views expressed. Pseudonyms were used for those respondents who wanted anonymity except for respondents in official positions such as the district administrator, THZ officials as well as officials of the farmers’ associations.

Finally, the full identity and contact details of the researcher was given to all participants. It was specified that the researcher was a postgraduate candidate registered at the School of Agriculture, Earth and Environmental Sciences (SAEES) in the University of KwaZulu Natal in South Africa. This was meant to facilitate the process of contacting the researcher in the event that they would wish to do so. The use of name cards or business cards bearing the researcher's name, contact details and name of the university was highly useful in revealing the details of the researcher without doubt.

### **1.8. Organization of the study**

The remainder of this thesis is segmented into six chapters informed by the broad aim and specific objectives presented in Section 1.4 and sub-section 1.4.1 of this chapter respectively.

**Chapter 2** reviews the sugar industry in Zimbabwe in the colonial era. The purpose of this chapter is to identify the gaps in the existing body of knowledge on out grower schemes in general and the sugar industry in Zimbabwe in particular. The gap emerging from the literature review is the transformation that occurred in the sugar estates after independence in 1980 hence this study. The study also gives the contextual background to the transformation that occurred to the sugar estates in the aftermath of land reform

**Chapters 3, 4, 5 and 6** are the research findings. **Chapter 3** examines post-independence reforms in the sugar estates. These reforms entailed changes to the land ownership structure tenure system in the sugar estates. It does so through discussing beneficiaries of land in the sugar estate in terms of their gender, and socio-economic backgrounds as well their relationship with Tongaat Hulett Zimbabwe- a South African multinational firm owning vast enclaves of sugar plantations in the country's south eastern lowveld. The chapter also discusses the resettled farmers' production trends and contribution to sugar output in the estate.

**Chapter 4** discusses the contestations between THZ and the resettled farmers over input accessibility, water allocation, and electricity provision among other issues as sources of conflict in the sugar estates. The chapter concludes by proffering possible measures that could be adopted by the stakeholders to address the constraints hence sustain the lucrative industry.

**Chapter 5** discusses the two pricing formulas used by THZ to procure the resettled black farmers' sugarcane. It highlights the inconsistencies in the two formulas offered by THZ's two milling companies at Triangle and Hippo Valley. The chapter views the pricing formulas as sources of mistrust between THZ and the resettled farmers hence the need for their revisiting. The chapter also discusses the marketing of sugar as well as the economic benefits of the industry to the farmers and the nation at large.

**Chapter 6** examines a range of some livelihood activities by some resettled farmers beyond sugarcane production in the sugar estates. It discusses how access to land culminated in sugarcane farmers straddling across livestock farming, sole trading, natural resource extraction, cross boarder trading as other sources of income apart from sugarcane production. The chapter concludes by suggesting the strengthening of diversification options by the farmers as a contingency measure to ease cash flow constraints faced by the farmers between the planting and harvesting of the perennial sugarcane crop.

**Chapter 7** concludes the study by restating the problem that was under investigation and presents some findings of the preceding chapters. It draws mainly from the literature review-the evolution of the sugar industry as well the out grower schemes in the three estates(**Chapter 2**), post-independence reforms in the sugar estates(**Chapter 3**), operational changes after the reconfiguration of the land ownership structure in the sugar estates (**Chapter 4**), pricing formulae used by THZ to procure the resettled farmers' sugarcane(**Chapter 5**) and other livelihood activities that have emerged in and around the sugar estates after land reform (**Chapter 6**). These findings are used as a premise for giving insightful recommendations to numerous stakeholders in the sugar estate as well as government ministries.

## 1.9. References

- Bellemare, M. (2012). As You Sow, So Shall You Reap: The Welfare Impacts of Contract Farming. *World Development*, 40(7), 1418-1434.
- Bolwig, S., Gibbon, P., & Jones, S. E. (2009). The Economics of Smallholder Organic Contract Farming in Troical Africa. *World Development*, 37(6), 1094-1104.
- Cousins B, (2015) *Through a glass darkly.” Towards agrarian reform in South Africa*, in Cousins B, Walker C (Eds), Land divided, Land Restored: Land reform in South Africa for the 21<sup>st</sup> century, Jacana,
- Government of Zimbabwe (1957) Harare, Zimbabwe: *The Hippo Valley Act*.
- Government of Zimbabwe (1962) Harare, Zimbabwe: *The Sugar Control Act*.
- Government of Zimbabwe (1986) Harare, Zimbabwe: *The Land Acquisition Act*
- Government of Zimbabwe (1992 Harare, Zimbabwe :): *Compulsory Land Acquisition Act*
- Grenier L (1998). *Working with Indigenous Knowledge: A Guide for Researchers*. International Development Research Centre, Ottawa, Johannesburg, South Africa
- Kvale S (1996). *Interviews: An Introduction to Qualitative Research Interviewing*. SAGE, Thousand Oaks, CA.
- Masiiwa and Chipungu (2004) *Post-Independence Land Reform in Zimbabwe Controversies and Impact on the Economy*, Friedrich Ebert Stiftung and IDS, UZ, Harare.
- McCulloch, N., & Ota, M. (2002). *Export Horticulture and Poverty in Kenya*. Brighton: IDS Working Paper 174.
- Moyo, S. (2011), Changing agrarian relations after redistributive land reform in Zimbabwe. *Journal of peasant studies*. 38(5) 939-966.
- Oya, C. (2012). Contract Farming in Sub-Saharan Africa: A Survey of Approaches, Debates and Issues. *Journal of Agrarian Change*, 12(1), 1-33.
- Scoones I, Marongwe N, Mavedzenge B, Mahenehene J, Murimbarimba F, and Sukume F(2010), *Zimbabwe’s Land Reform: Myths and Realities*, Java Media Pty Ltd, Auckland Park, South Africa.

- Warning, M., & Key, N. (2002). The Social Performance and Distributional Consequences of Contract Farming: An Equilibrium Analysis of the Arachide de Bouche Program in Senegal. *World Development*, 30(2), 255-263.
- Glover, D. J., & Kusterer, K. (1990). *Small Farmers, Big Business: Contract Farming and Rural Development*. Houndmills, Basingstoke, Hampshire & London: Macmillan Press Limited.
- Goldberg, R. (1974). *Agribusiness Management for Developing Countries*. Cambridge, Massachusetts: Ballinger.
- Jackson, J. C., & Cheater, A. P. (1994). Contract Farming in Zimbabwe: Case Studies of Sugar, Tea and Cotton. In P. D. Watts (Ed.), *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa (pp. 140-166)*. Madison, WI: University of Wisconsin Press.
- James, G., & Kinsey, B. (2013). Farming *Under Contract: The Experience of Smallholders in Post-2000 Zimbabwe*. Paper presented at the 5th European Conference on African Studies: Lisbon, Portugal, 27-29 June 2013
- Lappé, F. M., & Collins, J. (1982). *Food First*. San Francisco: Institute for Food and Development Policy.
- Minot, N. (1986). *Contract Farming and its Effect on Small Farmers in Less Developed Countries, Working Paper no. 31*. East Lansing, Michigan: Michigan State University.
- Porter, G., & Phillips-Howard, K. (1997). Comparing Contracts: An Evaluation of Contract Farming Schemes in Africa. *World Development*, 25(2), 227-238.
- .

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

The introduction of colonial rule in Africa marked an important turning point, not just in the administration of land, tenure forms and ownership types, but also modes of accessing it. In Zimbabwe's south eastern Lowveld, colonial rule introduced not just a different system of statutory land tenure including its administrative structures but also significantly changed the local people's perception and relations to land. After the indigenous people were forcibly removed in Chiredzi District by the colonial regime to pave way for commercial sugarcane farming in Triangle, Hippo Valley and Mkwazine they began to perceive land as a commodity that could be bought and sold like any other commodity on the market as they saw the land they once believed was theirs changing hands from time to time. All along to them, land as an inheritance from their ancestors was communally owned.

From the colonial era, the three sugar estates developed into a vertically integrated agro-industrial concern spanning from sugarcane growing, processing and marketing stages. Over the years, the sugar estates vacillated between private and public ownership and control. Individual effort by MacDougal from the inception of the sugar industry gave in to state control in 1945 (Saunders, 1980; Mlambo and Pangeti, 1996). After ten years of state ownership and control the industry reverted to private hands after the state realized the sugar industry could best be developed through private initiative. This opened sugar production to multinational firms alongside a few white sugarcane farmers who were linked to the core estates' processing mills at Triangle and Hippo Valley respectively.

Currently, a South African firm-Tongaat Hulett Zimbabwe (THZ) controls the sugar industry in Zimbabwe through its Triangle and Hippo Valley operations. As at 31 March 2013, the firm

owned 44 519 hectares of land with a potential to produce in excess of 3 million tons of sugarcane annually (Tongaat Hulett Zimbabwe, 2015). Alongside THZ are the resettled black farmers who are linked to its two processing sugar mills. These farmers comprise of the ‘settler’ farmers of the Chipiwa Settlement Scheme established in Mkwazine in 1982 and more recently the A2 farmers who were resettled under the Fast Track Land Resettlement Programme implemented in the year 2000 and beyond. From its inception in the 1920s to 1979 the sugar industry in Zimbabwe went through phenomenal changes.

This chapter therefore examined the evolution of Zimbabwe’s sugar industry in Triangle, Hippo Valley and Mkwazine sugar estates of Chiredzi District in the south eastern lowveld of the country. After the forced removals of indigenous people, vast tracts of land were sold by the colonial government to multinational firms and a few local white farmers for sugar production in the district. The three sugar estates lie within Natural Regions IV and V. These natural regions are classified as those areas whose soil fertility and water sources are too poor to permit cropping except on a limited scale. The objective of this chapter is threefold; firstly, to contextualize the sugar industry in general and the sugar estates in particular to the reforms that were introduced by the government after independence in 1980, secondly, to analyze the provisions of the colonial legislation and how it contributed to the unequal power relations between the core estates on one hand and the sugarcane out growers on the other and finally to analyze the implications of the out grower scheme on the autonomy and economic well-being of the out growers.

The chapter contributes a critical review of the evolution of the sugar industry in Zimbabwe during the colonial era which is critical to our understanding of the transformation that occurred in the sugar estates after independence. As a second contribution, the chapter analyses the provisions of the colonial statutes to argue how they were instrumental in creating the current unequal power relations between Tongaat Hulett Zimbabwe and the resettled black farmers. The provisions of the Hippo Valley Act of 1957 and the Sugar Control Act of 1962 by the colonial government which later spilled into post-independence land reform in the sugar estates require a

detailed review for us to understand the source of the current contestations between Tongaat Hulett Zimbabwe and the resettled black farmers in the aftermath of land reform.

The chapter also highlights the implications of the out grower model to the socio-economic well-being of smallholder farmers. Besides an analysis of empirical findings on Zimbabwe's sugar industry, some archival materials on the history of the sugar industry in Zimbabwe were also analyzed. That entailed paying visits to Triangle Museum as well the National Archives in Harare where a perusal of some colonial statutes was done, particularly the Hippo Valley Agreement of 1957, and the Sugar Control Act of 1962. These pieces of colonial legislation contributed to current state relationship between THZ and the resettled farmers in Mkwazine today. It was hoped that a combination of empirical and archival material improved the quality of the data and more importantly the objectivity of this chapter's findings.

## **2.2. Conceptual Framework: Transformation, the out grower model, land reform and agrarian reform**

The above concepts inform this study and will generally be used or referred to in the study hence their discussion in the following sub-sections;

### **2.2.1. Transformation**

The term refers to the unbundling of formerly large-scale corporate plantations to much smaller scale farming units. It also refers to the participation of ordinary farmers with no previous experience in sugarcane-production beginning new modes of accumulation from below. It also refers contract farming arrangements with corporate processors or buyers in kick-starting small-scale farmers' entry into sugarcane production. Lastly it also deals with questions of who currently owns what in the estate, who does what, who gets what and what do they do with it?

### **2.2.2. The out grower model**

The terms "out grower" or "contract farming" are often used interchangeably owing to the diversity of the contract farming phenomenon (.Bijman, 2008:3) Although this study sometimes uses these terms interchangeably, its focus is on a specific model of out grower -*the core/nucleus*



*estate –out grower* model that was adopted in Zimbabwe’s three sugar estates in the colonial era and spilled into post-independence land reform programmes.

The ‘out grower’ or ‘contract farming’ model (OG or CF model hereafter respectively) refers to the contractual arrangements whether oral or written, between farmers and processing firms, specifying one or more conditions of production and/or marketing of an agricultural product (Roy, 1972). Both terms embrace a variety of institutional arrangements which differ according to the partners in the contract’s inputs and management obligations. The definitions of these terms are mired in contemporary debates due to the diversity of contracting arrangements between farmers and contracting firms (Eaton and Shepherd, 2001).

According to Singh (2002:1622);

“There is so much diversity in the type of firms, farmers, contracts, crops and the socio-economic environment that it is better to focus on a specific situation than the generic institution of contracting.”

The terrain in the diversity is further complicated by the existence of a variety of players in the contractual arrangements that include the farmers, contractors, service providers, producer associations and donors hence some observers of contract farming or out grower schemes have developed a host of definitions that contain the same subject matter but expressed differently.

Taking from the various elements from the definitions around this study is informed by the following inclusive definition by Prowse (2012:10-12);

“A contractual arrangement for a fixed term between a farmer and a firm, agreed verbally or in writing before production begins, which provides resources to the farmer and/or specifies one or more conditions of production, in addition to one or more marketing conditions, for agricultural production on land owned or controlled by the farmer, which is non-transferrable and gives the firm, not the farmer, exclusive rights and legal title to the crop”

From Prowse's definition the OG or CF model involves the linking of the processing firm (THZ in this particular case) and the small farmers (the resettled farmers) through production and marketing contracts by which the processing firm provides an assured market outlet, as well as access to critical production resources, such as credit and technical related assistance to the resettled farmers in return for the supply of a specified agricultural produce.

The *core/nucleus estate-out grower* model entails the linking of individual farmers (resettled farmers) to a core estate (Mkwasine Estate) under processing and marketing contracts. Under the arrangement the core or nucleus estate undertakes to process and market farmers' produce. The core estate might go an extra mile to provide inputs and extension support and in some cases manage the farmers' plantations in order to ensure that the right quality and quantity were guaranteed. The farmers, in turn, undertake to supply their produce to the core estates for processing and marketing. The contract requires them to adhere to harvest and/or delivery date quotas, in accordance with grading standards, pricing agreements and credit recovery arrangements.

James and Kinsey (2013) also view the OG or CF model as being characterised by one or more of the following features:

- the commitment, whether written or oral, in advance by a buyer or processor to purchase from a grower a given crop area or volume, of a stipulated quality, at a stipulated time and often (but not always) at a predetermined price;
- the linkage of factor and product markets based on specific production practices and the provision of inputs and/or services by buyer-processors; and
- a contractual distinction in the apportionment of production and marketing risk.

The debate surrounding contract farming is a polarized one. One school of thought asserts that contracts provide small-scale farmers with much-needed inputs and link them to global-agro-food systems (Davis & Goldberg, 1957; Goldberg, 1974; Austin, 1974; Williams & Karen, 1985),

while another school points to the diversion of inputs away from food production and into the production of high-value cash crops for export markets (George, 1976; Lappé & Collins, 1982; Dinham & Hines, 1983; Rosset, et al., 2006; Rosset, 2008). Yet another school of thought points clear power imbalances between small-scale farmers and large-scale agri-businesses, which tend to undermine whatever benefits small farmers might receive (Glover & Kusterer, 1990; Little & Watts, 1994; Porter & Phillips-Howard, 1997).

Despite the polarization, out-grower systems have significant benefits for both farmers and agro-industrial firms (investors). However, it can also cause certain problems. A well-managed out-grower system through contract farming is an effective way to coordinate and promote production and marketing in agriculture. Nevertheless, it should be noted that it is an agreement between unequal parties: companies, government bodies or individual entrepreneurs on the one hand and the economically weaker farmers on the other. It is, however an approach that can contribute to both increased income for farmers and higher profitability for agro-industrial firms. When efficiently organized and managed, out-grower schemes can reduce risk and uncertainty for both parties as compared to buying and selling crops on the open market.

While critics of the out-grower system in general tend to emphasize the inequality of the relationship and the stronger position of agro-industrial firms with respect to that of the farmers, the model is viewed as essentially benefiting firms by enabling them to obtain cheap labour and to transfer risks to the farmers. The advantages, disadvantages and problems arising from OG schemes system will vary according to the physical, social and market environments. More specifically, the distribution of risks will depend on such factors as the nature of the markets for both the raw material and the processed product, the availability of alternative earning opportunities for farmers, and the extent to which relevant technical information is provided to the contracted farmers. The following two sub-sections look at both advantages and problems from the perspective of the farmers and of the agro-industrial firm (core or nucleus estate).

### **2.2.1.1. Advantages to the farmers**

The advantages for farmers include:

- Markets are known and more or less secured.
- The agro-industrial firm usually provides inputs and production services, often on credit.
- Out-grower system often introduces new technology and also enables farmers to learn new skills.
- Farmers' price risk is often reduced as many contracts specify prices in advance. (pre-planting price)
- Out-grower system opens new markets, which would otherwise be unavailable to small-scale farmers.
- A central buying place close to the out-growers. • Donors use out-growers as a tool for targeting vulnerable groups of farmers.

The problems faced by farmers include:

- Particularly when growing new crops, farmers face the risk of both market failure and production problems.
- Agro-industrial firms may be unreliable or exploit a monopoly position.
- The staff of an agro-industrial firm may be corrupt, particularly in the allocation of quotas.
- Farmers may become indebted because of production problems and excessive advances.
- Out-growers may be made dependent on the agro-industrial firm, after which exploitation can occur.
- If production of the same crop is on the estate as well, first preference will be given to the estate production, resulting in later buying, transportation.

### **2.2.1.2. Advantages to the agro-industrial firm**

#### **The advantages include:**

- Out-grower system with small-scale farmers is more politically accepted than, for example, production on estates.
- Working with small-scale farmers overcomes land constraints.
- Purchase is more reliable and sustainable compared to an open-market purchase and the company faces less risk by not being responsible for production.
- A strong business relation can be build up through the earlier mentioned services.
- More consistent quality can be obtained compared to purchases made on the open market.
- Significant quantities can be purchased.

#### **The problems faced by agro-industrial firm include:**

- •Contracted farmers may face land constraints due to lack of security tenure, thus jeopardizing sustainable long-term operations. This is especially a problem when organic production and certification is involved.
- Social and cultural constraints may affect farmers' ability to produce to managers' specifications, e.g. in some communities it is not accepted to use pig manure on the fields.
- Adequate research, staffing finance and management skills are required. Poor management and lack of consultation with farmers may lead to farmer discontent and results in a long and expensive learning process for the firm.
- Farmers may sell outside the contract (extra-contractual marketing) there by reducing processing factory input.
- Farmers may divert inputs supplied on credit to other purposes, thereby reducing yields. • Poor recovery rates and problems with defaulters.
- Entrepreneur needs better motivated field staff to attend to the out growers.

### **2.2.3. Land reform**

In the study, land reform is broadly viewed as the reconfigured land ownership structure that took place in the sugar estates when THZ and a few white farmers lost some sugarcane plantations to the government for the resettlement of black sugarcane farmers. Literally, land reform involves the changing of laws, regulations and customs regarding land ownership. It also refers to transfer of land ownership from the more powerful to the less powerful, for example, from a relatively small number of wealthy owners with extensive land holdings (for example, plantations, large cattle ranches, or agribusiness plots) to individual ownership by the landless or those who work the land (Cousins, 2010). Such transfers of ownership may be with or without compensation. Compensation for the land may vary from token amounts to the full value of the land acquired for redistribution (Moyo, 2011).

On the other hand, land reform also entails the transfer of land from individual ownership to government-owned collective farms. At times and in other places it may refer to the exact opposite—that is, the division of government-owned collective farms into smallholdings (Rukuni, 2003). The common characteristic underling all land reforms, is the modification or replacement of existing institutional arrangements governing possession and use of land (Moyo, 2011). Thus, while land reform may be radical in nature, such as through large-scale transfers from one group to another, it can also be less dramatic, such as regulatory reforms aimed at improving land administration (Masiiwa and Chipungu, 2004).

### **2.2.3. Agrarian reform**

Agrarian reforms, on the other hand, refer an overall redirection of the agrarian system of the country, which often includes land reform measures covering such aspects as credit facilities available to players, training workshops, provision of extension services, and so on. In this study these reforms refer changes in land sizes and tenure regimes as well as to operational changes that were put in place by the government to regulate the relations between THZ and the resettled black farmers. The core estate-out grower model between THZ and the resettled black farmers is

an arrangement between parties with conflicting motives hence the need to regularize issues input accessibility, utility provision as well as pricing and marketing dynamics for the benefit of all the stakeholders in the industry. Examples of other issues concerning agrarian reforms include such aspects as security of tenure for the beneficiaries of land reform, labour laws, which govern the operations of the beneficiaries and their farm workers. It also extends to cover other aspects as private-sector loans and support services as well as government support that is complementary to agriculture.

Ben Cousins (2015:39) explains the difference between agrarian reform and land reform as follows:

Land reform is concerned with rights in land, and their character, strength and distribution, while agrarian reform focuses not only on these but also a broader set of issues: the class character of the relations of production and distribution in farming and related enterprises, and how these connect to the wider class structure. It is thus concerned with economic and political power and the relations between them.

Along similar lines, a 2003 World Bank (WB) report states that:

A key precondition for land reform to be feasible and effective in improving beneficiaries' livelihoods is that such programs fit into a broader policy aimed at reducing poverty and establishing a favourable environment for the development of productive smallholder agriculture by beneficiaries.

Nonetheless, any revision or reform of a country's land laws can still be an intensely political process, as reforming land policies serves to change relationships within and between communities, as well as between communities and the state. Thus, even small-scale land reforms and legal modifications may be subject to intense debate or conflict hence this study.

### **2.3. Out grower schemes in Southern Africa**

Historically, sugar production in southern African has been associated with multinational firms such as Illovo, Tongaat Hulett in such countries as South Africa, Zimbabwe, Zambia Malawi and Tanzania and Companhia de Sena in Mozambique. Alongside these large corporations were minority groups of local white sugarcane out growers who were later joined by the indigenous black population when the countries gained their independence. Out grower schemes were seen as a viable option to incorporate those initially marginalized sections of society into the lucrative commercial activity in a bid to redress the colonial imbalances.

A small but growing number of studies on the sugar industry in Zimbabwe (Jackson and Cheater cited in Little and Watts, 1994; Mlambo and Pangeti, 1996; Scoones et al.2010; Moyo, 2011) indicate increasing participation of black out growers in the sugar industry as the post independent state tried to address the colonial imbalance in the sector. In Zambia studies by Palerm et al., 2010; Richardson, 2010b; Kalinda and Chisanga, 2014 and Matenga, 2014 depict the sugar industry driven by a South African multinational corporation-Illovo-alongside a number of out grower schemes, as an employment generator to complement copper mining which has been the country's economic engine for decades.

In Malawi the thrust has been to promote the cultivation of sugarcane by small farmers on a sustainable basis (Philips, 1999; Chasukwa, 2013). Sugarcane out grower or contract farming in Tanzania gained prominence after the structural adjustment programme in that country (Oya 2012; Key and Runsten, 1999; Divern 1996; Schejtman, 1996 Sulle, 2014). As for South Africa and Swaziland their sugar industries have long been established by their large number of small-scale sugarcane farmers on communal land and peculiarly private owned commercial estates (Bembridge, 1986; Cousins & Lahiff, 2005, p. 128; Eweg, Pillay, & Travailleur, 2009; SASA, 2012; Alcock, 2013; Dubb 2013).



### **2.3.1. Zambia**

The sugar industry in Zambia is largely private sector driven with Illovo Sugar Company of South Africa having a controlling stake alongside a myriad of out growers. Zambia is one of the world's lowest cost producers of sugar behind Malawi, Brazil, Swaziland and South Africa (Liberty International Consortium, 2011). Sugarcane is a high value agricultural crop with a significant contribution to the national economy in Zambia due to its multiple uses and is seen as a significant foreign exchange earner, only second to the copper industry (Palerm et al., 2010; Richardson, 2010b; Kalinda and Chisanga, 2014). In a country with a very high unemployment rate, the sugar sub-sector is hailed as a major formal wage employment generator in the country offering around 11 000 jobs with a total number of dependents exceeding 75 000 (Palerm et al., 2010).

Zambia's development objectives prioritized the commercialization of smallholder sugar sector throughout grower schemes as a way to integrate the majority of the poor in rural areas in the national economy (Matenga 2014). Contract farming particularly the nucleus estate –out grower model has been implemented in the sugarcane growing district of Mazabuka. In its quest to integrate smallholder sugarcane growers into the commercial value chain, the Zambian Government scaled up the nucleus estate-out grower in the country's ten provinces.

Despite the above strides in the development of Zambia's sugar industry the potential to deliver rural development has been perverted as the major player in the industry –Zambia Sugar–controlled by Illovo Sugar Company continued to pile excessive economic concessions from the government under the Investor Promotion and Protection Act [IPPA] (Benson2010). The Act allowed Illovo to import machinery without paying duties and to access finance at reduced prices. This culminated in limiting benefits to the public purse thus compromising the operations of out grower schemes which also benefited from the purse in the form infrastructural provision.

In addition to securing IPPA Illovo has also been able to reduce its national and local tax burden (Benson 2010; Matenga, 2014). In 2009 the Zambian state allowed Zambia Sugar to be reclassified from an industrial enterprise into an agricultural undertaking with a view to reduce

its corporate tax. Furthermore at the end of the same year Zambia Sugar also benefitted from the decision by the Zambian President Rupiah Banda to scrap-off the crop levy to both commercial and smallholder farmers (Matenga, 2014).

Above the developments cited above, a striking inability by the Zambian government to control the influence of monopolies has been evident. According to Benson (2010) Illovo used its leverage as a valued customer among Zambia's dominant banks to prevent the emergence large-scale domestic rivals by urging the banks to withhold finance to them.

From the foregoing, the nucleus estate-out grower model undertaken by Zambia Sugar is overly concerned with maximization of corporate profits as opposed to improving the livelihoods of thousands of out growers located on the outskirts of its sugar estates. While favoured for generating increased yields, irrigation-based sugarcane cultivation fails to absorb the mass of poor smallholders who are in desperate need to improve their livelihoods. For all intent and purposes, sugarcane production involves a very limited number of smallholders due to expensive capital outlays and irrigation technologies.

While the Zambian out grower system appears to be locally empowering the participating out grower communities based on the increment of income indicator, the power to control the out grower schemes lies with the contacting agribusiness firm-Zambia Sugar (Matenga, 2014). According to Matenga decision-making on benefit sharing is still a top-down process with the out grower schemes' activities externally driven. The out growers are simply informed on what will happen and how it will happen they are never at all empowered.

The extent of out grower/contracting farming schemes in Zambia varies according to types of crops being grown. Smallholders out grower schemes are concentrated in more favourable regions with road and rail infrastructure and electricity (Siegel, 2008; World Bank, 2007). Cotton tobacco and paprika are nearly 100 percent produced through the out grower system in Zambia (Tschirley et al, 2009 while on the other hand, 40 percent is grown through smallholder out grower schemes for sugarcane (ibid).

### **2.3.2. Malawi**

Like in Zambia, Illovo Sugar Company is the dominant sugar player alongside numerous black out growers. Following the launch of the Green Belt Initiative (GBI) in 2010 by the Malawi Government, the country embarked on a massive sugar production expansion drive to ensure food security. While the sugarcane expansion drive was formally justified as a means of promoting the livelihoods of the small holder farmers in the beneficiary areas as well as bringing about development in those areas, the major drive was the desire to find a replacement of tobacco as a principal foreign currency earner.

The out grower model of sugar cultivation in Malawi is directly linked to the privatization of the Smallholder Sugar Authority in 1999 as a strategy to promote the cultivation of sugarcane by smallholder farmers on a sustainable commercial basis (Philips 2009). Incorporating local communities 'socializes' sugarcane growing as the economic benefits of this lucrative activity became widely spread to the society.

Instead of bailing the country out of a foreign currency crisis predicament, the implementation of the sugar expansion drive, has totally disenfranchised the smallholder farmer whose land has been taken away through deceptive strategies. Chasukwa (2013) argues that the out grower model is a creative way of indirectly accessing and controlling community land which avoids the challenges associated with outright acquisition of land. The contracting companies access land by entering into contracts with smallholder farmers that bind these farmers to cultivate sugarcane. Under the contract the smallholder farmers can only sell their sugarcane to the contracting companies. In return, the contracting companies support the smallholder farmers both financially and technically. This arrangement enables the management companies to entice the smallholder farmers to commit their land to sugar cultivation by securing long-term supply contracts with the contracting sugar company, which would have been almost impossible if they attempted outright land acquisition (Philips 2009).

In the majority of cases smallholder farmers are not getting much from their sugarcane cultivation due to manipulative and exploitative tendencies of contracting sugar companies.

Chasukwa (2013) further points out that some smallholder farmers are coerced into supporting expensive lifestyles of the executives of contracting firms through exorbitant charges prompting that the promises of transformative and sustainable rural development are a mere rhetoric.

Although the Malawian sugar out grower model does not involve outright acquisition of large tracts of land by contracting sugar companies, it clearly has all the signs of land grabbing. Although the land is not registered in the name of the contracting sugar companies, they nonetheless, have full access and control over the same. It can in fact be argued that the out grower model is more than just a land grabbing mechanism. In addition to the land, this model allows the contracting sugar company to also grab all business opportunities associated with sugarcane cultivation such as the selling of inputs, provision of farm labour, sugarcane haulage, processing and marketing.

### **2.3.3. Tanzania**

In Tanzania, the main sugar producer, Kilombero Sugar Company Limited (KSCL) started with donor funding in 1962. The company was nationalized in 1967 and subsequently privatized in 1998 (Sulle, 2014). Today KSCL is owned by Illovo Sugar Company of South Africa, ED&F Man and the Tanzanian government, with Illovo having the controlling stake. The company has sugarcane plantations of its own and also receives sugarcane for processing and marketing from approximately 8 000 out growers who produce sugarcane on unirrigated plots within a radius of 60 kilometres (ibid). According to Sulle (2014), out growers supply 43% of the cane crushed at KSCL's two sugar mills. These out growers range from communal smallholder out growers cultivating less than one acre to a handful of large private estates (ibid). KSCL pays out growers for the weight and sucrose content of their delivered cane, minus the cost harvesting, transport, processing, marketing and distribution.

The cultivation of sugarcane in Tanzania was commercialized by the Indians in the Kilombero Valley in the 1920s (Baum, 1968). The Indians introduced better cane varieties, cultivated them on plantations and manufactured brown sugar. Since then local farmers planted the new varieties next to the old ones in their garden plots but hardly any smallholders took advantage of the

opportunity of planting more sugarcane than was needed by the household and of selling it to the Indians.

Sulle (2014) points out that the drastic reconfiguration of production and ownership structure of the Tanzanian sugar industry should be understood in the context of life after the structural adjustment programme in the late 1990s. This culminated in the mobilization of a large number of out growers and decentralization of services to out grower associations. According to Sulle the investments of private capital into KSCL since 1998 invigorated sugar production in the area increasing the area under cane and the number of out growers resulting in more associations of cane growers being formed and more business being generated more opportunities for local business being availed. All these have led to increased income from sugarcane farming hence improved living standards for some. In some cases some out grower have reinvested in businesses and some villages have benefited from the benefits of spillover effects in terms of collective farms. And while the number of employees in the sugar industry was reduced after privatization spillover effects in terms technology transfer appear to be limited, there have been positive economic linkages through the growth of ancillary businesses and out growers hiring farm labour.

On the other hand, the changes since privatization have contributed to land scarcity both in absolute terms of the land available for food crops (ibid). This scarcity has been created not by the acquisition of land for estate production but mostly by the expansion of out grower areas and the rising demand for land by migrants. As land is becoming scarce and sugarcane profitability declining, and influential actors in the system are alleged to be resorting to bribery, poor and newcomer households are finding it difficult to participate in the sugar industry. The KSCL has raised questions as to what form out grower schemes should take and how to make it socially inclusive and manage contradictions within the model. These are a microcosm of the broader debates about appropriate roles for states, the market, the private sector and producer organizations in the era of globalization as well as about the position for the small-scale farmers. The Tanzanian sugar brings these debates alive as it illustrates both potential benefits (increased access to credit, technology and markets) and shortfalls (poor wages, decreased land for other crops) of out grower schemes (Key and Rustern, 1999; Polton et al, 2010; Smalley, 2013).

#### **2.3.4. South Africa**

Sugar represents one of South Africa's most prominent agro-industries (Dubb, 2013). Located primarily in the province of KwaZulu-Natal but stretching into Mpumalanga, the R12 billion industry is the sixth largest agricultural sub-sector, accounting alone for between 0.6% and 0.7% of the national Gross Domestic Product, and 79,000 direct jobs and indirectly supports an estimated 350,000 jobs (SASA, 2012, p.4; Department of Agriculture Forestry and Fisheries, 2010, p. 1). The sugar industry in South Africa generally attributes its achievement in fostering small-scale production to its provision of a range of financial and agronomic support services. One core distinguishing feature of the South African agro-industries sugar industry is that unlike the bulk of its sector that underwent an aggressive process of liberalization in the 1990s, the South African sugar industry remained subject of statutory self-regulation under the Sugar Act of 1978 and enjoyed a protective tariff.

The sugar industry also stands out in the composition of its sugarcane supply base and contributions to land reform. While government has struggled to meet its market-based land reform target of transferring 30% of white agricultural land to black South Africans, the sugar industry has proactively facilitated the transfer of 21% of land under cane, proportionately far ahead of the government's general transfer of around 8% to date (SASA, 2012, p. 5; Kleinbooi, 2011, p. 1). Yet perhaps most remarkable is that, of the industry's 27,036 sugarcane growers, 25,200 are accounted for by small-scale sugarcane growers farming predominantly under customary tenure in South Africa's former Bantustans.

Though accounting for only about 9.31% of overall cane supply, the integration of small black farmers into the circuits of 'formal' agro-commodity markets remains a fairly uncommon phenomenon in South Africa, with landed production in customary areas typically characterized as being limited to subsistence or 'informal' markets. Although the economic contribution of crop and livestock production and sale in South Africa's customary areas is regarded by many to be chronically underrepresented in many aggregate measures, the approximate R1.21 billion per annum generated in small-scale sugarcane production is considerable (SASA, 2012, p. 17;

Cousins & Lahiff, 2005, p. 128; Bembridge, 1986, pp. 24-9; Eweg, Pillay, & Travailleur, 2009, p. 371; Alcock, 2013). 3

South Africa's sugar industry has long been established by its large number of small-scale sugarcane farmers on communal land and peculiarly private owned commercial estates (Dubb2015). According to Dubb the number of small scale sugarcane growers has declined over the years due to long-term drought. With this development, the sugar industry cited widespread fraud; default and writing off of millions of rands in unrecovered loans to smallholder farmers as having caused closure to the much lauded credit scheme and shifted the emphasis of its support to large and medium scale

From the above cases it has been observed that contract farming is an agreement between unequal parties: contracting firms in the form of individual entrepreneurs, corporate or government bodies on the one hand and economically weaker farmers on the other. The model is synonymous with expanding agribusiness in the era of globalization and market liberalization trends introduced by the International Monetary Fund's structural adjustment programmes. This farming arrangement has not been without problems as parties to the contract try to manipulate each other. Sometimes the contracting firm may exploit their monopoly position by offering lower prices to the out grower knowing that there are no other takers of the produce. Also if the staff of the contacting firm is corrupt, the allocation of quotas may be given to those out growers who pay kickbacks to the staff.

Out-growers may be made dependent on the contracting firm, after which exploitation can occur and as a result the out growers may become indebted in the event of excessive advances. If production of the same crop is done by the contracting firm as well, first preference will be given to the contracting firm's produce resulting in late buying and transportation of the out grower's produce.

#### **2.4. The inception of the sugar industry in Zimbabwe**

Although the sugar industry started late in this country, it rapidly developed over the years into an agro-industrial concern it is today. According to Scoones et al. (2010) by 2010 the sugar

industry employed approximately 15000 people. The south eastern region in which Zimbabwe's sugar estates are located is characterized by very low rainfall and high temperatures. Colonial settlers considered the region as both inhospitable and devoid of any economic potential because of the arid nature of the area (Mlambo and Pangeti, 1996). Until whites settled in the Chiredzi District, the area was inhabited by indigenous people: mostly the Shona, the Bahlengwe and Shangaan people (Saunders, 1980; Mlambo and Pangeti, 1996). The latter were the descendants of Soshangane who migrated from Zululand in the early 19<sup>th</sup> century as part of the massive South African outward migration known as Mfecane (ibid).

These people's major economic activities included hunting, cattle rearing and trading in such commodities as salt, dried fish, palm wine and clay pots (Saunders, 1980). The colonial settlers established a number of cattle ranches in the area until Thomas Murray MacDougal successfully experimented with sugar cultivation at Triangle in the 1920s (Saunders, 1980; Mlambo and Pangeti, 1996). It was only after that development that the colonial society turned full attention towards the region and began to exploit the area's potential for sugarcane cultivation and other economic advantages. The successful sugarcane experiment at Triangle led to the subsequent opening of Hippo Valley in 1954 and Mkwase in 1968 respectively (ibid).

#### **2.4.1. Triangle Estate (1920s)**

Triangle Sugar Estate was founded in 1919 by Tom Murray MacDougall as a cattle ranch but a severe downturn in the economy during the post-World War 1 recession forced him into crop production in the late 1920s (Mlambo and Pangeti 1996). The economic recession which had resulted into a decline of cattle prices compelled MacDougal and his partner Spraggen, to abandon their cattle ranching venture by selling off most of their herd and tried their hand at crop cultivation. Before they embarked on this successfully, they needed to find a way of harnessing the waters of the nearby rivers for irrigation since rainfall levels were too low to sustain crop farming hence the diversion of water from Mutirikwi River into Jatala Weir where it was later directed into cane plantations by canals.



The main crop initially cultivated in the estate was wheat and by 1934 eighteen hectares of sugarcane were under irrigation in the estate culminating in the opening of the first sugar-processing mill in Zimbabwe on the estate on 11 September 1937 (Saunders, 1980). From these humble beginnings, Triangle expanded into the 1940s when the financial burden of running the estate by MacDougal proved too much for one man (Mlambo and Pangeti 1996). The then colonial government of Southern Rhodesia (now Zimbabwe) which had lent a lot of money to MacDougal for his sugar project took over Triangle Estate in 1944 and put it under the Sugar Industry Board enacted by the Sugar Industry Act of 1944 (Saunders, 1980). After a decade of ownership and control of Triangle Estate, the government became fully convinced that the sugar industry could best be developed through private initiative hence selling it to the Natal Syndicate of South Africa in 1954 (ibid).

#### **2.4.2. Hippo Valley Estates (1956)**

Hippo Valley was first established as a citrus estate by Raymond Stockil in 1956 (Mlambo and Pangeti, 1996). Most of the citrus trees planted were uprooted in the 1970s when the company lost most of its market due to the United Nations sanctions imposed on Rhodesia (now Zimbabwe) after it had unilaterally declared independence from Britain.. Raymond who was the former leader of the Dominion Party (DP) in the then Rhodesia had given up politics to concentrate on farming. Together with six other white farmers, they formed Hippo Valley Estates Limited. The company soon diversified into other crops like wheat and cotton and the first sugarcane crop was planted three years later in 1959. In 1960, Stockil went to Mauritius to purchase a sugar mill which arrived at Hippo Valley in 1961. From Mauritius, he brought Mauritian sugar farmers to help him develop Hippo Valley into a major sugarcane producer. These Mauritian farmers later bought shares in the company and in 1963, Hippo Valley embarked on an expansion program designed to increase sugar production on the estates.

The expansion saw Hippo Valley borrowing money from overseas and selling some of its shares in 1964 (ibid). Anglo American Corporation and Tate and Lyle limited bought 40% and 10% of the shares respectively with the latter selling its shares to various Rhodesian financial institutions

and pension funds (ibid). This soon transformed Hippo Valley into a sugar growing giant which by the early 1980s had one of the most efficient sugar processing mills in Southern Africa (Tongaat Hulett Zimbabwe, 2015).

#### **2.4.3. Mkwesine Estate (1968)**

Mkwesine Estate started as the Nandi Estates around the same time as Hippo Valley but was owned by a partnership which included some Mauritians. According to Mlambo and Pangeti, (1996) Nandi Estates initially belonged to Essanby Ranch which was owned by Stanley Stockil-a brother to Raymond Stockil. Stanley sold the land to his brother Raymond due to financial problems that had befallen him. Raymond in turn sold the estate to the Nandi partnership.

The Nandi venture was later plagued by financial problems and was taken over by a government parastatal in 1965-the Sabi (now Save) Limpopo Authority (SLA).The SLA had emerged out of the recommendations of the Sabi Development Committee (SDC) which was set up by the colonial government to investigate the irrigation potential of the south eastern Lowveld of Zimbabwe (ibid). The committee recommended that for irrigation in the area to be undertaken on a substantial scale it required a big financial risk on the part of the government.

The committee recommended the establishment of the Sabi Valley Authority to be modeled after the Tennessee Valley Authority (TVA) created in the United States in the 1930s. The authority would plan, coordinate and administer all development in the Sabi Area, maintain and operate the main water works, control cropping systems and carry out research into various crops. In 1965 the colonial government enacted the Save Limpopo Authority Act (SLA).The board of directors of the SLA was mandated to ensure investment and development in the Lowveld (ibid).The Act also empowered the SLA to exploit, conserve and utilize the water resources of the area with the aim of promoting its economic development in the national interest and also to promote, establish, operate and coordinate undertakings for the economic and social development of the area.

Irrigation was the major focus of the Lowveld development. As such, one of SLA's major responsibilities was in civil engineering; identifying possible dam sites, conducting basic surveys and carrying out site exploration works and canal alignment. To facilitate this role to the Authority, the Ministry of Water Development of the colonial government transferred the ownership and operation of Kyle Dam( now Mutirikwi-completed in 1961), Bangala Dam ( completed in 1963) and Manjerenje Dam (completed in1966), as well as the Chikwerengwe Weir and the main water distribution canals to SLA.

To run the estate which was later named Mkwesine the SLA created a subsidiary, the South Eastern Development Company (later known as the Mkwesine Division). The division was meant to utilize water from Manjerenje Dam. Mkwesine Estate was first used to grow wheat to supply the country which was facing a wheat shortage as a result of the sanctions. Wheat was rotated with cotton, ground nuts, maize and rice. Since the SLA was meant to demonstrate the viability of the Mkwesine project, the estate was later sold to private enterprise as part of government policy to involve private players in the estate.

As was the policy with Triangle and Hippo Valley, the settlement of private landholders was part of the Mkwesine scheme. As a result 40 percent of the irrigation water from Manjerenje Dam was earmarked for the use of these landholders who were popularly referred to as 'settlers'. The first eight white settlers were allocated land in 1971 in Mkwesine, each settler receiving 300 acres (Mlambo and Pangeti, 1996). When the SLA felt that it had proved the viability of the wheat scheme at Mkwesine it sold the estate to a private enterprise. Mkwesine Estate was sold to Triangle and Hippo Valley in a 50-50 partnership (Tonga Hulett Zimbabwe, 2015). The two sugar estates intended to grow sugarcane at Mkwesine but had initially to shelve the idea due to lack of sufficient markets because of UN sanctions and the sharp fall in the world sugar price. For a while therefore the two sugar companies continued to grow cotton and wheat at Mkwesine(ibid).

The conversion from wheat and cotton to sugarcane production began in 1976 (Mlambo and Pangeti, 1996) and was accompanied by a change from overhead to flood irrigation as well as the extension of the railway from Nandi Siding to Mkwesine Estate to facilitate the transportation of sugarcane to the mills at Triangle and Hippo Valley. The two companies started growing sugarcane at Mkwesine in 1980 using seed cane from Hippo Valley. In 1980 at Zimbabwe's independence the Chipiwa Settlement Scheme was started to settle black sugarcane farmers on 10 hectare plots. This was premised on two considerations; firstly as part of the obligation to use 40 percent of the available irrigation water to private landholders and secondly; as part of the newly independent state of Zimbabwe to involve black farmers in those economic activities that were exclusively white under colonial governments.

## **2.5. The inception of the out grower scheme in the sugar estates**

When the Natal Syndicate (NS) of South Africa bought Triangle Estate from the government in 1954 it proposed to set up a settlement scheme on the estate involving the immigration of young white farmers from Natal in South Africa who would supply the bulk of sugarcane processed by the syndicate at Triangle Estate (Saunders, 1980). The 'syndicate's proposal coincided with a motion that was earlier mooted in the Parliament of Southern Rhodesia in 1944 advocating for a 'post war settlement scheme' in Triangle for white veterans of World War Two (Government of Zimbabwe, 1957).

The first group of out growers to benefit from the proposition by the Natal Syndicate comprised of South African whites who were resettled in Triangle in 1955. They were allocated 150 acres of land each by the 'Syndicate' (Mlambo and Pangeti, 1996). They had title to the land they were farming but were linked to Triangle sugar mill. As more out growers were incorporated into the estate, the NS narrowed their sugarcane growing operations and focused more on sugar processing and marketing by virtue of owning a processing plant. That development left the bulk of sugarcane production to out growers around Triangle sugarcane plantations hence the birth of the present core estate-out grower scheme.

From Triangle the out grower scheme spread to Hippo Valley in 1955 where eight white farmers were allocated 100 hectares each on a pilot scheme. Likewise these farmers were linked to the Hippo Valley processing mill. In 1964 a further thirty nine (39) more farms of 100 hectares each were offered to white farmers (ibid) in the estate. In Mkwesine Estate, it was only in 1971 that the first eight out grower farms of 100 hectares each were introduced. Since Mkwesine Estate which is 50 and 70 kilometres from Hippo Valley and Triangle respectively has no sugarcane processing mill, its sugarcane was transported to the processing mills by either road or rail for processing and marketing.

## **2.6. Legislation of the out grower model in the sugar estates**

The core estate-out grower model thus established in 1954 in Triangle was later formalized by the Hippo Valley Act (HVA) of 1957 and the Sugar Control Act (SCA) of 1962. In addition to these two pieces of legislation; the Government of Southern Rhodesia went further to stipulate that part of the land and irrigation water for each estate had to be set aside for a settlement scheme for private landholders in the three estates (Saunders, 1980).

### **2.6.1. The Hippo Valley Act (1957)**

This was the first piece of legislation to regularize the out grower scheme in the three sugar estates. It regulated all the operations of out growers and core estates in the region. The Act empowered the core estates to:

- Consider prospective out growers on the estates
- Determine the number of out growers on each estate.
- Allocate the half of the total water made available to it from the major irrigation works to the out growers.
- Provide housing, educational, medical and financial facilities to the out growers.

- Prescribe to the out growers the agricultural crops and the minimum areas to be devoted to each crop.
- determine the basic terms and conditions under which the out growers were to occupy the holding; and
- Regulate the handling, marketing and processing of the out growers' main products.

The above provisions gave the core estates a lot of leverage over the out growers. Being given the power to determine the prospective out growers including the number that could be accommodated in each estate allowed the core estates to influence the operations of the out growers in one way or the other. Experience in sugarcane growing and financial capacity as pre-conditions for would-be beneficiaries of sugarcane farms automatically excluded black farmers as they did not have the requisite experience nor the collateral security to access loans from banks.

The beneficiaries of the farms in the sugar estates were required to sign an agreement which enabled them to receive bank guarantees from the core estate in which they were operating in the event of borrowing. These out growers were also required to adhere to planting and harvesting schedules set by the core estates as well as to the sugarcane cultivars they were supposed to grow. The core sugar estates also distributed irrigation water to the out growers, provided extension support as well as credit facilities in some cases.

### **2.6.2. The Sugar Production Control Act**

A sequel to The Hippo Valley Act of 1957 was the Sugar Production Control Act of 1962. This Act further entrenched the core estates' control over the operations of the out growers. In addition to upholding all the provisions of the Hippo Valley Act, it further empowered the core estates to determine the out growers' annual quota to be delivered to the processing plants, calculated on the basis of the company's ability to export sugar. One of the provisions of this Act was the milling agreement clause which stipulated that out growers get 40% of the value of their

sugarcane processed at the core estates' processing plants, thus giving 60% to the core estates which owned the processing mills.

Hullet and Sons of South Africa, which later bought Triangle from the Natal Syndicate of South Africa in 1957 agreed to accommodate the three out growers who had been incorporated by the Syndicate. The firm did not, however, entertain the idea of accepting more out growers in the estate (Mlambo and Pangeti, 1996). When Tongaat took over from Hullets in 1962, six more out growers were taken in Triangle in the 1963/64 period.

The unequal power relations legalized by the above two statutes caused significant disquiet between the out growers and the core estates culminating in the formation of the Rhodesian Cane Planters Association in 1962 to negotiate milling agreements with the core estates. However some of the provisions of these colonial pieces of legislation spilled into post-independent Zimbabwe.

#### **2.6.2.1. The Mpapa Settlement Scheme in Triangle**

Eight years after Zimbabwe's independence, Triangle Estate introduced the Mpapa Settlement Scheme (MSS) in 1988, for its former employees. The beneficiaries of this scheme needed to show a proven record of sugarcane farming and management skills. This privately initiated scheme was not part of the government's redistributive thrust but one of THZ's efforts to reward top management personnel who had served the company loyally for a long period of time. The MSS culminated in only nine former managers being allocated 30 hectares each which was three times bigger than what the Chipiwa farmers in Mkwase got. Under the MSS, these farmers were assisted financially by Triangle to procure agricultural inputs and start operations as well as harvesting their sugarcane (Mlambo and Pangeti, 1996). Triangle also expected the farmers to cooperate with each other in the cutting of their cane and offered milling and marketing services

to the farmers. The farmers were promised freehold title to their farms once they finished repaying their loans to Triangle.

## **2.7. Out grower schemes as a rural development strategy**

While many reasons for the sugarcane out grower scheme in southern Africa have been evoked such as redressing the racial imbalance and economic empowerment for the initially disadvantaged black people, it is the purported link to rural development which is central in this study. In attracting foreign investment into their domestic sugarcane industries, it is hoped that the governments of southern Africa would increase their agro exports culminating in economic growth and poverty reduction in the region. Benson (2010) argues that the sugar and ethanol exports would facilitate rural development in the region as business growth is enhanced. Earnings from exports improve the country's balance of payment. And, last of all government revenue in the form of corporation tax, income tax, and tariffs levied on industry imports would all increase, thereby allowing further state investment in public goods such as transport infrastructure, health and education. Following on from this foreign investment bring with it managerial and technical expertise that help to increase labour productivity and lower the cost of agricultural products (ibid).

Traditionally, rural development centred on the exploitation of land-intensive natural resources such as agriculture and forestry (<http://www.geo.mtu.edu>) but over the years, the need by rural communities to approach development from a wider perspective has focused more on a broad range of development goals rather than merely agricultural or natural resource extraction activities. The proposition that small-scale land investments are potential catalysts for transformative and sustainable rural development can only be attractive hence the out grower strategy. Education, entrepreneurship, physical and social infrastructure are all considered important role in the rural development discourse.

Despite the centrality of rural development to the land reform thrust in post-independent Africa, empirical academic analysis on the land reform initiative and its influence of on the improvement of the quality of life and economic well-being of people among agrarian communities



particularly in the sugar sector has been thin on the ground hence this article. As such SADC1996, Lamy, 2008 as cited in Benson (2010) point out that many policy-makers are advocating for sub-Saharan Africa to be integrated into the world economy if it is to attain higher economic growth and allow its poor to move out of poverty. To this end the opportunities afforded in sugar out grower schemes in southern Africa could be seen as a means to diversify the economy, transfer technology across the agricultural sector and bring prosperity to some of the poorest in the region. The purpose of the next section is to suggest ways this vision will be brought to fruition.

## **2.8. Beyond the out grower partnership with the core estates**

As has been established by the above discussion there has always been inter-dependence between the core estates and the out growers since the colonial times. Although the core estates provided an assured market for the out growers by processing and marketing their sugarcane the operating relations were skewed in their favour thereby undermining the socio-economic integrity of the out growers. The provision of extension as well as technical related services to the out growers compromised the out growers' autonomy in decision making. In the majority of cases the out growers were expected to operate in accordance to the standards quantity and quality as prescribed core estates. That operating environment spilled into the post-independence land reforms in the estates.

Although the white farmers in this study differ from those resettled after independence, the implications on the socio-economic well-being of both groups of farmers are predominantly the same. The scale of contract farming was very low in the colonial era and confined to a particular racial group. This means that we cannot ascertain its full impact on the black communities who were totally excluded except to provide labour to the core estates and white farmers around them. Despite empirical findings by Saunders (1980) and Mlambo and Pangeti (1996) that the white farmers were linked to the core estates in return for extension and some inputs some studies have established a myriad of motivations behind contracting out (Masakure and Henson, 2005). Changes in prevailing market conditions produce a situation where the lack of affordable inputs is almost the sole factor driving small farmers into contract farming arrangements.

This leads to the first of the two major concerns that potentially have important ramifications for smallholder farmers in commercial sugarcane farming in the sugar estates-exploitation. The white out growers in the colonial often complained about unequal power relations with core estates as was provided for by the law hence the formation of the sugarcane planters association in 1962 to lobby the interests of the out growers. The main aim of the association was to negotiate milling agreements with the core estates. When the settlement started in the colonial era the arrangement was that the core estates who owned the processing mills and the sugarcane out growers would receive 40 % and 60% respectively from the value of the out growers' sugarcane processed at the core estates' mills. Through constant engagement through the Division of Proceeds Committee by the out growers the new ratio was pegged at 28-72 % as of 1993 (Tonga Hulett Zimbabwe, 2015). Some studies carried elsewhere. (SNV, 2007; James, 2015) indicate companies failing to provide the inputs promised to the farmers or that the inputs are delivered late in the season. According the findings, sometimes the quality of the inputs is also sub-standard, for example, many farmers complain that the agro-chemicals they receive would be out of date. Following the harvest some contractors also fail to collect the produce, leaving it to rot or collecting it later when the quality is not as good. This, along with arbitrary changes to quality parameters and suspect grading, means that prices paid to farmers are often much lower than expected.

On the other hand, contract companies also complain about input diversion, side-marketing and side-harvesting by small farmers (SNV, 2007). However, while the former have the power to withdraw contracts, for the latter there is very little recourse in the event that private contractors break the terms of the contract. As Dzingirai (2003) asserts, small farmers tend to be unorganised and their grievances are often ignored because the terms of agricultural contracts are heavily weighted in favour of large agri-businesses. He writes:

While acknowledging the inevitability of risk in growing perishable crops, the contracts are vague, if not silent, about what the role of the company should be in the event of problems arising. Thus the contracts do not commit the company to compensate the farmer when a proffered crop variety fails under severe or unfamiliar weather conditions (2003, p. 48).

The exploitative nature of some contracts can therefore lead to increased indebtedness, dispossession and the loss of wealth. The loss of agricultural tools and equipment, which can be expensive and are not easily replaced, both undermines the ability of the farmer to meet the terms of any future contract and the family's ability to manage the land through well-timed tillage.

The second concern is related to the exclusion from participation of some sections of society in this very important economic activity. While in the colonial era the exclusion of black farmers was determined by race, in post-colonial Zimbabwe it is based on class. The capital intensive nature of sugar production has made it difficult ordinary people to enter the sugar hence the elite from the civil and military services benefitting in the aftermath of land reform.

During the colonial period sugarcane contracts and other crops of better agro-economic potential marginalised black households that were confined to poor and drier natural regions. If contract farming does indeed lead to higher incomes as some case studies suggest, for example some tobacco farmers resettled under land reform in Zimbabwe would testify that it does—then there is a clear risk of exacerbating local and regional patterns of social differentiation within and between rural communities in Zimbabwe. In Malawi, for example, Peters (2006) has shown that, during the 1990s, small-scale tobacco farmers saw their income rise by some 72 per cent, while at the same time the gap between families in the top and bottom income quartiles increased significantly as a result. We may already be seeing similar developments in the south eastern Lowveld with the possible emergence of a new class of black commercial farmers in the sugar estates. The question is not whether this should be allowed to happen, but how the benefits from sugarcane farming can be more evenly distributed.

On the whole from its inception from the 1920s to 1979, the sugar industry has contributed significantly to the national economy. The industry has become a major employer of skilled and unskilled labour in both cane fields and ancillary activities. In 2015 the two major sugarcane growing estates of Triangle and Hippo Valley were employing 7 500 and 6 000 people respectively (Tonga-Hulett Sugar report, 2015). Together with the population of Mkwazine

Sugar Estate's out growers and their employees' dependants the total population supported by the three estates amount to approximately 120 000. In addition, through its various processing and diversification activities, the sugar industry is also producing a wide variety of both intermediate and finished products for the local market. Among its by-products are ethanol, industrial and potable alcohol, stock feeds, carbon dioxide, electricity and many other products.

While the out grower scheme in the sugar estates in the colonial era largely appeared attractive to outsiders and enabled the white farmers access to inputs and higher income it contributed to their manipulation in milling quotas and agreements by the core estates. In light of this the Government' of Zimbabwe's Agricultural Investment Plan after independence has recognised the need for certain protection in as far as contract farming is concerned;

“In order to ensure the continued growth of contract farming, an appropriate legal and institutional framework is needed to minimize violation of contractual obligations” (GoZ, 2013, p. 32).

Still, this leaves unchallenged the premise that the “continued growth of contract farming” is, in fact, the best option (Dzingirai, 2003). In addition to legal and institutional frameworks imposed by government, Dzingirai asserts that small farmers need to get organised and form alliances with other community organisations, including NGOs, in order to insist on clearly written contracts and increase their bargaining power.

## **2.9. Conclusion**

The chapter explored the evolution of the sugar industry in Zimbabwe as well as the inception of the nucleus estate-out grower scheme in the three sugar estates in the colonial era. The chapter established that the sugar industry started as a sole initiative by Murray MacDougal in Triangle Estate. When the financial burden of running the estate became too much for him he lost ownership and control of the estate to the government of the day which lent him a lot of money. After a ten year stint of mixed fortunes in Triangle comprising losses due to droughts and diseases on one hand and profits on the other, the government felt convinced that sugar production in the country could best be developed through private initiative. On its part it had

demonstrated that sugar production could be carried out in the Lowveld and had invested heavily in water and transport infrastructure.

The decision witnessed Triangle being sold to the Natal Syndicate of South Africa in 1954 hence the birth of the out grower model that have existed up to this day. The out growers were linked to the core estate's processing mill. From Triangle the out grower scheme spread to Hippo Valley in 1959 and then Mkwase in 1971. Colonial legislation such as the Hippo Valley Agreement of 1957 and the Sugar Control Act of 1962 formalized the out grower arrangement in the three estates. The provisions of these colonial statutes empowered the core estates to consider prospective out growers and also to determine the number of the out growers to be accommodated in each estate

Also the chapter established the out grower model or contract farming entails contractual arrangements whether oral or written, between farmers and processing firms, specifying one or more conditions of production and/or marketing of an agricultural product. This agricultural model has been polarized in two schools of thought with one school portraying it as pro-poor strategy of incorporating small-scale farmers into agribusiness on one hand and the other school portraying the model as oppressive and exploitative hence the merits and demerits the model as discussed in that chapter.

While the chapter portrayed the out grower scheme in the sugar estates in the colonial era as largely attractive as it availed large tracts of land to white farmers as well as access to loans from financial institutions the chapter downplayed the manipulation by the core estates in milling quotas and agreements which leaves unchallenged the premise of out grower schemes or contract farming as a viable option of spreading the economic benefits to a wider section of the society. In addition to legal and institutional frameworks imposed by government, the chapter also asserted that small farmers need to get organised and form alliances with other community organisations, including NGOs, in order to insist on clearly written contracts and increase their bargaining power when dealing with agribusiness.

While the discussion presented in this chapter points to the exclusiveness of the commercial sugarcane farming as a white economic activity it is unequivocal also on the risks that these farmers faced in their operations. There are concerns of increased indebtedness, dispossession and income inequality among the white farming community in the sugar estates. The chapter therefore is in agreement with the current government's Agricultural Investment Plan (GIP) which recognizes the need for reforms in the sugar estates to redress the colonial imbalance in land ownership in the estates.

This dramatic development of this important industry has not been subjected to a detailed analysis, although the writings of Saunders (1980) and Mlambo and Pangeti (1996) and others have done much to highlight the salient points on the development of the industry. A comprehensive analysis of this industry's transformation is thus necessary, not because the story of Zimbabwe's 'white gold' is an interesting story worth telling but because the sugar industry looms large in the recent economic history of Zimbabwe. Any comprehensive understanding of the present economic situation of Zimbabwe must therefore include an appreciation of the role the sugar industry has played or continue to play hence the following chapter traces the land and agrarian reforms in the sugar estates from independence in 1980 to 2016.

## 2.10. References

- AgriNews. (May, 2013), *Issue No. 3. Harare: Zimbabwe Farmers' Union (ZFU)*.
- Bolwig, S., Gibbon, P., & Jones, S. E. (2009), The Economics of Smallholder Organic Contract Farming in Troical Africa. *World Development*, 37(6), 1094-1104.
- Davis, J. H., & Goldberg, R. A. (1957), *A Concept of Agribusiness*. Boston: Harvard University.
- Dinham, B., & Hines, C. (1983), *Agribusiness in Africa*. Trenton, N.J.: African World Press.
- Dzingirai, V. (2003), Resettlement and Contract Farming in Zimbabwe: The Case of Mushandike. In M. Roth, & F. Gonese (Eds.), *Deliverling Land and Securing Rural Livelihoods: Post-Independence Land Reform and Resettlement in Zimbabwe (pp. 43-56)*. Harare & Wisconsin: CASS, Universty of Zimbabwe & LTC, University of Wisconsin-Madison.
- Eaton, C., & Shepherd, A. W. (2001), *Contract farming: Partnerships for growth*. Rome: FAO/UN.
- George, S. (1976), *How the Other Half Dies: The Real Reasons for World Hunger*. Middlesex, England: Penguin.
- Glover, D. J., & Kusterer, K. (1990), *Small Farmers, Big Business: Contract Farming and Rural Development*. Houndmills, Basingstoke, Hampshire & London: Macmillan Press Limited.
- Goldberg, R. (1974), *Agribusiness Management for Developing Countries*. Cambridge, Massachusetts: Ballinger.
- Government of Zimbabwe (2013), *Zimbabwe Agriculture Investment Plan (ZAIP) 2013-2017: A Comprehensive Framework for the Development of Zimbabwe's Agriculture Sector*. Harare: Government Printer.
- Government of Zimbabwe (1944), *The Sugar Industry Act*, Harare, Zimbabwe
- Government of Zimbabwe, (1957), *The Hippo Valley Act*, Harare, Zimbabwe
- Government of Zimbabwe, (1964), *The Sugarcane Control Act*, Harare, Zimbabwe

Mlambo S. and Pangeti E.S. (1996) *The political Economy of the Sugar Industry of Zimbabwe 1920-90*, University of Zimbabwe, Harare.

Saunders C (1980), *Murray MacDougal and the story of Triangle*, Zimbabwe: Triangle and the Murray MacDougal Museum.

Tongaat Hulett Zimbabwe (2015), *Annual Report*, Harare, Zimbabwe

Jackson, J. C., & Cheater, A. P. (1989), Contract Farming: Sugar, Tea and Cotton in Zimbabwe. *Eastern Africa Economic Review*, 97-107.

Jackson, J. C., & Cheater, A. P. (1994), Contract Farming in Zimbabwe: Case Studies of Sugar, Tea and Cotton. In P. D. Watts (Ed.), *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa (pp. 140-166)*. Madison, WI: University of Wisconsin Press.

James, G. (2015), *Transforming Rural Livelihoods in Zimbabwe: Outcomes of the Fast Track Land Reform Programme, 2000-2012. Ph.D. Thesis*, University of Edinburgh.

James, G., & Kinsey, B. (2013), *Farming Under Contract: The Experience of Smallholders in Post-2000 Zimbabwe*. Paper presented at the 5th European Conference on African Studies: Lisbon, Portugal, 27-29 June 2013.

Lappé, F. M., & Collins, J. (1982), *Food First*. San Francisco: Institute for Food and Development Policy.

Little, P. D., & Watts, M. J. (1994), *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa*. Madison, WI: University of Wisconsin Press.

Masakure, O., & Henson, S. (2005), Why Do Small-Scale Producers Choose to Produce under Contract? Lesson from Nontraditional Vegetable Exports from Zimbabwe. *World Development*, 33(10), 1721-1733.

Peters, P. (2006), Rural Income and Poverty in a Time of Radical Change in Malawi. *The Journal of Development Studies*, 42(2), 322-345.

Porter, G., & Phillips-Howard, K. (1997), Comparing Contracts: An Evaluation of Contract Farming Schemes in Africa. *World Development*, 25(2), 227-238.



Rosset, P., Patel, R., & Courville, M. (2006), *Promised Land: Competing Visions of Agrarian Reform*. Oakland: Food First Books.

Scoones, I., Marongwe, N., Mavedzenge, B., Mahenehene, J., Murimbarimba, F., & Sukume, C. (2010), *Zimbabwe's Land Reform: Myths and Realities*. Suffolk, Harare, New York & Auckland Park: James Currey, Weaver Press, Boydell & Brewer and Jacana Media.

SNV. (2007), *SCAPEMA (Support Capacity for Enhanced Market Access and Knowledge Management) Inventory of smallholder contract farming practices in Zimbabwe*. Harare: SNV Netherlands Development Organisation.

Williams, S., & Karen, R. (1985), *Agribusiness and the Small Farmer*. Boulder, Colorado: Westview Press.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This is a qualitative study where data was collected over a period of six months in the Mkwasine Estate. This period was long enough and afforded the researcher ample time to observe some sugarcane farming operations which were carried out by the farmers like planting, fertilizer application, weeding, irrigation and harvesting, just to mention but a few. It also afforded the researcher to meet his informants formally at their workplaces and informally at social occasions like sporting events, weddings and sometimes funerals. Carter and Little (2007) opine that qualitative research as that which utilizes text data (not numerical one), analyzed in their textual form (rather than converted to numbers for analysis), with the aim of understanding human action and behaviour. Creswell (20013:16) also points out that qualitative research is legitimate in its own right and Rapley (2011), concurs that this approach does not impose a prior theoretical position on data but remains open to knowledge generation.

Unlike quantitative research, which is restricted to artificially created phenomena, this research adopted a naturalistic perspective in order to remain faithful both to the knowledge generators and to the phenomenon investigated. This means the reform of Mkwasine Estate and the transformation thereof had to be understood in a natural setting where participants were given room to openly and freely express themselves. In this view, qualitative research is a scientific enquiry that appreciates the complexity of a social science. In this instance the transformation of Mkwasine Estate was adequately captured through detailed narrations and descriptions by the farmers. It is hoped that this study's findings can be generalized to approximately 450 farmers in the sugar estate.

#### **3.2. Research design**

The case study research design was adopted for this study. As Morse and Richards (2002) and Creswell (2013) point out that the design chosen has to be in line with the demands of the

research questions and objectives. Therefore the case study was deemed to address the research questions and objectives stated in **Chapter 1**.

According to Yin (1984) a case study is an empirical inquiry that investigates a contemporary phenomenon with the real-life contexts which are not clearly evident; and in which multiple sources are used. The case study method was deemed as the most appropriate for this study. This was because case studies provide an opportunity to conduct in-depth examination of the phenomenon under study (the reform and transformation of Mkwazine Estate after land reform. In this study, multiple sources of data i.e. interviews, observation as well as secondary data were employed in providing answers to the research questions. The Chipiwa Scheme and A2 farmers were the key respondents with government officials from ministries of land and agriculture as well as Tongaat Hulett Zimbabwe participating in this study.

Also Creswell (2013:73) points out a case study as “a qualitative approach in which the investigator explores a case(s) over time through detailed, in-depth data collection involving multiple sources of information (observations, interviews, audio-visual material, documents and reports), and reports a case description and case-based themes.” This case study used a combination of quantitative and qualitative data from interviews, conversations, and participant observation. Unlike quantitative data which imposes a prior theoretical position, qualitative increases knowability (Creswell, 20013:16) since it remains open to knowledge generation. Since quantitative research is restricted to artificially created phenomena, qualitative research allowed the participants who experienced and witnessed the reforms to openly and also freely express themselves.

However, Yin (2009) cites definitional flaws characterizing case studies as methodologies. Possibly, this is the reason why this approach tends to be conveniently ingrained into other methodologies. To him, a case study is an empirical enquiry that looks at the following:

- It investigates a contemporary phenomenon in depth and within its real life context especially when;

- The boundaries between phenomenon and context are not clearly evident.
- It copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result;
- It relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result; and
- It benefits from the prior development of theoretical propositions to guide data collection and analysis.

### **3.3. Sample size and sampling techniques**

This study draws from a stratified random sample of 45 resettled farmers drawn from three broad categories of resettled farmers compiled by the Commercial Sugarcane Farmers Association of Zimbabwe (CSFAZ). Stratified random sampling is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. A random sample from each stratum is taken in a number proportional to the stratum's size when compared to the population. These subsets of the strata are then pooled to form a random sample. The main advantage with stratified sampling is how it captures key population characteristics in the sample. Similar to a weighted average, this method of sampling produces characteristics in the sample that are proportional to the overall population. Stratified sampling works well for populations with a variety of attributes.

The CSFAZ is an association that represents the resettled sugarcane farmers in Triangle, Hippo Valley and Mkwasine sugar estates to lobby their interests to THZ, the government and other stakeholder in the sugar industry. The association periodically categorizes its membership according to their output levels in the estate. The categories range from the high, middle and low producer categories, respectively. According to CSFAZ 2015 records which was used as the sampling frame there were 99 farmers under the high producer, followed by the 149 farmers in the middle producer and 202 farmers in the low producer category respectively.

Apart from the categories the sample also included two groups of farmers resettled in the estate under the government's land reform programme that was rolled out after independence in 1980. The two farmer groups include the Chipiwa Settlement Scheme of 1982 and the A2 farmers of the FTLRP of 2000 and beyond as discussed under sections **3.2.1** and **3.2.3**. The land sizes allocated to the two groups are 10 and 20 hectares respectively.

According to the CSFAZ, a high producer was farmer whose sugarcane output was 100 tonnes per hectare and above, the medium producer- 70 to 99 tonnes and the low income producer- less than 70 tonnes per hectare. The output per hectare depended on a number of factors which among them included the type of soil, the adequacy of the inputs, and the farming skill of the farmer and the location of the field. The location of the field was important in that those fields in the periphery are sometimes vandalized by wild animals. Also the further away the field is from the loading zone the greater the loss of cane as it is transported.

Creswell (2013) points out that 10 percent of the population would represent a reasonable sample size in phenomenological studies involving long in-depth interviews. This being a phenomenological study examining the transformation of the sugar estates and the resettled farmers' perceptions, perspectives and understanding of what has transpired in the sugar industry settled for a sample total of 45 farmers which is equivalent to 10% of the of 450 resettled black farmers in Mkwesine.

In coming up with the sample size the first step was to first work out 10% of 450 farmers. The next step was calculating the ratio of categories (i.e. 99:149:202) which translated into 2:3:4. The next step was calculating the number of farmers representing each category in the sample which gave 10 farmers for the high producer category, 15 farmers for the middle producer and 20 farmers for the low producer categories thus giving us a total of 45.

The sample results are as follows; Table 3.1 shows the composition of the sample according to farmer group and Table 3.2 show composition of the sample according to the category of farmer.

**Table.3.1. Farmer group**

<b>Farmer group</b>	<b>No. of farmers</b>	<b>Percent (%)</b>
Chipiwa Settlement Scheme farmers	12	<b>26.7</b>
A2 farmers (2000 and beyond)	33	<b>73.3</b>
<b>Total</b>	<b>45</b>	<b>100</b>

Table 3.1 shows 26.7% of the farmers are from the Chipiwa Settlement Scheme who were resettled in 1982 and 73.3% are from the A2 scheme implemented in the year 2000 and beyond.

**Table 3.2. Farmer Categories**

<b>Category of farmer</b>	<b>No. of farmers</b>	<b>Percent (%)</b>
High producer	10	22.3
Middle producer	15	33.3
Low producer	20	44.4
<b>Total</b>	<b>45</b>	<b>100</b>

Table 3.2 shows 22.3% for the high producer, 33.3 %for the middle producer and 44.4 % for the low producer categories respectively. Of interest is that all the 12 farmers from the Chipiwa Settlement Scheme are in the middle and high producer category with the A2 farmers falling across the three categories. In addition to the 45 farmers, the following key informants were also interviewed; THZ, farmers' representatives as well as government officials.

### **3.4. Gaining entry into the area**

The Masvingo Provincial Governor was the first person to be approached. The Governor gave the researcher a letter authorizing the research and introducing the researcher to the various government constituencies linked to the A2 sugarcane scheme in the estates; namely the Chiredzi Rural District Administrator, Chiredzi District land resettlement and agriculture officials. The district administrator linked the researcher to the district officials connected to the A2 out grower scheme. From the political angle the researcher also approached the local member(s) of parliament.

Preparations for fieldwork had already been made. Preliminary contacts with the Commercial Sugarcane Farmers Association of Zimbabwe (CSFAZ)- the A2 farmers' representative, as well as THZ and resettlement officials have been established at an agricultural show in Chiredzi in 2012. The show was organized by the Lowveld Agricultural Society with the aim of showcasing what is offered by the region and also providing the basis for the exchange of viewpoints among stakeholders in the sugarcane farming fraternity.

During the agricultural show the researcher visited the stands of the Commercial Sugarcane Farmers Association of Zimbabwe, THZ as well as resettlement officials from the Ministry of Lands and Land Resettlement. At each of the stands the researcher briefed the officials of his intended research and asked them if he would be allowed to carry out his fieldwork. The response was in the affirmative. The farmers' representatives were very happy to learn that there were academics who were interested in what they were doing. The Public Relations Manager at THZ stand also said the researcher was welcome provided that he informed them of the date of his visit at least two weeks before the visit. They all gave the researcher their contact details and told him to contact them once he was ready.

### **3.5. Data collection**

#### **3.5.1: Interview**

The study used in-depth interviews as a tool for data collection from the three categories of the farmers. The 45 farmers were used as anchors around which the in-depth interviews and informal conversations were held. They were able to provide answers to the research questions. Neuman (2006) points out that informants help to reconstruct conditions that existed in an area (2006:408). These farmers also referred the researcher to other people they considered knowledgeable about the area. For instance, they helped the researcher in identifying an A2 farmer, who was also an extension manager for THZ. The manager gave the researcher an electronic copy of the Successful Rural Communities Charter between THZ and the resettled farmers which helped to provide the much sought THZ insight that had been denied the researcher by the Chief Executive Officer. The manager insisted on anonymity for fear of victimization.

Government officials, especially those from local government, land resettlement and agriculture ministries were also interviewed. The initial interest was to explore their interpretation of the reconfiguration of the sugar estates as well as to find out how they saw the transformation contributing to the livelihood portfolios of the resettled farmers. In addition, there was a need to gain an understanding of the nature of the support systems that are available within the government for land reform beneficiaries. Furthermore, information was also solicited from the Commercial Sugarcane Farmers Association of Zimbabwe (CSFAZ) an organization representing the farmers

#### **3.5.2. Conversations and interactions**

As a way of establishing a rapport with the informants and farmers in Mkwazine Estate the researcher also attended social occasions such as country club meetings, other community meetings and workshops if there happened to be some. During the process of immersion in the farming community, he had informal conversations with some farmers. In one instance the



researcher listened to conversations of some A2 farmers during a party at Mkwesine country club to obtain insight into the issues of sugarcane farming.

### **3.5.3. Participant-observation**

The researcher's interaction with research informants from diverse backgrounds and of both genders helped him to develop a deeper understanding of the dynamics that shaped the way the land occupations unfolded in the sugar estates. This helped him to trace the life histories of my informants; the majorities of who were elite from the civil service and had either a war background or were politically well connected. Spending time resident in the estates helped him to develop closer relationships with his informants and to improve his understanding of their life histories and how such histories had shaped their livelihoods. It also helped him to understand the broader meanings attached to land and how the farmers conceptualized the benefits of land reform.

The researcher's social interactions and personal relationships with the farmers improved his understanding of how the land reform programme shaped the resettled farmers' livelihoods. Social interaction at formal and informal meetings allowed him to observe the normal daily activities in the estates. This afforded him the opportunity to gain "direct, face-to-face social interaction with 'real people' in a natural setting" (Neuman, 2006:379) and to put himself "in the actor's place and see reality as he or she sees it" (Bilton, Bonnet, et al., 1987). Participant observation therefore offered the researcher the opportunity of being part of the "social world" (Atkinson and Hammersley, 1994:249).

### **3.5.4. Focus group discussions**

Two focus group discussions were conducted to follow up on the respondents' answers which were given during the one to one interview surveys. They were also meant to draw upon respondents' attitudes, feelings, beliefs, experiences and reactions in a way which was not feasible using in other methods. The size of each focus comprised of 6 to 8 farmers and I was the

moderator. My role was to guide, monitor and record the respondents' answers to the research questions.

### **3.6. Methods and Procedures for Recording and Storing Data**

The data capturing process in a social science generates contention. Alvesson (2011) posits that the procedure should be a non-technical view where there is no single recipe for doing it. In this study, unstructured, open-ended conversations with the respondents' people were audio-taped and later transcribed. This method was supplemented by taking interview notes in notebooks, in case the audio recording gave problems.

The people in the study area use Shona as a vernacular. This means Shona was the language of communication in conducting field interviews, including capturing and recording interview statements. In order to manage the difficulty of simultaneously asking questions and writing responses, one of the research assistants was assigned the responsibility to write down the notes. This was intended to make sure that all the statements are accurately captured and at the same time facilitate the interview process. Even though audio-taping conversations were with relative ease, certain aspects of the interview process such as non-verbal expressions and post-interview comments could be missed. Therefore, the idea of writing complementary notes that also captured non-verbal expressions deserves emphasis.

Descriptive notes were recorded about the interview setting and expressions that were equally useful yet cannot be captured by the audiotape. The advice given by Murphy et al (1998) on the need to also record field notes on comments made by informants once the audio recorder is switched off was also embraced. At the end of some interview sessions, notes were read out to the participants to verify if all statements had been accurately captured. This procedure also ensured more insights were given (where necessary) as the respondents reviewed and analyzed what they had stated.

Data from observations was captured in the form of field notes, descriptions of sites and features of interest. Where appropriate, photographs were also taken to complement observation notes. These photos were later used to illustrate some important practices and features. It was also necessary to take descriptive notes on experiences, hunches and lessons learnt during the observation protocols.

With A2 farmers' in-depth interviews, data was captured as audio-taped transcriptions. Quickly inscribed short notes were used where necessary. These were then used for focused probes. Unlike the practice with field interviews, spoken texts and transcriptions were in English since all the informants are expected to be able to fluently speak the language.

Creswell (2013) bemoans the little attention given in literature about storing qualitative data. In this study, the filing system of the digital voice recorder (Olympus Digital Voice Recorder, VN-7600 with 1GB storage space and 573 hours recording time) was utilized. Each recorded audio transcript was saved as a unique file in a specific folder and was identifiable by a file number, recording time and date. This information was also written down in a notebook. Handwritten interview notes (after some translations) and observation notes were typed and stored as word files in a computer. Then, each transcription was merged with the respective written notes so that the same data source identity would be maintained during analysis. Each interview had its own file with backup copies of computer files to ensure adequate security of collected data.

### **3.7. Data Analysis and Interpretation**

Quantitative data was analyzed by the SPSS software. Like other statistical packages mostly used in analyzing quantitative data, the SPSS has good data storage and organization of data, ability to generate queries, flexibility in coding and generating themes, and measuring relationships among segments as well as hierarchical analysis, concept mapping and generation of templates within various methodologies.

For qualitative data, the study used an inductive analytic method to analyze interview and observation data. Thomas (2006) defined this approach as a systematic procedure for analyzing qualitative data where the analysis is guided by specified objectives. In qualitative analysis, the approach enables the analyst to organize and deduce meaning from large amounts of data. Nakapipi et al (2011) opined that this method can be appropriately deployed in phenomenological methodological designs. According to Nakapipi et al (2011), data can be analyzed inductively, where the focus would be to allow meanings to emerge from the interviews. They examined statements from the interviews by clustering them to form common themes that enable understanding of meanings attached to the data.

### **3.8. Lessons learnt**

Important lessons were drawn from the process of interviewing the sugarcane farmers, THZ officials as well as government officials about their lived experiences after the FTLRP. The seven issues that unfolded during the data collection process can be summarized thus: researcher as a learner, dealing with a politically-sensitive environment, skepticism of participants, the problem of 'over-researched' cases, knowledge as power and the problem of exclusion and issues of gender-sensitivity.

#### **3.8.1. Researcher as a learner**

Unlike in quantitative studies where a researcher is assumed to be all knowing and makes use of a pre-designed instrument such as a set of questionnaires to be asked to the interviewees, the interviews in this study proceeded differently. Here the researcher was the 'learner' and the farmers the 'teachers'. This approach as cited by Alvesson (2011) and Mararike (2011) should start from how the researcher builds rapport. The issue of building rapport was highly crucial because the researcher was an outsider. A considerable amount of time was spent in establishing rapport with the informants before interviews actually began. Local people can treat outsider researchers with suspicion and contempt if they fail to confirm to the cultural forms of local greetings. Therefore discipline, humility and patience are key qualities that the outside researcher should have.

### **3.8.2. A politically-sensitive environment**

During the data collection period, there were fresh political developments in people's minds in Zimbabwe including the Mkwase Estate. The ruling party, ZANU-PF had just won the previous general elections in 2013. Land ownership and redistribution in the sugar estate was used to garner support by the politicians. As a result of the promises made to the electorate, fresh occupations were taking place in the sugar estate on the remaining hectares owned by THZ as part of the nucleus estate concept. The land occupiers wanted pre-election promises of land to the people fulfilled. The environment was highly politicized and, as a result, the farmers were highly suspicious of outsiders wanting to ask questions about land. Such outsiders were generally viewed as a security threat as people were never sure if one was a spy or a supporter of opposition political parties who were opposed to how the FTLRP was implemented.

The proliferation of authority structures in the country, all exercising some form of authority over land meant that getting the clearance to access research informants was a daunting task. The Fast track land reform program reconfigured authority structures, despite it being already a multi-layered authority structure. Thus, securing a clearance to undertake fieldwork was a rather complicated process which was also time-consuming. The researcher had to get permission from Masvingo Provincial Governor, Chiredzi District Administrator and other district officials in the land and agriculture ministries.

The victory of ZANU-PF in the 2013 elections was topical and most interviews proceeded after congratulatory messages were given by the participants, which was indicative of their allegiance to the party. Consequently, the research team had to appropriately reciprocate. This does not necessarily mean that the researcher should take political sides, but remain apolitical throughout the research process. The main objective was to make sure that the researcher fits into the study context to attract the full liberty and participation of the participants engaged. Care had to be taken so that the researcher would not end up being embroiled into political discussions with the participants. Furthermore, the participants might be belonging to different political parties and their concerns about such political developments also needed not to be underestimated. To

address this tricky situation, the research team only shared the congratulatory message after the participants themselves introduced it.

Thus, research informants were very suspicious of me in the beginning despite the fact that the researcher had clearance from higher authorities and that he was a local student. People were afraid that they might give out information that might portray land reform negatively and thus attract the attention of authorities. Since there was a general perception that security of tenure was associated with supporting ZANU PF, many people feared that interviews might leave them vulnerable to losing their land after being suspected of colluding with foreign interests. This left the researcher facing ethical dilemmas as he did not want to expose his informants to political victimization. As a result, it took him longer than expected to establish some rapport before he was welcome in the estates.

There were also other problems associated with being a local researcher. One might have thought being a Zimbabwean could have made the job of data gathering easier. However, due to local political dynamics, it turned out that the researcher's Zimbabwean identity worked against him. He did not expect that his presence in the sugar estates would threaten some local politicians. For example, the local Member of Parliament (MP) suspected that this research might be a form of information gathering which the researcher would use in the long term to campaign in local future parliamentary elections. His activities and social interactions with research informants were thus continuously monitored.

After addressing the suspicions and misinformation about why he was in the area, it became relatively easy to spend time with many farmers from all the three estates and to arrange interviews with other key informants such as lands and agriculture officers, farmers' representatives, chiefs, and Chiredzi Rural District Administrator.

### **3.8.3. Skepticism of participants**

Some farmers feared that certain aspects of their responses could be misinterpreted and/or misused. Kvale (1996) and Grenier (1998) have also noted concern about willingness of

participants to share knowledge with outsiders. The observation by Wenger (2001) that interviewing people in volatile situations invites some unique challenges was also experienced in this study. The fear of misinterpretation was addressed by assuring the participants that information synthesized after the data collection process would be availed back for their verification and validation. Besides, willing respondents were also asked to participate at a later stage of group preliminary data analysis. Skepticism about misuse of extracted information was addressed by patiently explaining to them the objectives of the study and how it was supposed to benefit the farming community as it would inform policy implementation by the government. The engagement of locally based mature research assistants also assisted in the trust-building exercise. After trust was established, participants were passionately co-operative in sharing their knowledge. Meyiwa and Ngubentombi (2010) also found that respondents were enthusiastically generous about sharing their experiences with phenomena.

#### **3.8.4. The problem of over-researched cases**

Of late the three sugarcane growing estates have attracted intense research attention (Scoones et al. 2010; Moyo, 2011) because of the propensity to the heated debates on the outcomes of the FTLRP. In the sugar estate some farmers felt that their area has been ‘over-researched’. So a typical challenge that emerged was on how to address this perception held by the people. The researcher therefore adequately communicated the purpose of the study, its uniqueness, the existing knowledge gaps, the role of participants in the investigation, and how it is expected to benefit them or contribute in transforming the community. This meant knowledge about previous studies and the gaps thereof had to be known by the researcher. Such a challenge was fully tackled by establishing a good rapport with the community gatekeepers who were mostly quick in appreciating the potential role of research as a tool for community development.

#### **3.8.5. Knowledge as power and the problem of exclusion**

Some farmers wanted to assume superiority and unmatched knowledge about their farming experience over others. This happened when in cases where some farmers felt that they were more successful than others and wanted to dominate both formal and informal discussions. If not

handled properly, such participants would end up excluding other potential respondents who could also contribute meaningfully in the research. Mararike's (2011) argument that knowledge is power can be used to explain this situation. The researcher addressed this challenge by requesting the respondent to name other potential people who could share a similar or closer account of the details already provided. Another way that was used was to ask for a respondent of different sex with the view that other details could be gender specific.

### **3.8.6. Addressing gender-sensitivity**

Qualitative interviews embrace gender-sensitivity. Some respondents felt that they could account better the details of their farming experiences when their spouses assisted them. Such a practice could enrich the information given by addressing the problem of loss of memory on some key periodic events that deserve detailed narration. A challenge that emerged during the data gathering process was the issue of gender. Interviewing women proved to be a rather difficult process as it involved in some places negotiating with their husbands before clearance was granted. In one instance the researcher had to throw away data he got from one respondent in Triangle. That was when he learnt that the farm was officially in the wife's name although when the husband tried to show that the farm was his by offering to answer the questions himself. The issue came to light when the wife produced a cane haulage receipts to me to show how much sugarcane they deliver to THZ per season. That is when the researcher discovered that the records were in the wife's name. The wife had let the husband answer the questions as she attended to other household chores. In Mkwesine when the researcher interviewed another woman farmer he learnt that husbands did not readily allow him access to interview their wives in their absence. This made it more difficult to gather women's perspectives compared to those of the men. As a result the researcher was able to interview only three women out of my seventeen respondents.

### **3.8.7. The nature of research assistants**

A common pitfall that may affect the research process is the nature of field assistants and the manner in which they are recruited. If research concerned with understanding land reform is to



be successful, the issue of ownership and buy-in from the community is highly crucial. This means the researcher did not impose himself into the community with his research team. In such agricultural research settings, this pitfall was viewed by the informants as an 'urban bias syndrome'. The, researcher therefore went an extra mile to interpret his research as a collaborative effort between the external investigator and the community the estate.

## **CHAPTER 4**

### **POST-INDEPENDENCE LAND AND AGRARIAN REFORMS IN MKWASINESUGAR ESTATE**

#### **4.1. Abstract**

Despite the retention of extensive plantations by THZ in order to produce sugar and bio-fuel for export, the government bowed to popular demand for land in the sugar estate and subdivided it for the resettlement of black farmers. This chapter examined changes in land ownership and tenure system in Mkwesine Sugar Estate in the first decade of Zimbabwe's independence and after the year 2000 and beyond. The chapter addressed the following question 'Who currently owns what and does what with it in Mkwesine after land reform? Drawing from descriptive and qualitative data from a stratified random sample of 45 resettled farmers in the estate, the chapter argues that the linking of the farmers in Mkwesine to Tongaat Hulett Zimbabwe's mills at Hippo Valley and Triangle was a good strategy of incorporating them in the lucrative commercial activity while also meeting their production constraints. Results from the study indicated a departure from sole ownership of the estate by THZ as the whole estate is compulsorily acquired by government under the FTLRP for the resettlement of black farmers. Gender imbalance in land allocation is reflected by 31.1 % of sample being women who benefited against 68.9% men. The elitist nature of the land reform in estate is evidenced by the professional backgrounds of the beneficiaries which show that 26.7 % of the sample are former THZ employees, 35.6 % come from civil service and the remaining 37.8% hail from the security services such as army and police. Freehold tenure gave way to leasehold tenure as all agricultural land in Zimbabwe was nationalized under the FTLRP. The transition undermined the resettled farmers' capacity to access loans and credit from financial institutions due to lack of collateral security. Despite a decline in sugar production in the initial years of land reform the farmers' contribution to total sugar output increased after the intervention of the European Union and the Successful Rural Communities (SusCo) project that witnessed the resettled farmers' contribution to total annual sugar production from 17 % in 2011 to 33% in 2016).To address excesses of corruption, gender disparity and tenure insecurity the chapter recommends a land audit in the estate as well as new legislation to forestall land acquisition by elites.

## 4.2. Introduction

When negotiating for independence in 1979 with the Conservative British Government of the then Prime Minister, Margaret Thatcher, Zimbabwe's two liberation movements- the Zimbabwe African National Union (ZANU) and Zimbabwe African People's Union (ZAPU) agreed that the new government of Zimbabwe would acquire agricultural land through a 'willing seller willing buyer (WSWB)' basis as stipulated in the Lancaster LHC which ushered independence for the country in 1980. ZANU and ZAPU were the two political parties that waged an armed struggle that culminated in the Lancaster House negotiations. The WSWB method of land acquisition was to be evaluated after the first decade of independence (Moyo, 1995). The British government agreed to assist the newly independent Zimbabwe financially, convinced that an orderly and planned programme of land resettlement would promote political stability and allow people to normalize their lives as quickly as possible (Palmer, 1990). The costs of resettlement, as it was envisaged in Zimbabwe, would involve both the purchase of land from white farmers and the development of the necessary infrastructure to help the new 'settlers'(resettled black farmers) to establish themselves (Palmer, 1990). Britain, thus duly pledged 20 million pounds towards improvement of the resettlement in 1980 (Palmer, 1990).

The post-independent government of Zimbabwe thus, inherited an agricultural sector which had been developed into a distinctively dualistic structure made up of the Large Scale Commercial Farming (LSCF) sector (formerly white areas) and the Communal Areas (CAs) previously called 'Tribal Trust Lands. (Mumbengegwi, 1986). The economic, industrial and mining interests remained wholly owned by foreign capital and local whites under monopoly conditions (Moyo and Yeros, 2005). At the time, the country's economy was ranked the second most industrialized in Sub Saharan Africa, following South Africa (ibid, 2005).

Moreover, agriculture remained the most important sector, accounting for 40 per cent of the Gross Domestic Product (GDP) and employing 70 percent of the population (Stoneman and Cliffe, 1989). The commercial sector accounted for 75 % of gross output, 95% of marketed surplus, nearly 100% of agricultural export earnings and 33% of the national wage employment (Mumbengegwi, 1986). The agricultural sector by then contributed 60% of local manufacturing,

while 20% was absorbed back into agriculture (Economic Report on Africa, 2002). This dynamic agricultural sector in the 1980s led to Zimbabwe's renowned image as the 'bread basket' of Southern Africa.

Due to the LHC restrictions, the government was caught in a dilemma of satisfying the expectations of both the white farmers and the black peasants (Mumbengegwi, 1986). On the one hand, the government sought to prevent the flight of private white capital by preserving commercial plantations inherited at independence with minor adjustments hence the Chipiwa Settlement Scheme of 1982 in Mkwazine (Mlambo and Pangeti, 1996). Moreover, it sought to address the needs of the landless blacks who saw the essence of political independence as the satisfaction of their land hunger and the reversal of the discriminatory elements of colonial agricultural policies (Mumbengegwi, 1986).

An analysis of the land policy formulated immediately after independence in the early 1980s also clearly depicts this dilemma. In the Growth with Equity policy statement of the early 1980s, agriculture and rural development were singled out as top priorities in the government's development plans (Mumbengegwi, 1986). However, the challenge was that of balancing its two contrasted set of objectives. On the one hand were objectives that were oriented towards maintaining the status quo of reassuring the commercial farmers of their traditional role of producing food for the nation and contributing to economic growth through the export of agricultural produce. On the other hand were the restructuring transformative objectives which were designed to redress the imbalance between the two sub-sectors and transform the structure and character of agriculture in Zimbabwe (Mumbengegwi, 1986). According to Mumbengegwi these objectives aimed at achieving an acceptable and fair distribution of land ownership, and elimination of discriminatory practices in output pricing, input provision, marketing, credit, extension, infrastructure and the provision of other back-up services, and therefore, raising peasant incomes through productivity-raising measures.

This chapter therefore examined the transformation of Mkwazine Sugar Estate in the first decade of Zimbabwe's independence and after the Fast Track Land Resettlement Programme

implemented in the year 2000 and beyond to firstly; establish the socio-economic factors that influenced land access by the beneficiaries in the estate under the government's land resettlement programme; secondly to establish land sizes allocated to the beneficiaries as well as the transition of landholding from freehold to leasehold tenure in the estate. Lastly, the chapter also seeks to establish the production trends of the resettled farmers as well as labour dynamics in the estate after land reform.

The first two decades of Zimbabwe's independence witnessed the government being seized with balancing between preserving the sugar estates in the south eastern lowveld due to their export potential and meeting black people demands for land. Tongaat Hulett Zimbabwe (THZ) - a South African multinational firm and a few local white farmers continued to hold large enclaves of sugarcane plantations in Triangle, Hippo Valley and Mkwesine sugar estates during that period. The retention of the vast sugarcane enclaves by the sugar estate was meant to encourage the agro-industrial concern - THZ, to produce agro-fuel (ethanol) from sugar for the domestic and export markets (Moyo, 2011). Earnings from sugar and its byproducts contributed immensely to the national economy through foreign currency savings on fuel imports as well as foreign currency generation through exports (Scoones et al. 2010).

The first attempt by the post-colonial government to transform Mkwesine Sugar Estate was the establishment of the Chipiwa Settlement Scheme in 1982. This was followed by the 'A2' sugar scheme introduced in the year 2000 and beyond. These two land redistributive exercises significantly reconfigured the sugar estate as the number of sugarcane out growers in the estate increased to approximately 450 black farmers.

#### **4.2.1. The Chipiwa Settlement Scheme (CSS) in Mkwesine**

In 1982, the government resettled 191 small-scale farmers in Mkwesine under the Chipiwa Settlement Scheme (CSS) as cited in Mlambo and Pangeti, (1996) and Jackson and Cheater, (1994). Under the CSS the government acquired approximately 2000 hectares from THZ on a willing seller willing buyer basis and the beneficiaries of the scheme popularly referred to as

‘settlers’ were allocated 10 hectare sugarcane farms under the government’s initial land resettlement programme in the sugar industry after independence. The major thrust was to involve black players in an industry that previously excluded them during the colonial period.

The prospective beneficiaries were required to apply through the local district offices of the Ministry of Lands and Land Resettlement in Chiredzi Town. The applicants had to have sugarcane farming experience or at least a Master Farmer’s Certificate (MFC) to be considered for land allocation under the scheme. The MFC was equivalent to a monthly attendance for an agricultural course at either Alvord Training Centre in Masvingo or Domboshawa Training Institute, a few kilometers outside Harare. Financial capacity and material resources by the prospective applicant in the form of movable and immovable were also considered.

However, as pointed by Jackson and Cheater (1994) and Watts (1994) there were some beneficiaries who subverted the land allocation process which resulted in some farmers with no sugarcane producing experience benefiting. Despite the relative success of this scheme in the initial years of resettlement the Chipiwa Scheme soon ran into problems due to the sub-economic land sizes of their plots and insecurity of tenure after failing to get their title deeds at end of paying back loans advanced to them by THZ.

Under the Chipiwa Scheme, THZ through Mkwazine Estate shouldered the costs of providing the settlers with the necessary infrastructural requirements to carry out sugarcane production on their farms. THZ was required to put up core houses for the settlers, prepare the land, install irrigation works and plant the first crop for the settlers (ibid). In addition to providing accounting services as well as assisting the settlers’ with purchasing agricultural inputs, THZ also assisted them with harvesting and transporting their sugarcane to THZ processing mills at Triangle and Hippo Valley. For the assistance in settling up in their farming ventures, the settlers were expected to repay the cost of these provisions over a 15 year period from their cane proceeds after which they could acquire freehold title to their farms. The settlers were bound by the offer to plant sugarcane only even after they had obtained title to the land.

#### **4.2.2. The A2 sugar scheme under the FTLRP**

Land challenges in Zimbabwe's sugarcane estates of Triangle, Hippo Valley and Mkwesine in the south eastern lowveld were part of the broad national challenges as the country tried to reconcile the constitutional provision of protecting private property with the high expectations of land reform from the land hungry black people. Having waged a bitter armed liberation struggle against the British government which cost a lot of life and millions of dollars in infrastructure, the political crisis was eventually resolved through the Lancaster House Constitution (LHC) signed by Britain and the Zimbabwean nationalists agitating for political independence.

Apart from the above redistribution thrust in the first decade of independence, sugarcane farming in the estate remained largely under THZ ownership and control as well as a few white out growers linked to the estates. The preservation of the entire three sugar estates was encouraged by the state so that sugar and bio-fuel could be produced domestic and export markets. Because of that, the second decade of independence which spanned from 1990 to 2000 witnessed no land redistribution in the sugar estates to the chagrin of a war veteran movement demanding participation in commercial sugarcane production.

Increasing pressure for land across the country by the war veteran movement culminated in mass occupations of commercial farms across the country, which resulted into the Fast Track Land Resettlement Programme (FTLRP). The FTLRP compulsorily acquired and officially transferred land by the government for resettlement purposes. Under the FTLRP, approximately 16 000 hectares of land in the three sugar estates were compulsorily acquired and subdivided into 20 hectares farms that were redistributed to over 800 beneficiaries known as A2 farmers (Scoones et al. 2010; Moyo, 2011 and Tongaat Hulett, 2012).

This dramatic transformation of Mkwesine Estate has not been subjected to a detailed analysis although Soones et al (2010) and others have done much to nuance some land and agrarian reforms that have unfolded in the agricultural sector in general and the sugar industry in particular. This study therefore gives a comprehensive analysis of those reforms as the sugar industry currently looms large in the economic development of Zimbabwe due to increased

demand for sugar and its by-products. To understand the importance the government attaches to the industry an analysis of the reconfiguration of the estate becomes necessary.

### **4.3. Results**

This section presents both descriptive and qualitative findings on land ownership and tenure system changes as well as production trends by the resettled farmers after the reconfiguration of Mkwasine Estate. For descriptive data the results show significant differences between access to land in Mkwasine and some socio-economic characteristics of both the Chipiwa Settlement Scheme and A2 farmers that influenced that access hence 3.3 and 3.4 respectively. Table 3.5 shows the contribution of the resettled farmers to annual sugar output.

#### **4.3.1. Socio-economic characteristics of the beneficiaries**

**Gender and marital status:** Table 3.3 shows 31.1 % of the sample from both the Chipiwa Settlement Scheme and the A2 scheme are women and 68.9 % were men. Of these farmers in the estate 91.1% were married and 8.9 % were widowed. There is a significant difference ( $p < 0.005$ ) between access to land access and gender and in the estate. On the other hand there is no statistical significance between marital status and access to land ( $p > 0.005$ )

**Sugarcane farming experience and professional history of the farmers:** The table shows over twenty percent of the sample (26.7%) has sugarcane farming experience and the remaining 73.3% do not have. Those with sugar farming experience are former THZ employees, 35.6% are working in the civil service and the last 37.8% being security service personnel from the police and army. The results indicate a statistical significant difference  $p < 0.005$  between access to land and sugarcane farming experience by farmer and There is no statistical significant difference between professional background and access to land in the estate.

**Land size and tenure:** Table 3.3 shows 26.7% had 10 hectare farms each and 73.3% had 20 hectares. The former belonged to the Chipiwa group of farmers and the latter were A2 farmers resettled under the FTLRP. The results highlight a statistical significant difference ( $p < 0.005$ ) for both for both groups of farmers between access to the land and land size on one hand and between access to land and land tenure on the other. As indicated before the initial arrangement



was that the Chipiwa group of farmers was entitled to freehold tenure after paying back the loans advanced to them by THZ upon resettlement. The A2 farmers were allocated land on leasehold in 2000 and beyond under the FTLRP which nationalized all agricultural land in Zimbabwe. That development rendered freehold tenure ineffective leaving both groups of farmers in the estate with no collateral security in the event of securing loans with financial institutions.

**Table 3.3: Access to land and access and socio-economic characteristics**

Variable		Access to Land		Total no. of farmers	X <sup>2</sup>
		Chipiwa Settlement Schemes	A2 farmers		
Gender	Female	2	12	14(31.1%)	<b>1.593***</b>
	Male	10	21	31(68.9%)	
Marital status	Widowed	1	3	4(8.9 %)	<b>0.006</b>
	Married	11	30	41(91.1%)	
Sugarcane farming experience		12 <b>26.7%</b>	33 <b>73.3%</b>	45 ( <b>100%</b> )	<b>45.000***</b>
Professional background	Former THZ employees	12	0	12 ( <b>26.7%</b> )	<b>1.609</b>
	Civil service	0	16	16 ( <b>35.6%</b> )	
	Security service	0	17	17 ( <b>37.8%</b> )	
Land size	10 hectares	12	0	12 ( <b>26.7%</b> )	<b>45.000***</b>
	20 hectares	0	33	33( <b>73.3%</b> )	
Land tenure	Freehold	12	0	12 ( <b>26.7%</b> )	<b>45.000***</b>
	Leasehold	0	33	33 ( <b>73.3%</b> )	
liberation war veteran	Yes	4	17	21 ( <b>44.4%</b> )	<b>1.169</b>
	No	8	16	24 ( <b>55.6%</b> )	

N=45

#### **4.3.2. Biographic characteristics of the farmers**

**Age:** The farmers' ages in the sample ranged from 49 to 60 years. Table 3.4 below shows the mean average ages of the Chipiwa Settlement Scheme farmers was 53.83 years and for the A2

farmers was 54.15 years. There is a significant mean difference of between age and access to land ( $p < 0.005$ ) in the estate.

**Education:** Table 3.4 presents the education level of the farmers in number of years spent in school. Both groups of farmers (i.e. the Chipiwa Settlement Scheme and A2 farmers) are therefore well educated. In Zimbabwe one requires 11 years and 13 years to complete Ordinary and Advanced Level Certificate of Education. The findings show a statistical mean difference of  $p < 0.004$  between education level and access to land in Mkwasine Estate. It indicates the mean average of the number of years spent in school is 15.33 years for those resettled under the Chipiwa Settlement Scheme and 14.58 years for the A2 farmers who accessed land in the year 2000 and beyond.

**Table 3.4: Biographical characteristics of farmers**

Variable	Access to land				T-test
	Chipiwa Settlement Scheme		A2 farmers		
	Mean	SD	Mean	SD	
Age	53.83	2.38	54.15	2.88	<b>3.963***</b>
Education	15.33	0.78	14.58	2.59	<b>2.179***</b>
Value of assets	35 000.00	0.00	21 666.67	9574.27	<b>4.789***</b>
Annual income	13457.16	2420.78	8296.12	4452.20	<b>4.946***</b>

**SD=standard deviation**

**Value of farmers' assets:** Table 3.4 shows a significant mean difference of  $p < 0.005$  between the value of the farmers' assets and access to land. It shows US\$ 35 000 as the mean average of the value of assets for the Chipiwa group of farmers and US\$21 666.67 for the A2 farmers. This means the former managed to accumulate over time since they were resettled way back in 1982

as compared to the latter who were resettled latter in the year 2000 and beyond. The results therefore show the capacity of both groups of farmers to accumulate from below over time.

**Annual income:** The results highlights a significant mean difference of  $p < 0.005$  between farmers' annual income and access to land. The farmer's sources of income include on farm and off farm activities. On farm sources of income means income from sugar production whereas off farm income include sources such as spouse earnings, pension as well as remittances from children. All these sources of money go a long way in meeting the farmer's production as well as subsistence costs and this implies that farmers who have more of this off farm income do better than those who have less income.

#### **4.3.3. Qualitative responses from interviews and focus group discussions**

From the late 2000s, the state had set up District Land Committees (DLCs) to take over the land allocations under the FTLRP process. The DLC structure included the District Administrator (DA), the Rural District Council (RDC) Chairperson, the District Chairperson of the War Veterans Association, traditional leaders (headmen and chiefs), an officer from the President's office, the Zimbabwe Republic Police (ZRP) and the Zimbabwe National Army (ZNA) and officials from the departments of Social Welfare, Health, Veterinary and Agricultural Research and Extension (AREX) (Moyo et al 2009:148). The District Administrator chaired the committee. The main responsibilities of the DLC are the identification of land for settlement, beneficiary selection and attending to land disputes among the newly resettled (Moyo et al 2009:148).

The land redistribution exercise in Mkwazine under the Chipiwa Settlement Scheme of 1982 was an orderly exercise as THZ undertook to offer credit and technical support to the resettled black farmers. However, accessing land in the sugar estate under the FTLRP was not a smooth process. Matondi (2012) stated that while land acquisition was backed by legislation, actual land allocation had no legal backing apart from an administrative offer letter that confirmed a right to the land after the allocation. In practice, some beneficiaries of land reform had offer letters while

others did not over the farms they were operating. According to Moyo et al (2009), the government ended up accommodating more beneficiaries than the guidelines provided.

Despite the authority structure put in place to oversee the land redistribution process in the estate there were challenges that bedeviled it. Interviews and focus group discussions highlighted some problems some farmers were currently facing in the estate. Some farmers called for the finalization of land reform in the sugar estates as it would end being moved from one farm to another (Informal conversation with Mr Matake at Mkwazine Country Club on 13/09/15). There was an emergence of what were called ‘A5’ farmers with the assistance of Lands Officers in Chiredzi and Masvingo who were seizing plots with ready to harvest sugarcane crops. Sometimes this wave of takeovers was spearheaded by war veterans who had been Promised Land by the ZANU PF in the sugar estates during the 2013 general elections. This election promise had not materialized by then. The following biography by Mr Mhungu highlights the farmers’ concerns on what was happening;

<p>This happens mostly during the time of harvesting. Now that the cane cutting season is upon us, these culprits (A5 farmers) would go around reaping where they did not sow Greedy people must not be allowed to harvest where they did not sow (Conversation at Mkwazine Country Club).</p>
--

Conflict of interest on the part of officials from line government ministries was cited in the allocation of land as these officials allocated themselves the best farms where there were irrigation equipment, homesteads and larger hectares at the expense of the ordinary people who were supposed to be the real beneficiaries of land reform (CSFAZ official on 17/11/15). Corrupt government officers and other culprits involved in the land scam should be exposed as they were obstacles to the transparency that was expected in the exercise of this critical nature and magnitude Informal conversations also revealed that some farmers particularly the A2 farmers had multiple farms registered in different names, for example; wife using maiden names or son or daughter’s name but all belonging to one family or one person.

It was also alleged that some government officials did not have land sizes stipulated in their offer letters because they had grabbed some extra hectares from their neighbours. (Informal conversation with Mr Matura on 16/09/15). To nip the problem of corruption in the bud and the collapse of the sugar industry that was imminent if corruption went unchecked, the farmers recommended a land audit by an impartial and independent board in the sugar estate. This would be followed by the re-planning of the estate.

During the land allocation exercise, there was a rush for land in the estate from those in the know particularly officials from the land and agriculture ministries as well as THZ officials. Some of these who met the criteria got farms through the system. However, there were also others who subverted the system and jumped the queue as highlighted by the following biography;

I heard of the redistribution programme from the Fields officer of Mkwasine Estate who I was reporting to! By the way I used to work for the company and rose through the ranks from general worker, to field clerk and later foreman up to Senior Fields Supervisor. I applied through the District Administrator's office. The DA knew my Brother, a retired major general. In fact they fought side by side during the liberation struggle. I think my sugarcane farming experience contributed a lot to my success of getting the plot (Interview 12/06/15).

Being related to a high ranking government official or being connected to someone in a position of influence was enough to get land in the estate. Connectedness entailed blood, kinship or political relationships as highlighted by the following narrative;

I heard about the resettlement program from my uncle who works at the provincial office of the Ministry of Land Resettlement. By the way this is confidential information I am sharing with you! He actually approached me over a drink and asked if I was interested in sugarcane farming. I had not the slightest dream of being a sugarcane farmer all my life! After a while I received an offer letter through the post informing me that I had been allocated the plot that I am currently utilizing. (Conversation with A2 farmer at Mkwasine on 3/06/15).

Political discourses were also instrumentalized by some people outside the war veteran movement to acquire farms in the estates. War collaboration was another dynamic that was considered. Besides carrying a gun in the liberation struggle, people claimed to have participated in various ways like providing food and clothing as well as cover to the liberation fighters against the colonial forces. Some such claimants successfully got the farms.

I also participated in the liberation war in my own way! We fed the liberation fighters and clothed them! We provided them with cover against the Rhodesian Forces! All this we did, so that we get our land back! Now that we have the land, why is that the government stipulates these conditions? There were no set criteria for participation in the war of liberation! We all participated without discriminating each other!(Conversation in Mkwesine on 9/06/15)

Yet, party political affiliation was another factor that was considered in the land allocation exercise in the estate. Political patronage in a way influenced access to land. Security of one's tenure was guaranteed by one's political affiliation as highlighted by an A2 farmer who was donning ZANU PF party regalia at Mkwesine Country Club.

I had retired to Zaka Communal Lands after almost 25 years as a stores clerk with Triangle Sugar Company. I heard of the land redistribution program at our ZANU PF meeting in the village. A message had been sent from the provincial structures of the party that each one of the seven districts in Masvingo Province had to submit 6 names; that is three males and three females to the party provincial office. These would be sent to the Ministry of Lands and Land Resettlement through the District Administrator's office in Chiredzi for sugarcane plot allocation in the sugar estates. As an active cadre who worked hard for the party, I was nominated in our cell. My name went through the village, ward and up to the district levels where I was one of the six finalists submitted by the district. After four weeks, my five colleagues and I received our offer letters from the ZANU PF provincial chairperson who had come to address a political rally in our district (Informal conversation on 13/06/15).

These informal conversations established that some applicants used their political as well as social connections to acquire the much sought after sugarcane farms. This resonates with one major criticism of the Fast Track Land Reform Programme was highlighted by Alexander (2003:104) when he points out that;

“...land allocation under the FTLRP required an extreme attack on institutions of the state, in very sharp contrasts to the government’s response to the allocations in the 1980s when it had sought to strengthen and insulate a modernizing bureaucracy. In the year 2000, the judiciary was severely undermined as ruling after ruling was ignored. The police force was increasingly politicized; purged by critics and prevented from carrying out their duties ... civil servants came under tremendous pressure to support ZANU-PF and came under violent attack if they did not. The ministries in charge of agrarian policy were meanwhile marginalized from control of land policy in favor of an alliance led by ZANU PF and War Veterans”

The issue inheritance of inheritance also surfaced in the ownership of land. There are women who took over the ownership and control of sugarcane farms after the death of their husbands;

I am a widow of 44 years. I work as a nurse at Mkwesine Clinic. I inherited the sugarcane plot from my late husband who passed on in 2005. I am not sure of the process my husband went through to acquire the plot! He used to work as mechanic at Mkwesine Workshop. Around the time the plot was acquired, I heard my husband discussing the issue with a friend who had visited us. The coming few days I saw him busy filling in some forms. In a month’s time my husband showed me an offer letter which indicated that he had been allocated a plot. It is this plot that I am currently running. (Interview with Mrs Mutero on 13/06/14)

Although the above dynamics show a significant deviation from the criteria originally set by the Ministry of Lands and Land Resettlement in the allocation of land in the estate, there were cases in which some rudiments of the criteria were met during the exercise. These included among other things financial capacity and evidence to owning some material assets by the applicants as exhibited in the following biography;

I applied for this piece of land just like anybody. I knew of this resettlement programme through The Herald. Although I did not have the requisite sugarcane farming experience, I had the financial and material resources to undertake the farming operations. You may have experience but if you do not have capital then you are doomed. (Interview with A2 farmer in Mkwesine on 13/06/15)

I was a headmaster of a high School. I am retired now. When I heard about the land redistribution program by a friend, I went to the District Lands Office in Chiredzi to get more information. There I was given some forms which I took home to fill. I submitted them the following week and after three weeks I got an offer letter for the plot I am currently farming. I attached my bank statement as well as certified copies of my title deeds as well as life assurance policies as proof of financial and material assets (Informal conversation at Mkwesine Country Club on 13/06/15)

The scrutiny of the Bilateral Investment Protection Agreement (BIPA) agreement between the Government of Mauritius and the Government of Zimbabwe also showed that some farms under this agreement had been allocated to some A2 farmers and that some farms were claimed to be under this agreement when in actual fact they were not, hence the need for a new land audit to establish the authentic beneficiaries of this agreement. Those who are genuine Mauritius farmers must be protected by the agreement and those who are not covered by the agreement must be removed from the farms (CSFAZ official on 17/11/15).

#### **4.3.4. The Successful Rural Communities Project (2011-2015)**

Interviews and focus group discussions established efforts by THZ and the resettled farmers to rehabilitate sugar production which had declined in the initial years of land reform in the estate. The following biography highlights this;

During the initial years farmers faced daunting challenges. This greatly affected the production capacity of the resettled farmers (Interview with the CSFAZ official in Mkwesine)

Lack of farming skills by some of the newly resettled black farmers and inputs as well as post-settlement support also contributed to the sharp decline. In response to this, THZ embarked on a comprehensive farmer rehabilitation programme called the Successful Rural Communities



Farming (SusCo), Project in 2011. The major goal of the SusCo) protect was the rehabilitation of the resettled farmers' fields to pre-Fast Track production levels. This was going to be done with the support and expertise of Tongaat Hulett Zimbabwe so that the resettled farmers increased their supply of sugarcane to the processing mills. Under the SusCo facility THZ chose a Zimbabwean financial institution (the African Banking Corporation- BancABC) to provide funds loans to the resettled sugarcane farmers. The project ran for five years.

Under the SusCo facility, direct cash withdrawals from the bank by the resettled farmer were limited to employee wages and farmer allowances under the supervision of the SusCo project management team. Crop establishment costs and maintenance costs of the planted sugarcane would be recovered when the farmer harvested the following season.

The SusCo project was a timely intervention. It came at a time when most of the farmers were at the point of giving up! Quite a number of farmers were utilizing part of their plots with a sizeable number having completely giving up leaving their farms fallow (ibid)

#### **4.3.5. Annual sugar output by THZ and resettled farmers' contribution**

The SusCo intervention had very positive results for the farming community in the lowveld. Besides, THZ continuing to own vast enclaves of sugarcane plantations through its Triangle and Hippo Valley operations after losing the whole of Mkwesine Estate to the government for the resettlement of A2 farmers under the FTLRP, there was an annual increment in the resettled farmers' contribution to total sugarcane output as shown by Table 3.5.

Table 3.5 shows that THZ produces the bulk of the sugar through its Triangle and Hippo Valley operations. The combined output for the two operations in 2011 was 83% with the resettled farmers only contributing 17%. The table is further graphically presented by Figure 2 which specifically focuses on the resettled farmers' contribution to total sugar output over the years. Table 3.5 shows that the resettled farmers' annual contribution has been increasing since 2011. Because of the increasing contribution by resettled farmers there is a drop in THZ' contribution through its Triangle and Hippo Valley operations from a combined total of 83% in 2011 to 68% in 2016.

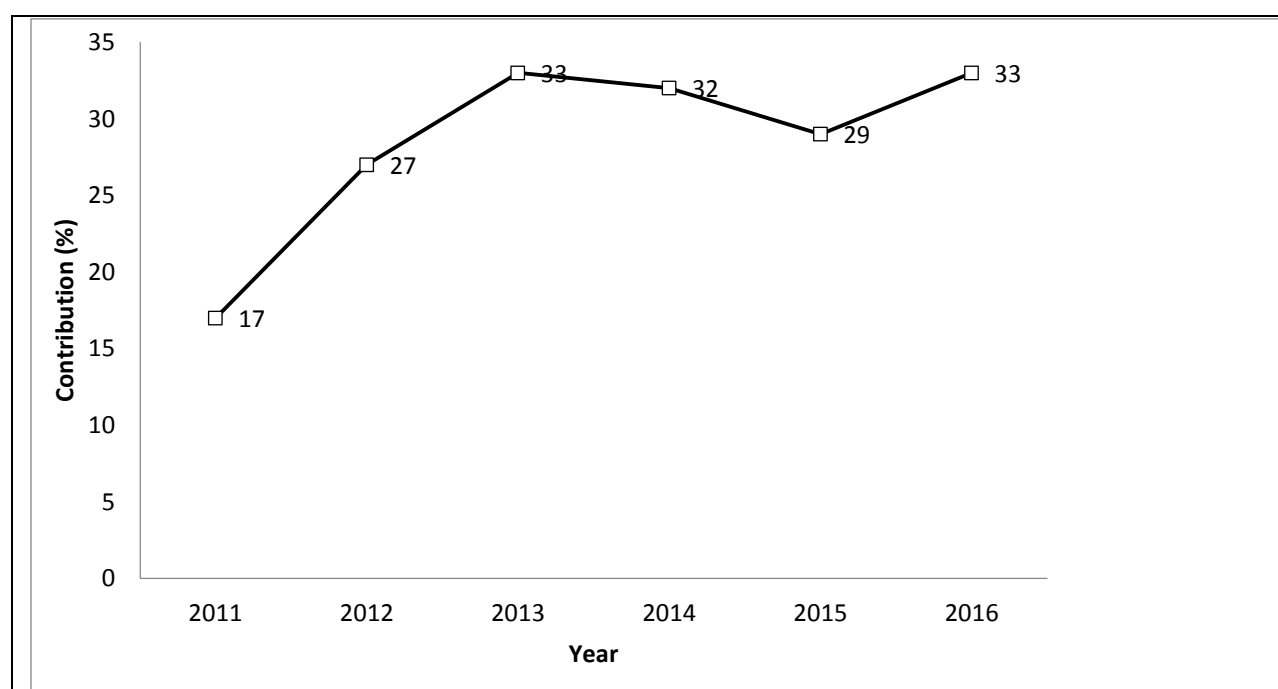
**Table 3.5: Annual group contribution to total production, 2016**

Season	Group	Sugarcane (tonnes per yr)	(%) Contribution by group	Reasons
<b>2011</b>	Triangle	1 455 818	<b>47</b>	Effects of poor farming practices- cell phone farming
	Hippo	1 070 700	<b>36</b>	
	R/ farmers	527 112	<b>17</b>	
	Total	3 053 629	<b>100</b>	
<b>2012</b>	Triangle	1 439 255	<b>36</b>	SusCo programme rolled out by Tongaats –massive plough outs
	Hippo	1 100 787	<b>37</b>	
	R/Farmers	843 328	<b>27</b>	
	Total	3 386 370	<b>100</b>	
<b>2013</b>	Triangle	1 473 752	<b>33</b>	The SusCo programme began to bear fruits
	Hippo	1 082 205	<b>34</b>	
	R/Farmers	1 009 284	<b>33</b>	
	Total	3 565 241	<b>100</b>	
<b>2014</b>	Triangle	1 289 175	<b>39</b>	Momentum by farmers is growing up
	Hippo	1 000 908	<b>29</b>	
	R/ Farmers	1 168 311	<b>32</b>	
	Total	3 458 394	<b>100</b>	
<b>2015</b>	Triangle	1 310 143	<b>40</b>	A slight decline due to water shortage in 2014
	Hippo	1 028 879	<b>31</b>	
	R/Farmers	1 008 999	<b>29</b>	
	Total	3 348 021	<b>100</b>	
<b>2016</b>	Triangle	1 315 422	<b>39</b>	Despite a reduced irrigation regime, momentum is high among farmers
	Hippo	1 028 973	<b>29</b>	
	R/Farmers	1 138 668	<b>32</b>	
	Total	3 483 063	<b>100</b>	

**R/Farmers= Resettled farmers**

**Source: Tongaat Hulett Zimbabwe Annual Report, 2016**

As indicated by Table 3.5, the decline in sugar production in the estates in the initial years of the industry's reconfiguration was attributed to a variety of reasons. Figure 2 below shows that in 2011, the farmers contributed only 17% of the total sugar output despite the vast plantations allocated to them. Failure to effectively utilize the land by the farmers was attributed to effects of poor farming methods such as cell phone farming, lack of sugarcane farming skills as well as inputs. As already established by the study the majority of the beneficiaries 73.3% are formally employed elsewhere and engage in sugar production as a part-time activity. They manage their farms through proxies, either through relatives or supervisors who run the farms on their behalf.



**Figure 3.1: Resettled farmers' annual contribution to total sugarcane output**

On the 5<sup>th</sup> of November 2011 the government launched the Successful Rural Farming Communities project to rehabilitate sugarcane production in resettled farmers' fields to pre-resettlement levels(The Herald 5 November,2011 page1). The project was funded by the African Banking Corporation in conjunction with THZ and was rolled out in earnest in 2012. This development witnessed massive pull outs of sugarcane by the resettled farmers and replanting. That year witnessed the resettled farmers' contribution to total sugar output rising from 17% in

2011 to 27% in the year 2012. In 2013, the SusCo programme began to bear fruits. Due the massive pullouts the previous year and access to production inputs such as fertilizer and herbicides, the resettled farmers stepped up their production and raised their productivity by a further 5% from 27% in the previous year to 32% of the total sugar output. The production momentum by the resettled farmers was maintained if not increased. The resettled farmers had now established themselves in the industry and demonstrated that they could do better if they had access to production inputs like fertilizers and herbicides

Despite the drought challenge that threatened the sugar industry in 2014 the farmers demonstrated a lot of resilience. Considering that water is the life blood of the estates, the farmers' operations were seriously curtailed culminating in water rationing in the sugar estates. The water rationing resulted in a slight decline (3%) in production by the farmers to 29% of the total output in 2014 only to rise to 32% in 2015. The sugarcane farmers proved their mettle increasing their production to 33% of the total output in 2016. This was against the backdrop of a reduced irrigation regime due to water challenges which had spilled into 2015. The momentum was still high among the resettled farmer.

#### **4.4. Discussion**

There was gender disparity in the allocation of land in Mkwazine Estate yet gender is a critical factor that has to be taken into consideration when allocating critical productive resources. The findings also point to the exclusion of more than half the country's population in the allocation of national resources. According to Zimbabwe's 2012 population census conducted in 2012, fifty two (52%) are females (Government of Zimbabwe, 2012). These confirm Adeniyi (2010)'s assertion that the development of African communities is biased towards men when allocating production resources. In agreement with that Quisumbing and Pandolfelli (2008) also point out that women are often disadvantaged in both statutory and customary land ownership.

According to Sharaunga (2015) over 80% of rural women depend on agriculture for survival hence, women's empowerment in agriculture is a major dimension of their empowerment. They play a critical and potentially transformative role in agricultural growth in developing countries

yet they face persistent obstacles and economic constraints limiting further inclusion in agriculture (Alkire et al., 2012). The process of empowerment in agriculture is, therefore, more relevant for rural women since they have previously been denied access and control of the assets and capabilities crucial for making strategic choices in agriculture (Malhotra & Schuler, 2005). The current gender composition in Mkwesine Estate therefore needs policy intervention to increase women access to and control over land.

Muromo (2015) points out that the prospective beneficiary of a sugarcane farm had to have experience in sugarcane farming when applying to a land resettlement committee which was chaired by the District Administrator. The applicant had to attach a business proposal together with academic as well as professional qualifications to his or her application form. Financial as well as material resources in the form of movable and immovable property also formed part of the requirements. Above all, experience in sugarcane farming was an added advantage.

The statistical significance difference between land access and experience in sugarcane farming implies that other dynamics came into play during the land allocation exercise yet experience is a critical factor which could have been given serious consideration when allocating this critical resource. The following biography highlights;

Where do they expect me to get sugarcane farming experience? I left this country in 1975 to Mozambique to join the liberation struggle! Since then I have been in the bush fighting! How could I acquire a farming certificate together with financial as well as material assets in the bush? These are the injustices that we fought against! (Interview with Commercial Sugarcane Farmers Association of Zimbabwe official in Mkwesine on 14/6/15).

Participation in the war of liberation influenced land access as highlighted in the following biography by a war veteran under the A2 scheme;

We made sure that all the war veterans who fought in the war of liberation were considered ahead of other applicants for plot allocation. After all, it is land that we went to war for! We also recommended those people who also took an active role during the land occupation period in the year 2000 and beyond (Interview: 8/07/14).

War veterans appealed to broader liberation discourses and interpreted their role as more of leading a revolution rather than mere facilitators of a state led land reform process. This was reflected in their rhetoric whenever they were given a chance to talk in public especially particularly at the farmers' fortnightly meetings which in most cases ended up being ZANU-PF political meetings. The following biography also highlights how war credentials were instrumental in accessing land.

We came here through the struggle and we took over the land because the white farmers were racists. Moreover the large pieces of land (100 hectares) they owned were too large for one person! No matter how the white farmers resisted, we told them that this was our soil! We went to war for it. They contested in courts of law but it did not work. Now look-one former white farm owned by one man is now supporting five families! These racists! (Conversation with Mr Bwanya at Mkwesine on 10/06/15).

Agricultural land is a crucial piece of all land use types and is arguably the most important asset in primarily agrarian rural societies (Machingura, 2007). In Mkwesine Estate it is lacking in both ownership and size due to the high demand for land because of the lucrative nature the commercial activity. Zimbabwe's land redistribution programme is perhaps the most crucial and most bitterly contested issue in academic and political circles surrounding the country. There have been heated debates on the collapse of domestic banks due to liquidated properties as the government compulsorily acquired agricultural land. Failure by government to compensate ousted landowners and chronic shortages of material and personnel needed to carry out the resettlement programme in an orderly manner impacted negatively on the land redistribution exercise.

As an institution, land tenure plays a major role in the performance and development of the food sector by influencing the land ownership and use patterns as well as the productivity of the land. The land ownership issues go well beyond small sizes of plots. There are a number of means

through which people in Africa have access to land; they may own it outright, they may have land allocated specifically to them through their lineage or village head, or they may acquire land through marriage. The perceived lack of security of tenure by the resettled farmers in Mkwesine Estate is the most important factor in explaining the relatively low investment in the estate. Farmers' fear of expropriation over land on which they have invested deters investments. The insecure leasehold tenure system constrains the farmers from producing to their highest potential.

In addition to the Chipiwa group of farmers failing to get their title deeds, they also ceased to get the input support they used to get from THZ at the expiration of their loan period. This meant they faced new challenges in accessing bank loans because financial institutions require security of tenure as collateral. This group neither has offer letters nor 99 year leasehold certificates given to their counterparts (the A2 farmers). This has left these farmers to look for other schemes sponsored by the government through its agricultural bank-Agribank as well as from the Agricultural Sector Productivity Enhancement Facility (ASPEF) schemes being availed by the government. Unfortunately, most of the sugarcane farmers in the estate have not benefited from these schemes (Interview with a Commercial Sugarcane Farmers Association of Zimbabwe (CSFAZ) official on 17/11/15). The CSFAZ pointed out that if government could speed up the processing of the 99 year lease agreement, they could get loans from financial institutions and the agreement would guarantee the existence of the industry.

There are currently uncertainties around the issue of tenure security for both groups of farmers who have been bundled under leasehold tenure. The implications to the estate are largely negative pointing to a slow investment or reinvestment drive due to reluctance among the farmers to improve the existing irrigation infrastructure as they are not sure whether they would not be moved from the farms that they have been allocated. Also all the farmers hid behind the guise that they did not have capital to improve their farms, which resulted to some existing infrastructure not being maintained or serviced. The farmers appealed to the government to finalize the freehold tenure issue and to speed up the process of issuing the 99 year lease agreements so that they can use these as collateral to secure funding from banks. Because of this insecurity there have been cases of farmers being moved from one farm to another for no apparent reason have been reported (Interview with Mr Gapare- A2 farmer in Mkwesine on

10/09/15). Farmers indicated that this affected their production as they are sometimes told to move to another farm when their sugarcane crop was still in the fields

Since the Chipiwa farmers are not beneficiaries of the FTLRP they were supposed to get their title deeds soon after the repayment of their loans but this was affected by the nationalization of all agricultural land under the FTLRP. The CSFAZ submitted that the uncertainty of land tenure vis-à-vis accessing of bank loans and various agricultural facilities provided by the government was a major setback and a threat to the sugarcane farming community. One has to have title deeds or have an offer letter in order to access a bank loan or ASPEF facility and the Chipiwa farmers are neither of these.

The Chipiwa group of farmers had 10 hectares and the A2 farmers had 20 hectares of sugarcane plantations respectively. According to Scoones et al. (2010) 30 hectares were considered viable for sugar production under irrigation conditions, but however due to high demand for land in the estate some farmers ended up having far much smaller pieces of land. As noted earlier on (Moyo et al., 2009) planners accommodated more beneficiaries than the guidelines provided for.

Limited access to large farmland definitely affects the scale of sugarcane production (Jackson and Cheater, 1994; Watts, 1994). This has also implications on the adoption of agricultural technology by smallholder sugarcane farmers. The issue of land size as a possible constraint to sugarcane production comes about because of the concern that new technological improvements and adoption of new crops being biased against small farmers (Djauhari, et al., Undated). Jayne et al. (2010) noted that farmers with larger holdings of land are more motivated to grow more of commercial crops. Since most smallholder farmers own small pieces of land, it limits their farming activities, which ultimately reduces their profit (Simalenga et al., 2000).

Closely linked to the issue of land size is sub-economic farming by the Chipiwa group of farmers due to the 10 hectare plots they were allocated at the time they were resettled. The district lands official indicated that for sugarcane growing to be viable, a farmer has to be on more than 20 (twenty) hectares of land (Interview with Chiredzi District Lands officer on 14/11/15). At the



time of resettlement the Chipiwa group of farmers was divided into blocks of between six and eight sharing one irrigation water pump as they were under overhead irrigation system. It was by paying up this long term loan to THZ from their sugarcane proceeds that the farmers were purchasing and owning the farms. The loans have since been paid up and when they were about to get their title deeds, this was stopped because land reform nationalized all agricultural land (CSFAZ official on 17/11/15).

The success of the Chipiwa Settlement Scheme of 1982 in the initial years of resettlement was due to adequate support from the government and the core estates of Hippo Valley and Triangle Limited which formed the 'consortium' that managed the scheme. The Chipiwa group of farmers had what was called the 'Planters' Agreement' which governed the relationship between the individual farmers and the consortium, the later represented by Mkwesine Estate (Mlambo and Pangeti, 1996). Under that arrangement Mkwesine Estate provided staff and facilities to the farmers at subsidized rates. It also undertook to do the following for the Chipiwa farmers; control and distribution of water, control of cane cutting programmes, control and coordination of cane haulage system, full payment for cane deliveries by rail, supply of diesel for cane haulage, maintenance of irrigation infrastructure and inputs such as fertilizers and herbicides and liaising with planters and their committees on matters essential to the smooth operation of the schemes (Interview with THZ official on 15/11/15).

Due to rampant theft of aluminum irrigation pipes, high maintenance cost of irrigation pumps and motors, and the ever-escalating electricity charges and power cut offs, it was cheaper to convert to furrow irrigation. The Chipiwa Scheme with assistance from the European Union Fund then embarked on a massive flood conversion exercise requiring plough out and redesigning of field layouts, cane replanting and construction of night storage dams. To date more than 1800 hectares had been ploughed out and redesigned for furrow irrigation and 800 hectares are under flood irrigation (CSFAZ official on 17/11/15).

The Chipiwa farmers also managed to buy haulage tractors of their own and have employed personnel to maintain the tractors. This reflects the commitment by farmers to reduce total dependence on THZ. All they are asking for is to have their hectares increased from ten to

twenty hectares. New farmers (A2) farmers resettled under the FTLRP) without as much experience in sugarcane as them are on more than 20 hectares of land and this to them defies logic. The farmers indicated that the ten hectares they currently own are no longer viable considering the costs of water, inputs, transporting cane and maintaining irrigation equipment. The Chipiwa farmers complain of unfair treatment as the pioneers in the land reform drive. They felt they should have been considered under the FTLRP since the ten hectares of land they got way back in 1982 were theirs because they fully purchased them. They argued that their farms needed to be increased to twenty hectares for them to peacefully co-existence with the A2 farmers. (Interview with a CSFAZ official on 17/11/15).

The CSS farmers did not benefit from the FTLRP because the government regarded them to have already benefitted from the land redistribution programme exercise when they got their 10 hectare sugarcane plots in 1982. Freehold tenure which characterized agricultural land ownership in the colonial era spilled into the post-independence hence the 12 farmers under the Chipiwa Settlement Scheme. This group of farmers expected to get freehold tenure for the land they are farming after finishing the payment of loans advanced to them by THZ on the inception of the scheme. However, freehold was rendered ineffective and replaced by leasehold tenure when government nationalized all agricultural land under the Fast Track Land Reform Programme in the year 2000 and beyond.

Some A2 farmers who were on allocated land on formerly contested properties indicated that their operations were adversely affected because of movements (Interview with Mr Mangwiro. 11/09/15). During the judicial contests, some crops were left unattended resulting in many crops wilting and many farmers losing out. Irrigation equipment such as pumps was removed at some farms. Many farmers claim to have lost a lot of money due to these contests because the money they were supposed to get in 2003 from what they had sold was held by the courts as some cases were still pending. As a result, the farmers were not able to payback whatever they had borrowed and the loans incurred huge interest rates. This was a huge setback as most of these farmers were left with nothing to prepare for the next crop.

Scoones et al. (2010) points to the elite nature of the land beneficiaries in the sugar industry this is supported by Moyo (2011) and Moyo and Nyoni (2013) who also out that land reform in the sugar estate was a way of meeting the middle class aspirations for land particularly in the context of declining living standards, wages and job opportunities in the post structural adjustment period. The results show 26.7 % are former employees of Tongaat Hulett Zimbabwe, with 35.6% coming from the civil service and the rest 37.8 % coming from the security services of the army and police.

Land to such people was part of a portfolio of interests including formal employment to the beneficiaries. Incorporating and enlisting civil and security services personnel was also an essential political strategy during the redistribution exercise, as the political project required compliance and investment on a massive scale. Offering land as an alternative compensation to the absence of meaningful salaries was important but it also brought a number of highly skilled technicians, managers and business people into the sugar industry.

Giving civil and security services workers land was a way cushioning them against falling incomes. But serious questions could also be asked about what the government is doing to the general high unemployment levels in the country given the fact that land redistribution could have been used to create jobs for the already unemployed. What is the rationale of adding something to those who already have something at the expense of those who do not have anything?

Availability of implements is critical to the farmer as they determine timing and the rate of land preparation (Chiremba and Masters, 2004). This can affect the profitability of the smallholder farmer operations as it affects the total land to be cultivated and timing of farm operations (Anneke and Todd, 2011). The procurement of tractor power by the sugarcane farmers in the estate has been a priority for many of them. Those who found it elusive are left with the option of hiring from either THZ or those farmers who have the equipment. The use of animal draught

power is not possible as ploughing out and discing requires a lot of traction power which animals cannot provide.

Age was not considered when allocating land in the estate yet it is of critical importance. Age plays a critical role in agricultural production as age can affect the probability of a farmer being successful in farming (Dlova et al., 2004). The higher the age of the farmer, the more stable the economy of the farming unit, because it is assumed that older people have relatively richer experiences of the social and physical environments surrounding farming (Hofferth, 2003). The older farmers are usually regarded more experienced and assumed to be more technically efficient than the young. However, Hofferth, (2003) noted that older farmers are believed to be more conservative than young farmers. Kuwornu et al. (2012) added that older farmers are more likely to be credit constrained; this might be because young farmers are still agile and more receptive to new technologies. It might be expected that the farmer's age would therefore constrain the adoption of technology in sugar production as drip irrigation and centre pivots.

Education provides a theoretical foundation for informed decisions. The behaviour and decisions of a farmer depend partly on his or her level of formal education (Najafi 2003; Muneer, 2008). According to Dlova et al. (2004) the higher the level of education, the more successful the farmer is. When farming is the main source of income, higher education should enable the farmer to appreciate the advantages of new better paying crop enterprises (Najafi 2003), thus increasing farmers' education would certainly contribute to higher rates of adoption of new practices and engage in new more paying crop enterprises.

One of the dynamics that emerged after land reform was how resettled farmers sourced and managed labour. Before the land reform, THZ depended on permanent and casual labour from, outlying districts and across as the country, in the case of specialized and technical skills in the sugar processing plants. Permanent labour comprises both skilled farm supervisors and general labourers who work on the farmers' sugarcane plantations. Informal conversations established

that 2 to 3 permanent workers are employed by each farmer for such tasks as irrigation and crop guarding while the rest is done by labour hired on a temporary basis.

Temporary labour is required on a seasonal basis, for such tasks as weeding, fertilizer application as well as cane cutting. methods of remunerating labour varies from paying cash, or giving grocery items like mealie-meal, sugar, soap, flour, cooking oil to clothing items as highlighted by Mr Chaminuka of Mkwesine;

When we started we had to source our labour from those workers who had been retrenched by the company. In most cases we supplied most of the labour as a family. We sometimes enlisted the help of relatives and payment terms could easily be negotiated. With time locals from the surrounding communities could be engaged payment could be done in kind in the form of grocery and clothing items (Interview: 13/06/15).

Each farmer is now responsible for recruiting his or her own labour. All the resettled farmers' labour force included mostly family labour and members of the extended family although there were instances where labour was sometimes drawn from a pool of labourers who had been left in the compounds by THZ. Artisans in the estates who work as mechanics, electricians, plumbers and diesel fitters are sometimes hired from the nearby Chiredzi town or individuals who decided to work on their own after quitting THZ employment. Family labour was critical in sustaining operations on the sugarcane farms especially in the initial years when funding for the resettled farmers particularly the A2 farmers was not available.

In farming communities, labour and power shortages at the household level have an immediate and dramatic impact on agricultural production. The importance of family labour in farm work and the lack of mechanization in agricultural production imply that the availability of family labour is a prerequisite for a household to increase farm size (Takane, 2008). Smallholder farmers typically use family labour, with each member of the household old enough to participate in farming operations contributing (Mudhara et al., 2002). The shortage of labour will affect the planting and harvesting activities of sugarcane. Due to the reduced availability of

labour, households often change their cropping pattern to less labour intensive crops (Bishop-Sambrook, 2003).

Claims by Scoones et al (2010) that the amount of labour employed per farm has increased over time could not be verified by the study as most of the resettled farmers do not have records of workers they employed over the years. However, informal conversations suggested a decrease in the number of employees as the resettled farmers cited high wage bills and welfare costs as compromising their earnings.

#### **4.5. Conclusions**

The chapter established that the land reform exercise dramatically reconfigured the land ownership structure in Mkwazine Estate when the whole estate was compulsorily acquired under the FTLRP to resettle black farmers. It also found out that Tongaat Hulett Zimbabwe needs the resettled farmers and vice versa. THZ needs sugarcane from the resettled farmers to fully utilize its two processing mill while on the other hand, the resettled farmers want an assured market for their produce. Without being linked to THZ processing mills, it could have been impossible for the black farmers to enter the capital intensive sugar industry due to large amounts of capital involved. Only large companies like THZ can invest in the expensive infrastructure commensurate with sugar production because they have the financial capacity.

The study found out that there is gender disparity in participation in this commercial activity. More men than women benefited in both the Chipiwa Settlement Scheme that was introduced in 1982 and the A2 Scheme introduced in the year 2000 and beyond. There is need for policy intervention by government to ensure that national resources are equitably distributed across gender.

All agricultural land was nationalized under the FTLRP rendering freehold tenure ineffective. This also left the Chipiwa group of farmers in an uncertain position since they had paid for their

land unlike the A2 farmers who were allocated land estate free under the controversial FTLRP. As a result there was slow investment and or reinvestment drive in Mkwesine due to uncertainties around land tenure. There was also reluctance among farmers to improve the existing irrigation infrastructure as they are not sure that they would not be moved from those farms. Because of tenure insecurity, most farmers hide behind lack of capital to improve their farms, resulting in some existing infrastructure not being maintained or serviced or repaired.

The land reform programme is yet to be finalized in the estate. The study recommends the government to speed up the process of issuing the 99 year lease agreements so that farmers are not moved from one farm to another for no apparent reason. It also recommends that law enforcement agencies be deployed immediately to protect the interest of farmers from farm disruptions caused by the emergence of the so called 'A5' farmers who are hopping from one 'ready to harvest farm' to another. The study further recommends that the Ministry of Lands investigate the operations of its Provincial officers in Masvingo and District Officers in Chiredzi. To avoid the collapse of the sugar estate, chapter strongly recommends that a new land audit by an impartial and independent board should be carried out immediately in Mkwesine and that this must be followed by re-planning in the estate. The study recommends that these corrupt officers and other culprits be exposed and weeded out as they are obstacles to the economic turnaround of this country.

The study also established that some A2 farmers had multiple farms registered in different names for example, wife using maiden names or son or daughter's name but belonging to one family or one person. It was also alleged that most A2 beneficiaries do not have the number of hectares cited in their offer letters and that land officers who have farms grabbed some extra hectares from their neighbours.

It also found out the issue of sub economic farming in the estate. There is a glaring disparity between the land sizes of the Chipiwa Settlement Scheme farmers and the A2 farmers. The study found out that for a sugarcane grower to earn a living that farmer has to be on more than twenty hectares of land. It was disturbing to note that the Chipiwa Group of settlers was still on ten hectares of plots. Hippo Valley Estate and Triangle Limited established the Chipiwa Settlement

Scheme with the approval of the government. This was done in phases from 1982 to 1989 and consisted of 191 small scale farmers with an average of 10 hectares each and a homestead. The former have half the land sizes of the latter yet they have more sugarcane farming experience producing higher yields than the former.

There is need to standardize the land sizes in the sugar estate for all the farmers. It recommends that any farm which is less than twenty hectares is sub economic and therefore not sustainable. The Chipiwa Resettlement Scheme has skills developed since 1982 and these should not be thrown away. The study recommends a new land audit for all the A2 farms and a re-planning exercise in the estate to ensure that the Chipiwa Group together with other resettled farmers get at least 20 hectares each to ensure viability. This should form the basis of setting minimum land sizes for the newly resettled farmers. Farmers with excess unutilized and unproductive hectares must have it cut down to an agreed average size so that no farmer is on less than 20 hectare. Equally no farmer should be in possession of land 20% in excess of the agreed average. This should form the basis of setting maximum land sizes for the new resettled farmers.

The study notes that most new farmers do not have expertise in sugar production although they are willing to learn. Only the Chipiwa Settlement Scheme farmers had sugarcane farming experience before they got their farms but the A2 farmers did not have. It recommends that government with other stakeholders must seriously consider setting up sugar technology training institutes equivalent to master farmer programme to improve sugar production and sector knowledge. There is also need to host training workshops to equip the new farmers with sugarcane farming skills and any other new trends in the sugar industry.



#### 4.6.References

- Adeniyi, L. (2010). Women farmers and agriculture growth: Challenges and perspective for Africa face the economic crisis. *Poster presented at the joint 3rd African Association of Agricultural Economists (AAAE) and 48th Agricultural Economists Association of South Africa (AEASA) Conference*. Cape Town: September 19-23.
- Alexander, J. (2003). ‘Squatters’, veterans and the state in Zimbabwe. In: A. Hammar, Rapfopoulos, B. and S. Jensen, eds. *Zimbabwe’s Unfinished Business: Rethinking State and Nation in the Context of Crises*. Harare: Weaver Press, pp. 191-241.
- Alexander, J. (2006). *The Unsettled Land, State making & the Politics of Land in Zimbabwe 1893-2003*. Oxford: James Currey.
- Alvesson M (2011). Rethinking Interviews: New Metaphors for Interviews. Interpreting Interviews. In, Alvesson M (contr.) *Research Methods*. Thousand Oaks, CA, SAGE.
- Babbie, Earl R (.2010), *The Practice of Social Research*. 12th ed. Belmont, CA: Wadsworth Cengage, Muijs, Daniel (2010.)Doing Quantitative Research in Education with SPSS. 2nd edition. London: SAGE Publications.
- Bijman, J. (2008) *Contract Farming in Developed Countries- An overview*. Wageningen UR
- Buch-Hansen,M and Marcusen H.S.(1982) Contract farming and the peasantry: Cases from western Kenya, *Review of African Political Economy*, 9(23),9-36
- Carley K (1993). Coding choices for textual analysis: a comparison of content analysis and map analysis. *Sociological Methodology*, 23: 75-126.
- Creswell JW (2013). *Qualitative Enquiry and Research Design: Choosing Among Five Approaches*. Third Edition. SAGE Publications, Los Angles.
- Djauhari, A., Djulin, A. and Soejono, I. Undated. Maize production in Java prospects for farm level production technology. CGPRT Centre, Indonesia.
- *Economic Report on Africa* (2002)
- Fairclough N (2002). *Analyzing Discourse: Textual Analysis for Social Research*. Routledge, London.
- Genzuk, M. (1999).Tapping into Community Funds of Knowledge. In: *Effective Strategies for English Language Acquisition: A Curriculum Guide for the*

*Development of Teachers, Grades Kindergarten through Eight.* Los Angeles  
Annenberg Metropolitan Project/ARCO Foundation, Los Angeles

- Glover, D, (1990) Contract Farming and Out grower Schemes in East and Southern Africa. *Journal of Agriculture Economics* 41(3), 303-315
- Jackson J and Cheater A (1994) Contract farming on Zimbabwe: Case studies of Sugar, Tea and Cotton in Little P and Watts M (eds) *Living under contract: contract Farming and Agrarian Transformation in sub-Saharan Africa*. Madison, University of Wisconsin Press.
- Jayne, T.S., David, M. and Elliot, M. (2010). Principal challenges confronting smallholder agriculture in Sub-Saharan Africa. *World Development*, 38(10) (2010): 1384–1398.
- Lofland J, Snow D, Anderson L and Hofland LH (2006). *Analysing Social Settings: A Guide to Qualitative Observation and Analysis*. Fourth Edition. Thomson and Wadsworth, Singapore.
- Matondi, P, B. (2012). *Zimbabwe's fast track land reform*. Zed Books. London.
- McKee A (2003). *Textual Analysis: A beginner's Guide*. SAGE, London
- Mertens DM (2003). Mixed methods and the politics of human research: the transformative-emancipatory perspective. In, Tashakkori A and Teddlie C (eds.). *Handbook of Mixed Methods in Social and Behavioral Research*. SAGE, Thousand Oaks, CA.
- Mlambo S. and Pangeti E.S. (1996) *The political Economy of the Sugar Industry of Zimbabwe 1920-90*, University of Zimbabwe, Harare.
- Moyo, S. 1995. *The Land Question in Zimbabwe*. SAPES Trust, Harare, Zimbabwe.
- Moyo, S. and Yeros, P. 2005. Land Occupations and Land Reform in Zimbabwe: Towards the National Democratic Revolution. In: S. Moyo and P. Yeros, eds. *Reclaiming the Land: The Resurgence of Rural Movements in Africa, Asia and Latin America*. London: Zed Books, pp. 165-208.
- Moyo, S., Chambati, W., Murisa, T. Siziba, D., Dangwa, C., Mujeyi, K. and Nyoni, N. (2009). *Fast Track land Reform Baseline Survey in Zimbabwe: Trends and Tendencies 2005/06*, Harare: African Institute for Agrarian Studies (AIAS).

- Mumbengegwi, C. (1986) *Continuity and change in agricultural policy. Zimbabwe: The political economy of transition, 1980-1986*, Mandaza I [Ed] CODESRIA Book Series, London.
- Nakapipi V, Shalyefu RK and Mushaandja J (2011). Documenting and validating the indigenous knowledge on the use of the dwarf sage plant in Namibia. *Indilinga– African Journal of Indigenous Knowledge Systems*, 10 (1): 68-76.
- Richardson B (2010) ‘Big sugar in southern Africa: rural development and the perverted potential of sugar/ethanol/exports’ *The journal of Peasant Studies*, 37 (4):917-938.
- Richardson, C.J. (2004) *The Collapse of Zimbabwe in the wake of 2000-2003 Land Reforms*. New York: Mellen Press.
- Scoones I, Marongwe N, Mavedzenge B, Mahenehene J, Murimbarimba F and Sukume C (2010) *Zimbabwe’s Land Reform: Myths and Realities*, Auckland Park:Jacana Media
- Smith LT (1999). *Decolonizing Methodologies. Research and Indigenous Peoples*.Zed Books, London.
- Sulle (2013) *A critical analysis of sugarcane production in Kilombero, Tanzania*, PLAAS Working Paper, Bellville: Institute for Poverty, Land and Agrarian Studies, University of the Western Cape.
- Taylor C and Gibbs GR (2010). "How and what to code." *Online URL: onlineqda.hud.ac.uk/IntroQDA/ how what to code php* (accessed 15/11/2015).
- Thomas DR (2006). A General Inductive Approach for Analyzing Qualitative Evaluation Data. *American Journal of Evaluation*, 27 (2): 237-246.
- Yin RK (2003). *Applications of Case Study Research*. Second Edition. SAGE, Thousand Oaks.
- Yin RK (2009). *Case Study Research: Design and Methods*. Fourth Edition. Applied Social Research Methods Series. 5. SAGE, London.

## **CHAPTER 5**

### **TENSIONS AND CONFLICTS BETWEEN TONGAAT HULETT ZIMBABWE AND THE RESETTLED FARMERS AFTER LAND REFORM**

#### **5.1. Abstract**

Redistributive land reform in Zimbabwe after independence created tensions and conflicts between former white owners and the newly resettled black farmers. The core estates continued to control the processing and marketing functions after land reform while the resettled settled for the production of raw sugarcane. In Mkwase Estate the structural changes in land ownership and tenure systems reconfigured the management dynamics of the sugarcane plantations as black farmers operated side by side with Tongaat Hulett Zimbabwe (THZ). The centrally managed estate paved way to individually run subdivisions by the resettled farmers. This transition from a centralized system to decentralized units caused some contestations over input accessibility, milling levies, water charges as well as the distribution of the proceeds from sugar proceeds between THZ and the resettled farmers. Using descriptive data collected from a sample of 45 farmers in the estate as well as secondary data, this chapter examined the tensions and conflicts between THZ and the resettled sugarcane farmers in the estate. Findings from the study indicate that all the farmers in the estate were linked to THZ's processing mills at Hippo Valley and Triangle. Of the sample 26.7 % of the black farmers got input support from THZ while 73.3% of the farmers provided their own inputs. All the farmers (100%) in the estate received extension support from THZ. There was no uniformity in water payment arrangements to the Zimbabwe National Water Authority by farmers as 26.7 % pointed out that that they paid their water bills once at a time and 73.3 % pointed out that they were given monthly bills. Agro-industrial capital for the farmers has gradually increased with 55.6 % owning the basic farming equipment like tractors ploughs and discs and 44.4% hiring this equipment from other farmers who have it or from THZ. The study recommends the resolution of struggles over input accessibility, water charges and power cut offs by the relevant stakeholders for the sustenance of the sugar industry. It also recommends the standardization of water payment arrangements because all farmers in the estate face similar cash flow constraints since sugar is sold once per year.

## **5.2. Introduction**

Although there had been white out growers linked to the Mkwase Estate during the colonial era the proportion of tensions and conflicts between the white out growers and THZ has not been as apparent as now. The newly resettled black farmers are experiencing different challenges from their white predecessors. Firstly, in the colonial era white farmers enjoyed economies of scale from the large landholdings (approximately 100 hectares each) they owned and managed whereas the land reform beneficiaries were allocated fairly smaller farms ranging from 10 to 20 hectares each (Jackson and Cheater, 1994; Watts, 1994). Secondly, the freehold tenure system which assured security of tenure in colonial period was replaced by, a 99 year leasehold tenure given to the black farmers following the FTLRP which nationalized all agricultural land. Thirdly, the relationship between the core sugar estates and the black farmers was severely strained by the compulsory acquisition of land without compensation.

The operational arrangement of the Chipiwa Settlement Scheme and A2 farmers with THZ is very similar to that of white out growers and core sugar estates during the colonial although these land reform beneficiaries' landholdings are far much smaller than their predecessors. Unlike the Chipiwa Settlement Scheme farmers where THZ was responsible for the management of water (Mlambo and Pangeti, 1996), road maintenance and coordination of the haulage system of sugarcane from the fields to the rail loading zones en-route to Hippo Valley and Triangle processing mills tensions and conflicts became more apparent with the introduction of A2 farmers under the FTLRP.

Questions on the equity of the nucleus estate out grower model as provided for in the Hippo Valley Act of 1957 and the Sugar Control Act of 1962 have always been raised since the colonial period. These two legal statutes provided the basis of operational relations between THZ and out grower in the estate. The provisions of the statutes which allowed a lot of THZ leverage over out growers in the estate spilled into post-independence land reform since the two pieces of statutes were not amended to reflect the reconfiguration which took place in the aftermath of land reform.

The post-independence reforms in land ownership and tenure system as discussed in the previous chapter caused some serious tensions and conflicts between Tongaat Hulett Zimbabwe (THZ) and the black sugarcane farmers in Mkwesine. Besides reconfiguring the land ownership structure and tenure system, land redistribution in the Mkwesine Estates also altered the structure and orientation of the management of the sugarcane plantations in the estate. The transformation from a single command structure to decentralized farm units created operational challenges for the resettled farmers and THZ as they interacted on a day today basis.

Mkwesine Estate has no processing mill of its own and is 50 and 70 kilometres from Hippo Valley and Triangle mills respectively Mlambo and Pangeti, 1996). The future of the estate looks hazy since it is not clear whether the THZ would continue coordinating things like water conveyance, sourcing agro-inputs, electricity, servicing roads, providing health services and collection of refuse among other things. These issues have not been subjected to detailed analysis. The objective of the chapter is therefore threefold; firstly, to examine the areas of contestations between THZ and the resettled black farmers and secondly to discuss tensions and conflicts which have emerged thereof and lastly to suggest how the tensions and conflicts can be resolved for the benefit of both parties and the sugar estate. This comprehensive analysis of the operational dynamics that unfolded in the sugar estate is necessary for one to appreciate the challenges being faced by the resettled farmers in the estate in an industry which that is central to foreign currency generation in the country. This is against the rising demand for sugar and its byproducts particularly bio-fuel on the global market.

### **5.3.Results**

The study established that the major causes of tensions and conflicts emanate from input accessibility, availability of farming equipment, water payment arrangements and extension support.

### 5.3.1. Contestations between THZ and the resettled farmers

**Table 4.1: Land access and some socio-economic variables**

The following table shows some socio-economic variables where contestations between farmers and THZ mainly rose from.

Variable		Land access		Number of farmers	X <sup>2</sup>
		Chipiwa Settlement Scheme	A2 farmers		
Access to THZ loan & credits	Yes	12(26.7%)	0	45	40.367***
	No	0	33(73.3%)		
Ownership of farming implements	Owning	12	13	25	13.091***
	Hiring	0	20	20	
Water payment arrangement to ZINWA	Once in a while	12	0	12	45.000***
	Monthly	0	33	33	

**N=45**

#### 5.3.1.1. Access to THZ loans and credit:

Table 4.1 shows that 26.7 % of the sample have an input scheme arrangement with THZ and pay back through deductions from their cane sales to the company and over seventy percent (73.3%) are not benefiting from the THZ input scheme. As earlier discussions indicated the agreement that the farmers under the Chipiwa Settlement Scheme entered into with THZ stipulated that it offers them post settlement until a time they had fully paid back the loans it had advanced them upon resettlement. There is significant difference ( $p < 0.005$ ) between access to land and access to THZ loan and credit facilities.

#### 5.3.1.2. Farming implements ownership by farmers

Table 4.1 shows that 44.4 % of the farmers own farming equipment and 55.6% hire it when they are ploughing their fields and planting sugarcane. These findings suggest a significant difference ( $p < 0.005$ ) between access to land and farming implements ownership by the farmers in the

estate. All the farmers in the Chipiwa Settlement Scheme and a few A2 farmers own tractors and the rest either hire from THZ or fellow resettled farmers.

#### **5.3.1.3. Water payment arrangement to ZINWA**

There is no uniformity in water payment terms. Table 4.1 shows 73.3% of the samples are required to pay monthly bills while the remaining 26.7 % pay once in a while. The Zimbabwe National Water Authority (ZINWA) through its water storage reservoirs supplies THZ and the resettled farmers in the sugar estates. There is a significant difference between access to land by the beneficiaries and water payment arrangement. These two stakeholders complained that ZINWA was charging exorbitant fees on raw water and pointed out that that the recent percentage increase (2015) was not justified. The increase from \$US190 000 per mega litre to \$US1 900 000 per mega litre resulted in raw water becoming very expensive thereby making farming unviable. There is statistical significant difference between access to land and water payment terms to ZINWA.

#### **5.3.1.4.Extension support from THZ**

Both groups of farmers, which are the Chipiwa Settlement Scheme and the A2 farmers, get extension support from THZ as well as the Zimbabwe Sugar Association (ZSA). Extension has been defined as systems that facilitate the access of farmers, their organizations and other market actors to knowledge, information and technologies, facilitate their interaction with partners in research, education, agribusiness, and other relevant institutions and assist them to develop their own technical, organizational and management skills and practices (Birner and Anderson, 2007; Christoplos, 2010).This support ranges from the adoption of new cane cultivars to disease control.



#### **5.3.1.5. Power cut offs**

Lack of constant power supply by the Zimbabwe Electricity Supply Authority (ZESA) was adversely affecting operations the sugar estates. The sugarcane crop relies on irrigation and failure by ZESA to provide power continuously affects the irrigation schedules resulting in low yields because of inadequate water supply. Hippo Valley Estate and Triangle Limited generate electricity from bagasse which they bank with ZESA. Triangle Limited generates 31 megawatts from six turbines. Despite THZ banking its electricity with them, ZESA cuts off electricity to the millers due to current power shortages in the country.

The resettled farmers indicated that they are subjected to long periods of power cuts. They blame both the government and THZ for failing to provide them with adequate electricity, water and transport. They also allege THZ is not paying them competitively since it is the only buyer of their sugarcane. There is deep mistrust by the resettled farmers and THZ as they doubt the authenticity of weigh bridge statistics for their cane deliveries to the mills as well as their sucrose content tests in THZ laboratories. These allegations could not be confirmed due time but THZ officials insisted that everything was above board.

#### **5.3.1.6. Growing other crops**

Some farmers grow other crops on parts of their plots as plough out. Instead of leaving the field fallow for three months before putting the next crop of sugarcane, the farmers prefer to put another crop to improve their cash flow earnings. Some farms appear to be underutilized because some farmers got fallow lands and were growing sugarcane gradually due to financial constraints. Farmers argued that they sometimes grow other crops to improve their cash flow as sugarcane takes twelve months to be harvested and within those twelve months, farmers find it difficult to buy fertilizers and pay for their water and electricity bills. They said this was the main reason for the divergence from sugarcane production to other short life span crops as maize and sugar beans.

### 5.3.2. Processing of farmers' sugar

#### 5.3.2.1. Transport

Sugarcane is perishable. It must be processed within five days at the latest; otherwise it becomes stale hence fast transportation needed. Farmers should therefore have their own transport in the form of peri-loaders or be served by an efficient transport system, otherwise they risk suffering huge losses in the event of sugarcane turning bad. For those farmers who do not have transport of their own, and they hire transport from fellow resettled farmers or from THZ. There are also haulage companies which offer transport services during harvest periods. Farmers in Mkwazine which is 50 and 70 kilometres from Hippo Valley and Triangle respectively, transport their sugarcane by rail. Rail transport is provided by the National Railway of Zimbabwe (NRZ) and the farmers' transport charges are based on tonnes per kilometer rates. Sugarcane harvested in Mkwazine is initially transported to the three loading zones in the estate from where it is later transferred onto rail wagons by cranes to the processing mills. This a major source of conflict as highlighted by the following biography;

Transport charges eat huge chunks of our profits. In most cases our sugarcane is not timeously transported to the processing mills. By the time it gets to the mill it will have lost quality. We are also not sure with the authenticity of the figures we are finally given since our sugarcane passes through many stops on its way to the processing mill (Interview with CSFAZ official in Mkwazine on 9/8/15)

At maturity the cane is manually cut and put into five tonne stacks. Cane cutting is done by casual labourers who in most cases happen to be the farmer's relatives who are temporarily hired during the harvesting season. A ticket bearing the resettled farmer's name and out grower number is assigned to each stuck for records and accounting processes. These stack tickets are submitted to a weighbridge official when the sugarcane is delivered to the mill. In cases where the stacks are ferried by long trailers and rail wagons, a wagon or trailer plan is drawn at loading bays for submission to the mill by the engine drivers for the identification of the resettled farmers' sugarcane.

The sugar stacks are bound by chains and transported by special tractors with long trailers and peri-loaders to the processing mills. The peri-loaders are used in cases where the sugarcane fields are close to the processing mills since they can only carry one stack at a time. Where long distances are covered the sugarcane stacks are first transported to loading zones situated in strategic places in a sugar estate where they are later loaded onto huge truck trailers or rail wagons by specialized cranes to the processing mills.

#### **5.3.2.2. Weighbridge**

When these sugarcane stacks arrive at the processing mill they are weighed before they pass through the weighbridge where the tonnage of each farmer is recorded and sent to the accounts department. The juice from the crushed sugarcane goes through laboratory tests for sucrose content which determines the amount to be paid to individual farmers. Skepticism abound from the resettled farmers on the weighing and sucrose testing processes their sugarcane go through.

As A2 farmers we rely on the figures we are given at the weigh bridge and the content levels we get from the mill's laboratories. The officials who man these gates are THZ employees. We do not have our own representative who confirms the figures. The same applies to laboratory tests for sugar content! We are not sure of the results since the juice tested is a mixture of sugarcane juice from different farmers. (Interview with Mrs Tatira of Mkwesine 11/6/15)

#### **5.3.2.3. Laboratory tests**

As highlighted in the above biography the farmers are skeptical of the sucrose tests carried out by THZ laboratories

#### **5.3.3. Tensions and conflicts in the estate**

One of the most pressing issues has been the pressure for more land from THZ by prospective beneficiaries. The Shangaan people who live in adjoining communal lands claim an autochthonous ownership to the sugar estates and therefore demand to have been considered first

when land allocation was rolled out in the estate. They also indicated that they should be restituted for the land that was forcibly taken from their ancestors to pave way for sugarcane farming. While a few chiefs and some politicians from their side were allocated land under the ‘A2’ sugarcane scheme, most of the beneficiaries are outsiders from elsewhere in the country. The following biography with Chief Gudo –who is an A2 farm beneficiary, summarizes the local people’s sentiments;

Our forefathers used to occupy this area and were forcefully moved beyond Mkwesine River by the colonial government to pave way for sugar production. My great grandfather used to reside at the foot of that small hill near Mkwesine Secondary School! There are our ancestral graves on that hill. When land redistribution started here I thought the lands officials were going to consider the original inhabitants

In 2014, there were high profile invasions of the sugar estate by angry villagers and some war veterans who argued that the promise by the ZANU-PF leadership of giving them land for sugarcane farming during the 2013 harmonized general elections had not materialized (Newsday May 24 of 2014 page 1). That culminated in the complete takeover of the estate from THZ. The lucrative nature of the sugar farming activity has attracted politically connected elites from the more distant areas with some powerful politicians trying to assert themselves in the distribution process

There is intra-conflict and tension between the Chipiwa group of farmers and the A2 farmers with the former alleging unfairness for being barred from benefitting from the FTLRP process as they argue to have paid for the 10 hectare plots they already possessed. There is also tension between the A2 farmers with THZ with the former resenting the contempt with which previous estate owners (THZ) has been treating the resettled farmers. Over the years, THZ regarded the resettled farmers as depending on them for survival or at least that is how the resettled farmers viewed the relationship that existed between themselves and THZ.

These allegations resonate with those of other out growers globally who are locked in a monopsonic contractual relation with powerful companies. Informal conversations with insiders indicated that from the onset, THZ expected the A2 farmers to fail and tries to sabotage the land reform effort by any means possible. However the negative perception by THZ seems to have changed with time as it has realized that the land reform exercise is irreversible. It realized the

need to accommodate these land reform beneficiaries in order to optimally utilize the crushing capacity of its processing mills at Hippo Valley and Triangle.

There are also conflicts amongst the resettled farmers over water usage. Some farmers complained that those farmers who were higher up the canal system diverted most of the water to their fields depriving those down the system of the precious liquid. It was revealed that some farmers at times exchange harsh words with each other and in extreme cases, exchange blows (Interview with Commercial Sugarcane Farmer Association of Zimbabwe official in Mkwazine on 15/10/15). Tension also arises when fire spread to other farmers' fields when harvesting the cane. Sugarcane is burnt before harvesting to make the harvesting easier. Fire breaks have to be properly cleared to prevent fire from spreading of the fire to other people's fields during the burning process (ibid).

The THZ staff houses and compounds which had accommodated former THZ employees are major points of conflict, as farmers fought over the ownership of these. There are also conflicts over how former THZ country club facilities, shops, butcheries and beer-halls are going to be distributed to those who were willing to run them.

The way accommodation is allocated is chaotic. No one is responsible for the allocation of houses in the former THZ compounds. As a result you don't know who is staying in the next house. We need a social services committee to dispense community development services as THZ used to do (Informal conversation at Mkwazine Country Club on 7/08/15)

Given the location of the estates, there is constant through traffic of visitors and relatives of the labourers from the adjoining communal lands for fishing and sometimes, illegal hunting. Issues of security, crime, occasional violence in the residential compounds due large populations of single men, often on extremely poor or no pay also abound. Theft of sugarcane from the resettled farmers' fields is common as a vigorous illegal trade in fresh sugarcane develops. Disputes over pay, protests about the condition of housing and lack of services and complaints about the safety of residents, given the large mobile populations, are frequent.

## **5.4. Discussion**

The provisions of the Chipiwa Settlement Scheme stipulated that THZ provide the resettled farmers with production inputs and credit for a specified period while the A2 farmers had no such agreement. The agreement assured the beneficiaries of post settlement support up to a time they had fully paid back the loans advanced them by THZ upon resettlement (Jackson and Cheater, 1994; Mlambo and Pangeti, 1996). This arrangement was affected by the FTLRP programme which nationalized all agricultural land. As a result the Chipiwa group of farmers failed to get their title deeds because of the development. After the FTLRP both groups of farmers could not access credit from financial institutions because of insecurity of tenure yet access to credit can significantly increase the ability of the farmers with no or little savings to acquire needed agricultural inputs to invest in future production, expand farming or diversify into producing new crops (Peacock et al., 2004).

Smallholder farmers cite the lack of capital and access to affordable credit as the main factor behind the low productivity in agriculture (Salami et al., 2010). Yet the package of financial services available to smallholder farmers in developing countries is severely limited, especially for those living in remote areas with no access to basic market infrastructure (Kloppinger-Todd et al., 2010). While in Mkwase Estate in 2015 THZ launched the SusCo project to hundreds of previously unbankable farmers to rehabilitate sugar production it has so far ceased because the project was a five year one.

Banks and other finance institutions often perceive the cost of making small loans to smallholders as too high. There are also high administrative costs per unit of currency when lending to disperse farmers, alongside the small amounts of money borrowed that is, the costs outweigh the revenues (Fairtrade Foundation, 2013). Also because of the lack of collateral and/or credit history, most smallholder farmers are by-passed not only by commercial and national development banks, but also by formal micro-credit institutions (Curtis and Adama, 2013).

The A2 farmers on the other hand sourced their own inputs from the open market. This practice often affect the profitability of the farming venture as inputs can either be supplied late into the season or after they have expired (Duffy, 2013). Only a few out of the over 400 farmers in Mkwazine Estate got fuel for agricultural purposes from the National Oil Company of Zimbabwe (NOCZIM) in 2015. It seems the government has neglected the sugarcane after the land reform. The government must take a keen interest in the sugarcane crop due its economic importance in terms of foreign currency generation.

The government should not leave the farmers at the mercy of THZ through its operations at Hippo Valley and Triangle sugar estates for input support. These estates are in business to make money and not to be a Good Samaritans. Hippo Valley and Triangle Limited cannot continue to help the resettled farmers with loans and inputs at no premium as is being suggested by the authorities. The new farmers should be provided with inputs for some time until they have acquired enough resources to stand on their own.

Both groups of farmers get extension support from THZ. Extension service is a good indicator of farmer's knowledge of agricultural information (Davis, 2008). It entails systems that facilitate the access of farmers, their organizations and other market actors to knowledge, information and technologies facilitate their interaction with partners in research, education, agribusiness, and other relevant institutions and assist them to develop their own technical, organizational and management skills and practices (Christoplos, 2010). In the estate THZ provides this in order to ensure high quality cane to its processing mills. The role of THZ extension officers involves the determination of the sustainability of development initiatives in the long run (). THZ extension services encourage farmers to adopt new cane varieties as well as new technologies in place of traditional methods. The more intensively a farmer is exposed to its activities, the more prepared and willing he should be to adopt new practices (Swanson, 2006; Anderson et al., 2006; Feder et al., 2010).

The Chipiwa Scheme used overhead irrigation in the initial years of resettlement but with time, it was realized that due to rampant theft of aluminum irrigation pipes, high maintenance cost of pumps and motors and the ever-escalating electricity charges and power cut offs, it was cheaper

to convert to furrow irrigation. The Chipiwa Scheme with the assistance of the European Union and the Successful Rural Communities project then embarked on a massive flood conversion exercise requiring plough out and redesigning of field layouts, cane replanting and construction of night storage dams.

The near or collapse of some irrigations schemes in African countries can be attributed to a lack of funding and poor management and maintenance of infrastructure (Bembridge, 2000). Besides lack of funding also lack of security of tenure is another factor that contributes to the erosion of existing institutional arrangements pertaining to the routine maintenance of the irrigation infrastructure in Mkwasi Estate (Moyo (2011). Maintenance of infrastructure is an important domain in which institutional weaknesses impact negatively on productivity. Rehabilitating the irrigation infrastructure, providing effective extension services and facilitating access to information are public interventions that will undoubtedly be of benefit to smallholder irrigators (Van Averbeke and Mohamed, 2006).

The results also show that the number of farmers with tractors is more than those who do not have. Producing for the market requires production resources, which include land, labour and farming capital (Baloyi, 2010). Availability of implements is critical to the farmer as they determine timing and the rate of land preparation (Chiremba and Masters, 2004). This can also affect the profitability of the resettled farmers' operations as it affects the total land to be cultivated and timing of farm operations.

While farmers in Triangle claim to be charged monthly for their water use, the farmers in Hippo Valley pay a lump sum once in a while. As a result farmers in Triangle Limited were appealing for the standardization of payment terms as the discrepancy was negatively affecting them because of their limited financial resources and also taking into account that the crop is harvested after twelve months. Cash flow in this case will be a problem.

Both THZ and the resettled farmers complained that ZINWA was charging exorbitant fees on raw water. They argued that the recent percentage increase was not justified. The increase was



from \$190 000 per mega litre to \$1 900 000 per mega litre resulting in raw water becoming very expensive thereby making farming unviable.

The A2 farmers in the estate have water rights and are the once being charged monthly for water use. These farmers complained that they could afford to pay monthly bills for water. The farmers under the Chipiwa Settlement Scheme pay a lump sum once in a while. The A2 farmers at Triangle Limited were appealed for such a scheme as the ZINWA scheme impacts negatively on new farmers because of limited financial resources and also taking into account that the crop is harvested after twelve months. Cash flow in this case is a problem

The farmers also allege that the government is not taking them seriously as other crops are being funded under different schemes in the national budget but nothing is put aside for sugarcane (Interview with Mrs Chauya -A2 farmer in Mkwesine on 10/06/15). Sugarcane was being funded under livestock and 'other crops'. Farmers in Mkwesine are not relieved to learn this but ask why sugar cane is classified under 'other crops' (Interview with Mr Chaminuka-A2 farmer in Mkwesine on 13/05/15). This only shows that nobody has really sat down to consider the importance of sugar in the country yet about 70% of dietary consumption at household contains sugar.

There is no law or regulatory authority overseeing the activities of the stakeholders in the estate. The sugar estate would continue to have problems until such a time all the stakeholders in the estate come together and form a council that represent the views of both THZ and all the resettled farmers. The CSFAZ as has been observed only represents sectional interests of the resettled farmers. Farmers' associations are essential institutions for the empowerment, poverty alleviation and advancement of farmers and the rural poor (Penunia, 2011). Farmers' associations reduce transaction costs such as transport, search, negotiation and administration costs faced by farmers (Chikazunga, 2013) and enables knowledge sharing through networking, peer to peer training and good practice demonstrations which can yield widespread and significant benefits (Kumwenda et al., 2013). Economically, farmers' associations can help farmers gain skills, access inputs, form enterprises, process and market their products more effectively to generate higher incomes (Robbins et al., 2004; Penunia, 2011). By organizing, farmers can access information needed to produce, add value, market their produce and develop

effective linkages with input agencies such as financial service providers, as well as output markets (Poole and Frece, 2010). Robbins et al. (2004) also noted that collective activity might also help farmers to obtain credit.

An all-inclusive Sugar Council therefore set up, that draws its composition from government, resettled farmers, THZ millers, financiers, marketers, research and development and other stakeholders would, therefore eliminate fragmentation and partisan representation of the sector and increase the bargain and lobbying leverage of the sector to government. It is this council that should convince the government that their project is very important to the nation. There is no substitute for sugar and yet nobody pays attention to where it comes from. The Sugar Council is expected to drive the industry's adaptation strategy in line with global trends Together with government the Sugar Council should commission a policy study that would answer the European Union requirements to avert losses in export of the product that are emerging as a result of trade liberalization and in price reductions that were introduced in 2006.

Also, investors and development partners such as non-governmental organizations may also come in to provide the legal and institutional frameworks to enhance transparency and to clarify privileges and responsibilities of the stakeholders in the sugar industry. One way of doing it would be to support farmer organizations in the sugar restates to ensure that the resettled farmers' voices are heard and that their interests are served in the long run. Banks should give A2 farmers repayment terms that coincide with the sugarcane income cycles.

Lastly, the government has the key to the formulation of the legal and institutional environment that promotes the growth of the sugar industry as a whole. The government has the legislative tool as well as the political muscle at its disposal to create an even playing field for all the players in the industry. Provision of post-settlement support, creation of markets for sugar products and managing those markets are among some of the things the government should delve into.

The sugar industry needs tremendous government support and intervention. There is therefore need to declare sugarcane as a strategic crop and not treat it as any 'other crops'. This is because

the government has an imbedded interest in the crop due foreign currency earned or saved by the industry. The government should desist from exercising distant interest and urgently address the challenges being faced by the sugar industry. Historically, as noted in Chapter 2, the Lowveld region used to be a country within a country because white sugarcane growers were self-sufficient. The core sugar estates as they were and the white farmers then, did not need much government assistance but things have since changed. These are now new farmers who have smaller pieces of land than the white farmers in the colonial era. They cannot stand on their own and so government has to assist until such a time that they are self-sufficient. THZ is a private company and when it sources inputs from suppliers it does so for its operations only not for the resettled farmers. The resettled farmers must therefore benefit from government inputs schemes so that they are not left at the mercy of THZ. The company charges commercial rates for any service rendered to the resettled farmers on full cost recovery basis in addition to a premium.

The government should also increase the size of land given to the resettled farmers. According to Scoones et al (2010) any land size less than thirty (30) hectares per farmer are sub economic and therefore not sustainable. Also the resettled farmers with excessive, unutilized and unproductive landholdings must have it cut down to an agreed average size so that no farmer is on less than 20 hectares. Equally no farmer should be in possession of land 20% in excess of the agreed average so that many more farmers can be accommodated. This should form the basis of setting maximum land sizes for the newly resettled farmers.

The resettled sugarcane farmers need government support when accessing loans and inputs and there is need for a vote for sugarcane inputs in the national budget. The resettled farmers need access to fertilizers, fuel and chemicals through institutions like Grain Marketing Board and National Oil Company of Zimbabwe (NOCZIM) just like other crops covered under the Government Input Programme. Loans given to sugarcane growers should be in harmony with the crop cycle and allow growers to harvest and sell and should design a facility for farmers based on a twelve months and not six months payback period. The farmers cannot afford to pay monthly water bills because the crop is harvested after twelve months. Sugarcane farmers should therefore pay their water bills on agreed intervals to alleviate cash flow problems.

The government with other stakeholders must seriously consider setting up sugar technology training institutes to improve sugar production and sector knowledge. Most of the beneficiaries do not have expertise in sugar production although they are willing to learn. It should also break the monopoly of existing millers in the sugar industry by bringing in more players. A case for a milling company for the resettled farmers needs further research and support.

The announcement by the Zimbabwe Government of E10 mandatory blending of anhydrous ethanol and unleaded petrol was a move in the right direction as it strove for the use of locally produced products thereby creating a market for the sugar industry. As the policy position taken rolls out evenly, starting mandatory blending, the local oil industry will embrace this in their operations and the product will be warmly welcomed on the market. What this essentially means is that all fuel that will be consumed in this country will have a local component derived from a percentage of ethanol that is produced in the country.

The government may give tax concessions to the importation of cars that take ethanol blends while it must also encourage research of mechanisms to mitigate the adverse impacts on non-compatible vehicles. Blending facilities need to be developed quickly while car manufacturers and assemblers need to start importing vehicles that take ethanol blends. This would also contribute to a cut in line with international oil prices. Where has been acquired there is need to compensate improvements made to the land.

## **5.5. Conclusion**

From the above findings and discussion the study concludes that the resettled farmers in Mkwazine are not benefiting from government inputs. The Chipiwa farmers were once getting some of their inputs from THZ before the FTLRP but they said this ceased with the expiration of their loan repayment to THZ. The farmers indicated they approached government departments many times for assistance but nothing meaningful materialized. Only a few farmers out of the over four hundred in the estate got fuel for agriculture purposes from NOCZIM.

This has left sugarcane growers with no option except to get their inputs from the parallel market at a very high cost. The farmers appeal to the government to seriously consider funding them. It seems government has forgotten that it has settled A2 farmers in the Lowveld to grow sugarcane. Government should have taken an interest the moment it settled A2 farmers in the Lowveld. Farmers are left at the mercy of Hippo Valley and Triangle Limited, yet these are private companies who are in business to make money and not to be good Samaritans.

The study therefore recommends that the government be responsible for the resettled farmers and provide them with inputs for some time until the farmers have acquired enough resources to stand on their own. There should be an allocation for sugarcane inputs in the national budget for resettled sugarcane farmers so that they access fertilizers, fuel and chemicals through institutions like the Grain Marketing Board (GMB) and the National Oil Company of Zimbabwe (NOCZIM) just like other crops covered under the Government Input Programme (GIP).

Having noted the importance of THZ as a service provider to the resettled farmers in Mkwase Estate and considering the limited hectares that most individual farmers have, the study recommends that THZ remain with the 30% of its original landholding for it to be able to sustain itself and to provide services to the farmers. This 30% of the land is equivalent to 1 465 hectares and will form the basis of the core estate concept. Also loans given to sugarcane growers should be in harmony with the crop cycle and allow growers to harvest and sell. The study recommends that banks design a facility for farmers based on a twelve months and not six months payback period.

Government must also realize that there are a lot of emotions attached to the land reform. Hippo Valley and Triangle Limited cannot continue to help farmers with loans and inputs at no premium. Government should be responsible for the new farmers and provide inputs for some time until the new farmers have acquired enough resources to stand on their own. Currently, the resettled farmers are accessing inputs like fertilizers and chemicals and all other services connected to the production of sugarcane from either THZ or the open market but they were accessing these at a very high crippling cost. Farmers were very bitter that sugar was not being

taken seriously. There was bitterness and sadness that other crops were being funded under different schemes or in the national budget but nothing had been put aside for sugar cane. Reserve Bank of Zimbabwe (RBZ) Officials in Chiredzi indicated that sugar cane was being funded under livestock and other crops.

The study also concludes that linking the resettled farmers to THZ's processing mills at Triangle and Hippo Valley was a way of overcoming some of the traditional problems which include input accessibility farm equipment ownership and so on. The problems extend to lack of capacity by small farmers to adopt new technologies such as drip irrigation and centre pivots. The smallholder farmers are usually been reluctant to adopt these technologies themselves because of the costs and risks involved.

On the other hand, the study concludes that THZ stands to benefit from the partnership with new farmers as it does not have to invest on the resettled farmers' land, hire labour or manage large-scale farming operations which may tax it. Land preparation, canal construction and maintenance of loading zones costs in the sugarcane plantations are met by the farmers themselves. In the same vein, THZ shades off responsibilities associated with hiring labour such as the provision of social amenities like housing education and entertainment. Overall, THZ avoids conflicts over landownership as well as labour issues which have been plaguing the sugar industry since the early days of independence.

Cost advantages for THZ are also possible. Sugarcane production requires a lot of labour and careful attention, which makes smallholder production by resettled farmers more efficient than estate plantations. This is due to the fact that the smallholder pays lower wages as compared to large firms such as THZ. Another advantage is that it is easier for the A2 farmers to get some services from the government at sufficiently lower rates of interest thus keeping operating costs down. This would result in THZ avoiding huge financial risks if it were to provide those services itself. The core estate –out grower model thus adopted in the three sugar estates promotes good public relations for THZ by presenting a progressive image exuded by partnering with local black farmers.

## 5.6. References

- Birner, R. and Anderson, J. R. (2007), How to make agricultural extension demand-driven? The case of India's agricultural policy. *IFPRI Discussion Paper 00729*. Washington, D.C.: International Food Policy Research Institute.
- Chiremba, S. and Masters, W. (2004), "The experience of resettled farmers in Zimbabwe." *African Studies Quarterly* 7, Number 2 and 3.
- Christoplos, I. (2010), *Mobilising the potential of rural and agricultural extension*. FAO, Rome.
- Curtis, M. and Adama, D. (2013), Walking the talk: Why and how African governments should transform their agriculture spending. *ActionAid report*.
- Davis, K. (2008), Extension in sub-Saharan Africa: Overview and assessment of past and current models, and future prospects. *Journal of International Agricultural and Extension Education* 15(3):15-28.
- Duffy, M. (2013), Economies of size in production agriculture. *Journal of Hunger and Environmental Nutrition* 4(3): 375-392.
- Fair-trade Foundation. 2013. Powering up smallholder farmers to make food fair: A five point view agenda. *Fairtrade Foundation Report, 2013*.
- Feder, G., Willett, A. and Zijp, W. (2010), Agricultural extension: Generic challenges and some ingredients for solutions. In: Wolf, S. and Zilberman, D. (Eds.). Knowledge generation and technical change: Institutional innovation in agriculture. Kluwer Publishers, Boston: 313- 356.
- Glover, D. & Kusterer, K. (1990) *Small Farmers, Big Business: Contract Farming and Rural Development*. London: Macmillan Press.
- Government of Zimbabwe, (1957) *The Hippo Valley Act.*, Harare, Zimbabwe.
- Government of Zimbabwe, (1964) *The Sugarcane Control Act*, Harare, Zimbabwe.
- Kloeppinger-Todd, R. and Sharma, M. (2010), Innovations in rural and agricultural finance. *Focus 18, Brief 1-14*. Washington DC.
- Mlambo S. and Pangeti E.S. (1996) *The political Economy of the Sugar Industry of Zimbabwe 1920-90*, University of Zimbabwe, Harare.

Moyo S (2011) Changing agrarian relations after redistributive land reform in Zimbabwe, *Journal of Peasant Studies*, 38:5, 939-966

Peacock C., Jowett, A., Dorward, A., Poulton, C. and Urey, I. (2004), Reaching the poor, a call to action: Investment in smallholder agriculture in sub Saharan Africa. *FARM-Africa*, Harvest Help and Centre for Development and Poverty Reduction, Imperial College.

Rukuni, M., Eicher, C.K, and Blackie, M.J. (Eds.). (2006), *Zimbabwe's Agricultural Revolution, Revisited*. University of Zimbabwe Publications, Harare.

Salami, A., Kamara, A. B. and Brixiova, Z. (2010), Smallholder agriculture in East Africa: Trends, constraints and opportunities, *Working papers series number 105* African Development Bank, Tunisia.

Saunders C (1980), *Murray MacDougall and the story of Triangle*, Zimbabwe: Triangle and the Murray MacDougall Museum.

Scoones I, Marongwe N, Mavedzenge B, Mahenehene J, Murimbarimba F, and Sukume F (2010), *Zimbabwe's Land Reform: Myths and Realities*, Java Media Pty Ltd, Auckland Park, South Africa.

Shava V. (2012), *Dilemmas of Agrarian Reform in independent Zimbabwe and South Africa*, Mambo Press, Senga Road, Gweru, Zimbabwe.

Swanson, B. (2006), The changing role of agricultural extension in a global economy. *Journal of International Agricultural and Extension Education* 13(3):5-17.

Todd, B. and Anneke, F. (2011), Estimating yield of food crops grown by smallholder farmers: A review in the Uganda context. *IFPRI Discussion papers 1097*, International Food Policy Research Institute (IFPRI).

Tongaat Hulett Charter (2010) *The Successful Rural Communities (SusCo): Project Charter*

Watts, M. (1994) Life under Contract: Contract Farming, Agrarian Restructuring and Flexible Accumulation. In: P. Little & M. Watts, M., eds. 1994. *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa*. Madison: University of Wisconsin Press. Watts, M. 2010. The Southern Question: agrarian questions of labour and capital.



## **CHAPTER 6**

### **MILLING AGREEMENTS AND MARKETING OF SUGAR AFTER LAND REFORM: THE SOCIO-ECONOMIC BENEFITS**

#### **6.1. Abstract**

This chapter examined the two procurement formulas used by Tongaat Hulett Zimbabwe (THZ) to procure the resettled black farmers' sugarcane in Mkwazine Estate after land reform in Zimbabwe. It attempted to answer why different formulas are used for farmers in the same estate. Methodologically, data was drawn from interviews and focus group discussions. The chapter argues that the inconsistencies in the two formulas are the sources of mistrust between THZ and the resettled farmers. This has culminated into tensions and conflicts between the two parties in the estate. Linking the farmers to THZ's processing mills offers a guaranteed market for their sugarcane. A fair pricing formula could enable the sharing of costs and benefits between the farmers and THZ. The arrangement was viewed as guaranteeing success where the majority of farmers lacked the requisite skills and capital. Empirical evidence from the study established inconsistent pricing of the farmers' sugarcane by THZ. The farmers are subjected to two pricing formulas namely the Milling Agreement (MA) and the Cane Purchase Agreement (CPA). Twenty six (26.7%) of the sample are under an MA and 73.3% under a CPA. The difference between the two agreements is that in the former the farmers share revenue with THZ as they partake from the proceeds from the byproducts of sugar whereas in the latter formula the farmers do not get anything. The study recommends the harmonization of the two formulas for the benefit of all farmers in the estate.

#### **6.2. Introduction**

The world over, the biggest challenge to a nucleus estate-out grower arrangement, has been the establishment of trust between the core estate on one hand and the smallholder farmers on the other (Glover and Kusterer, 1990). This challenge also applied to Mkwazine Estate after the introduction of black farmers under the Chipiwa Settlement Scheme in 1982 and the A2 scheme in the year 2000 and beyond. The resettled farmers and Tongaat Hulett Zimbabwe were mired in

deep contestations over the inconsistent pricing formulas by THZ in procuring the resettled black farmers' sugarcane. However the resettled farmers in Mkwesine Estate continue to produce sugarcane, despite these contestations with THZ management over the pricing formulas as there is currently no alternative buyer for their sugarcane. Their success depends on the willingness to meet the specifications and conditions set by THZ. However crop quality, consistency, and standards are often the most contentious factors between the two parties in such an arrangement (Jackson and Cheaters, 1994; Watts, 1994).

Sometimes it is easy for the contractor to manipulate the above aspects in order to push down the price offered for produce. For example, if the yield for a crop in a particular year is unusually high, the contractor may raise its quality standards so that it can reject those which it does not want (Glover and Kusterer, 1990). The processing firm can also delay collection times for produce and then lower the price if the value of the produce decreases. However the processing firms do not usually however get away with this manipulation indefinitely. Companies and governments have therefore tried to counter the volatility of the market and find ways to stabilize the price.

In Mkwesine Estate the black farmers allege unfairness in the pricing formulas as there are separate formulas for the Chipiwa Settlement Scheme farmers and A2 farmers who were resettled in the year 2000 and beyond. Tensions have arisen between the farmers and THZ as a result of the variations in the two formulas being offered by the same company to sugarcane farmers on the same estates. The chapter also discusses the marketing of sugar as well as the benefits accruing from the sugar operations to the farmers themselves, THZ and the nation at large

The objective of the chapter is therefore threefold; firstly, to highlight the inconsistencies of the two pricing formulae after land reform; secondly, to establish markets for Zimbabwe's sugar including its byproducts and lastly, to establish the benefits accruing from sugar production in the aftermath of land reform in Zimbabwe.

### **6.3. Results**

The following subsections show the inconsistencies in the pricing formulas offered to the Chipiwa Group of farmers and the A2 farmers in Mkwesine.

#### **6.3.1. Milling agreements**

There are two formulas used by THZ to procure sugarcane from the resettled farmers namely the Milling Agreement and Cane Purchase Agreement. Table 5.1 shows that 26.7 % of the sample is under the Milling agreement (MA). These farmers are from the Chipiwa Settlement Scheme. The remaining group 73.3% is under the Cane Purchase Agreement (CPA) which was created for the A2 farmers who were resettled under the FTLRP. There is a significant difference ( $p < 0.005$ ) between access to land and type of milling agreement by farmer with THZ.

Under the MA pricing model, THZ pays a farmer on cash received price of the sugar sold. In addition to that the farmers also get proceeds arising from the sale of byproducts from sugar such as molasses and ethanol. This model recognizes the increasing demand of the sugarcane crop due to its multiple uses in different commodity market on the global market and allows the farmers to benefit from these. Consequently, the quantity of each byproduct per tonne of sugarcane supplied by a farmer to THZ is calculated and its price determined. The overall effect of the MA is that it allows farmers to share profits with THZ.

On the other hand, the CPA formula allows THZ to pay a farmer an estimated average price of sugar upon delivery of sugarcane until the final price is determined. The final price is determined after the production costs of both the farmers and the millers are deducted from the selling price of raw sugar. This price excludes proceeds from byproducts of sugar. The CPA is tantamount to simple payment as opposed to profit sharing.

The CPA was designed for the A2 farmers resettled under the FTLRP, whereas the MA was for white farmers and some few black farmers who were resettled before the Fast Track Land Resettlement Programme.

**Table 5.1 Farmer group and milling agreements**

Variable		Access to land		Total no. of farmers	X <sup>2</sup>
		Chipiwa Settlement Scheme	A2 scheme		
Milling agreement by farmer	MA	12 <b>26.7%</b>	0 <b>0%</b>	<b>12</b>	<b>45.000***</b>
	CPA	0 <b>0%</b>	33 <b>73.3%</b>	<b>33</b>	
Transport (tractors)	own	12	13	<b>25</b>	<b>13.091***</b>
	hire from THZ)	0	20	<b>20</b>	
Benefits from by products		12 <b>26.7%</b>	33 <b>73.3%</b>		<b>45.000***</b>

N=45

### 6.3.2. Milling levies

THZ levies both groups of farmers for processing their sugarcane. All the farmers indicated that the milling levy charged by THZ's processing mills at either Hippo Valley or Triangle was too high and as a result eat into much of their earnings. They further allege that the exorbitant charge was meant to derail the gains of land reform in the estate. The following biography highlights the farmers' sentiments;

THZ charges a milling levy of 26% of the revenue of each farmer's total delivery to its processing mills. We have always been making representations on behalf of our members to the government that the 26 % milling charge charged by THZ is too exorbitant. Resources permitting it would be advisable for the government to assist farmers to set up their own processing plant.” (Interview with CSFAZ official: 12/07/15).

The current milling rate implies that THZ is enjoying over a quarter of each farmer's proceeds. Assuming uniform productivity per hectare this translates to 26% of each farmer's land allocation. This means that THZ receives approximately 5 hectares' proceeds from each resettled farmer as milling levy. The levy will be over and above the loading and transport costs charged by THZ. What this really means is that for every 20 hectares allocated to each farmer THZ indirectly owns 26% of it. This translates into THZ indirectly owning slightly above 5 hectares from each A2 farmer on the estate and approximately 2.5 hectares, from each farmer under the Chipiwa Settlement Scheme. This effectively leaves the A2 farmer with approximately 15 hectares and the Chipiwa Group of farmers with 7.5 hectares respectively.

Closely linked to this complaint is that the weighbridges at both THZ's processing mills at Triangle and Hippo Valley which records all sugarcane deliveries to the mills are manned by THZ officials and so are the sugar laboratories which test the sugar content of the farmers' sugarcane. As farmers they have no representation at these key points, leaving them to rely on statistics compiled by Tongaat-Hulett Zimbabwe to determine what they receive from their sugarcane. The following biography captures the sentiments of the farmers with regard to these issues.

"We need to be represented at these key points otherwise we are working for nothing. How the sugar is content of our members' cane be distinguished from the rest of the cane from THZ's plantations considering that these cane stacks might crushed at the same time." (Interview with CSFAZ official: 12/07/15).

### **6.3.3. Transport charges:**

Table 5.1 shows 55.6 % of the sample own tractors and as a result transport their sugarcane to the loading zone and 44.4% hire transport services from either THZ or other farmers in the estate. From the loading zones the cane is transported by either road or rail to the processing meals at either Hippo Valley or Triangle. Rail transport is provided by the National Railways of Zimbabwe whereas road transport is provided by some various transport firms. There is a

significant significance ( $p < 0.005$ ) between access to land and transport ownership by the resettled farmers.

Short distances in the estate are covered by tractors while longer distances from Mkwesine to either Hippo Valley or Triangle are better done by road or rail transport. For those farmers who do not have transport of their own, they have to pay lot money towards the transportation of their sugarcane to the processing mills. Transport costs include all activities associated with fuel procurement, servicing and maintenance of tractors and vehicles. It also includes payment of hired transport firms and the National Railways of Zimbabwe for those whose sugarcane is transported by rail. In addition to all these transport costs the farmers also pay loading fees for cranes which load their sugarcane into truck and rail wagons at the estate's loading zones.

#### **6.3.4. Pricing of sugar**

After sugar has been processed and is ready for the market, its price is determined by the Zimbabwe Sugar Sales Board (ZSSB). The board is constituted by THZ and Commercial Sugarcane Farmers Association (CSFAZ) officials. Tongaat Hulett Zimbabwe is represented by directors of Triangle and Hippo Valley Estates while the resettled farmers are represented by the CSFAZ on the ZSSB. The government has no direct intervention in the pricing of sugar except that they are informed of the determination by the ZSSB as a matter of courtesy (Interview with THZ official at Triangle on 15/10/15). To make matters worse there is no price control in the sugar industry in Zimbabwe but only price monitoring as indicated in the following biography;

The ZSSB comprises of directors of Triangle Limited, Hippo Valley Estates, and the Commercial Sugarcane Farmers Association. The Ministry of Industry and International Trade has no input on that. The ministry has no direct intervention in the pricing of sugar except that they are informed as a matter of courtesy. There is no price control in the sugar industry but only price monitoring by the government (Interview with THZ official at Triangle on 15/10/15).

The CSFAZ submitted that to arrive at the price of sugar, a weighted average of resettled farmers' production costs per tonne is worked out first. The next step is that THZ's milling companies at Triangle and Hippo Valley also work out their milling costs per tonne. The selling price per tonne is then determined after the resettled farmers' production costs and THZ's milling costs have been added together and THZ's margin has been added. The resettled farmers and THZ would then share the difference between total costs and total sales (Interview with THZ official at Triangle on 15/10/15).

The resettled farmers' contention was that more costs were incurred in the growing stage of the crop than at the milling stage. The deep distrust between the resettled farmers and THZ on these price derivations with farmers alleging the former was not paying them a fair price for their sugarcane. They pointed out that the difference between the producer price of sugar, which was then pegged at "US\$11 000 per tonne, and the retail price which was \$96 000 per tonne" was unfair and unjustified (Interview with CSFAZ official at Triangle on 17/10/15). It was confusing then to hear from farmers and THZ complaining about the price of sugar when they were the ones who determined the price.

### **6.3.5. Benefits from byproducts**

Table 5.1 shows that 26.7% of the sample benefits from byproducts proceeds and 73.3% do not yet the two groups are operating in the same estate. There is strong association between farmer group and benefitting from byproducts from sugar (0.000\*\*\*). All the farmers who are under the Chipiwa Settlement Scheme are under the MA which entitles them to sharing revenue with THZ.

### **6.3.6. Marketing of resettled farmers' sugar**

Sugar pricing varies in accordance with market demand and supply. Several competitor brands also enter the Zimbabwean market from the region and across the world. Sixty five percent (65%) of the sugar produced in Zimbabwe is for the domestic market and the remainder is exported to the SADC region, United States and to the European Union (Tongaat Hulett Zimbabwe, 2015). Exports to EU are duty-free and quota free subject to the 'safeguard clause' of the Economic Partnership Agreement with the EU (Mlambo and Pangeti, 1996). Zimbabwe was

a net importer of sugar until 1963, when it raised its exports and exported 63 000 tonnes of sugar (ibid). This signifies an industry that has grown significantly. As at December 2014, sugarcane production by THZ and over 800 resettled black sugarcane farmers in Triangle, Hippo Valley and Mkwasine was estimated to be 300 000 tons of sugar (Tongaat Hulett Zimbabwe, 2011). This entire amount was sold on both the domestic and foreign markets.

Both the internal and external markets for Zimbabwean sugar have historically been heavily controlled in different ways and by different market forces. For the external market, the major factors are the constantly fluctuating world sugar prices, the major sugar buyers who issue quotas to the various producers and exporters of cane sugar, competition on the international market mainly from beet sugar and artificial sweeteners, the problem of trying to maintain supplies to these markets and the problem of transporting sugar to the markets. For the internal market, the main pressures are the local sugar prices which have been traditionally monitored by government, the increasing demand for sugar brought about by increases in per-capita incomes since independence as well as increases in population and industrial expansion.

#### **6.3.6.1. The domestic market**

The domestic market has been growing steadily since the first 10 tonnes produced by MacDougal in Triangle in 1937 (Mlambo and Pangeti, 1996). Currently, Zimbabwe consumes between 350 000 and 400 000 tonnes of sugar per year (Tongaat Hulett Zimbabwe, 2015). The expansion of the domestic market has been a result of both the increase in the Zimbabwean population and a rise in personal and industrial demand for sugar and its related product as well as the implementation of the decreed agro-industrial wage rates in 1985 (Mlambo and Pangeti, 1996). The demand for higher wages in the sugar estates in recent years has also fueled the sugar price on the domestic market. The THZ workers argued that the US\$173 per month they are currently paid was below what their colleagues in South Africa, Mozambique and Swaziland were earning. Although some resettled farmers use family labour, this development between THZ and its workers has a bearing on the relations between the resettled farmers and their workers who would expect their salaries to be reviewed in relation to their THZ counterparts. However, THZ indicated that it could only afford a US\$10 increase while negotiations for a further salary increase continued.



#### **6.3.6.2. The export market**

The country's sugar exports are handled by the Zimbabwe Sugar Sales Private Limited (ZSS PVT LTD). All Zimbabwean sugar exports go through the Port of Maputo in Mozambique with a sugar terminal holding capacity of 120 000 tonnes. The ZSS PVT LTD is a company jointly owned by the Zimbabwe Sugar Association and Swaziland (Mlambo and Pangeti, 1996; Tongaat Hulett, 2015). Like most primary commodities, Zimbabwe's sugar prices are also prone to periodic fluctuations given that most primary commodities produced in developing countries are processed and in some cases financed by the rich developed countries. This makes the commodities vulnerable to changes in the consumption patterns of the peoples in the industrialized countries and other changes in the global market conditions beyond the control of the producers.

Price fluctuations for sugar, like those for most agricultural commodities, are also partly the result of the fact that the production cannot be controlled to match the demand. The farmer, unlike the industrialist, cannot reduce or expand production at short notice to ensure that production does not outstrip or fall short of demand. Responses to changed market conditions by agricultural producers normally take a long time so that by the time the crops are reaped, the market conditions may already have changed.

In an attempt to minimize the effects of fluctuations, most sugar producers prefer to sell their produce through bilateral and/ or special arrangements under which they supply specified quotas to assured markets at a mutually agreed and guaranteed price. In 1965 Zimbabwe entered into a number of controlled market arrangements with various countries when it acceded to the Commonwealth Sugar Agreement (CSA) established by Britain and its sugar producing colonies in 1951 (Mlambo and Pangeti, 1996). Under the CSA, British colonies could export their sugar on preferential terms. However, Zimbabwe's participation in the CSA was ruined after the Unilateral Declaration of Independence (UDI) by the colonial government which wrecked its trade relations. The CSA was terminated in 1973 when Britain joined the European Community (EC)'s sugar protocol under the First Lome Convention implemented in 1976. (Interview with THZ official in Triangle: on 5/11/15).

All African, Caribbean and Pacific (ACP) countries that had been covered by the CSA were incorporated into the Lome Convention through this protocol. Under this convention, ACP countries export an agreed quantity of sugar annually to the EC at prices prevailing for EC beet sugar. The prices of EC's beet sugar are usually higher than world market prices because their prices are guaranteed by the Community Agricultural Policy (CAP)

### **6.3.7. The wider economic benefits**

Apart from the inconsistencies in the pricing models applied to resettled farmers' sugarcane, there has been a general improvement in their economic well-being since their linking to THZ. This claim is supported by the latest vehicle models the farmers drive in the estate. Farmers are driving vehicles that were sometimes seen parked at social occasions such as funerals, sporting events and so on, by researchers. From informal conversations with some farmers, it was established that some of them had invested in residential properties in the nearby Chiredzi Town and some invested in faraway urban centres such as Harare and Bulawayo. There were other farmers who boasted of having managed to send their children to school up to university level.

The above benefits from sugar also extend beyond the narrow economic well-being of the farmers. Literature on agriculture and development indicates ways by which sugar production can facilitate development. Firstly, it has been argued that the increased export of sugar and ethanol can lead to a virtuous circle of business growth. Macro-economic stability is enhanced as the balance of payments improves and export diversification reduces currency volatility. Also government revenue, in the form of company tax, income tax and other tariffs, charged on industry imports all increase allowing the government to invest in public goods like schools, roads and hospitals.

According to Richardson (2010), sugarcane mills either increase their own estate land, employing more people in the process or persuade out growers to provide more cane by raising the price they pay for the crop as higher value markets are targeted and production expands. Where smallholders are engaged as out growers like the case in Mkwazine, the direct benefit is that the producer base is widened thereby spreading the economic benefits to a larger section of

the society. The extra money disbursed to farm workers and A2 farmers will eventually find its way into the community.

#### **6.4. Discussion**

The existence of two procurement formulas for farmers in the same estate implies unfairness on the part of THZ. It is unfair for some farmers share revenue with THZ while others are simply paid for their cane deliveries yet they are from the same estate. From the focus group discussion the farmers also indicated there was also no uniformity in the pricing formula at THZ's two milling companies at Triangle and Hippo Valley. While Hippo Valley claimed that it had recently started paying the A2 farmers for by-products like molasses and ethanol, Triangle indicated that the farmers would get payment for the byproducts once the modalities were worked out. Triangle indicated that the CPA would be amended to accommodate the new dispensation without elaborating why the company could not scrap it out and use one pricing formula for all the farmers.

Since sugarcane from Mkwasine can either be processed at Triangle or Hippo Valley depending on the slots available at particular times, it means some farmers would be prejudiced while others benefit depending on where their sugar was delivered for processing.

When we got land in the estate we thought we had made it into the lucrative industry, yet we didn't know that THZ was not happy with our entrance hence decided to manipulate the pricing formula that existed between them and our predecessors (the white out growers). In order to derail our efforts, THZ came up with two milling agreements; i.e. one for the established white out growers who continued farming although on reduced farm sizes and the other agreement for the black farmers (Interview with Commercial Sugarcane Farmers Association of Zimbabwe official in Chiredzi on 14/10/15).

Contrary to the claim that the MA was for white farmers 26.7 % of the sample who benefited from the MA were black farmers. These farmers belonged to the Chipiwa Settlement Scheme established in 1982. This group was incorporated into the estate without much controversy as

compared to the A2scheme which compulsorily acquired land from THZ without compensation. Coming up with a new pricing formula for these farmers by THZ could be viewed as was a way frustrating these farmers' efforts thereby sabotaging the whole land reform exercise by the government.

Why do they offer two pricing agreements in the first place? This is strange! THZ was totally opposed to our incorporation in the first place! The government must intervene and stop this madness (Interview with Mr Mazambani- A2 farmer in Mkwesine on 12/09/15)

And yet there are further more serious claims by the farmers as they pointed out in focus discussions that they are only paid for raw and sunsweet sugar from one season to next and this results to a low average price to the resettled farmers as compared to THZ and retailers who benefit from the sugar reserves when the demand is high since they have warehousing facilities. More than seventy (73.3%) pointed out that they should also benefit from refined sugar and other by-products as they supply more than raw sugar to THZ. The following is what Mr Mazambani continued to say;

THZ only pays us for raw sugar while it gets more from refined sugars! We are also not benefitting from by products such as molasses, bagasse and carbon dioxide. We feel this need to be addressed as a matter of urgency because it is tantamount to daylight robbery. As farmers, we also need to benefit from the proceeds of our effort.

One farmer alleged arrogance on the part of THZ whenever they tried to raise the revenue sharing issue. The following biography highlights this;

When we raised this issue in one of our meetings, THZ were blunt enough to tell us that we could have the molasses if we wanted it knowing that we do not have the capacity to add value to it. This was meant to silence. However we fought on and enlisted the government's intervention culminating in THZ slowly letting go (Interview with Mr Shungu- A2 farmer in Mkwesine on 14/10/15)

From the focus group discussion some farmers indicated that they could overcome some of the problems they are currently facing if they had a processing mill of their own. They pointed out that the middleman role currently being played by THZ would be cut off;

If we could have a processing mill of our own we could cut off the exorbitant milling charges we pay to THZ. The 26% milling levy of an A2 farmer's total tonnage delivered to THZ for processing is just too high and unsustainable! If the government does not have the money to assist us establish our milling plant, one way of going around this is that it should buy shares in THZ so that they can influence the company's decision making process in protecting its land reform initiative (Interview with Mr Makova –A2 farmer in Mkwazine on 20/09/15)

In the context of rising demand for sugar products, sugarcane is being promoted for its multiple and flexible uses in different commodity markets. It is viewed as an alternative to fossil fuels i.e. as a source of bio-fuel, bio-electricity and bio-plastic. Sugarcane has long been used in multiple ways as medicine, condiment, decoration and preservative before taking hold as a bulk sweetener during the British Industrial Revolution (Mintz, 1986; Mackay et al. 2015). Before its transformation into sugar, the sugarcane plant has also provided the basis for molasses and rum produced from liquid sucrose as well a source of steam energy by burning the cane stalks (bagasse) left over after crushing. After the sugar is pressed from sugarcane, bagasse is the fibrous material that remains. The most common use for bagasse is the fuel to run sugarcane mills. It can also be processed into paper, replacing wood pulp. Bagasse is used to manufacture plates, cups and bowls, replacing Styrofoam.

Molasses, the dark sweet liquid produced during the sugar refining process, has a number of uses. For human consumption, it is used in the bakery industry, the production of alcohol, and in pharmaceuticals. It is a common ingredient in cookies, cakes and baked beans, and is used in the production of rum and ale (Tonga Hulett Zimbabwe, 2011). For livestock, it is an energy feed. It increases the palatability of livestock feed and serves as a binder in feed pellets.

Recently the exchange value of sugarcane has entered a new phase as both the variety and volume of raw materials produced by the sugarcane industry have increased markedly to include sucrose derivatives such as ethanol and other chemicals used for liquid fuel and plastics, more

intensive use of bagasse as a solid fuel for electricity and gas generation and the capture of ‘waste’ from the milling process that is turned into fertilizer and animal feed (Mackay et al (2015). Even the cane straw – the tops and leaves that are and were previously burned away from the cane stalk before harvesting are now targeted for use with bagasse in electricity production. In the context of a rising demand for all forms of natural resources (food, fuel, feed, fertilizer, etc.), there has been a renewed effort to create and commercialize more and more revenue streams or to “optimize the return on every stick of cane” as the milling group Illovo puts it (Illovo, 2014), pointing out to the deepening multipleness of the sugar sector.

There is also a greater degree of flexibility over which of these revenue streams takes precedence in the production process. It is no longer the case that all other raw materials are mere by-products of sugar. Many processing mills are now increasingly engaging in arbitrage and ‘flex’ from one harvest to another depending on the anticipated returns.

This above observations lead to a major concern that potentially has important ramifications for rural communities and livelihoods in Zimbabwe: that is smallholder farmer exploitation. The resettled farmers in Mkwazine complained the government failed to provide the inputs promised to them, or that the inputs were delivered late in the season. Sometimes the quality of inputs is also substandard as some farmers complained that agro-chemicals were out of date. Following the harvest some contractors also failed to collect produce, instead leaving it to rot or collecting it later when the quality was not as good. This, along with arbitrary changes to quality parameters and suspect grading, may mean that prices paid to the resettled farmers are often much lower than expected. Similar complaints have been heard from contract growers in other parts of the country (AgriNews, May, 2013, pp. 6-7; SNV, 2007, p. 11).

Of course, contract companies also complain about input diversion, side-marketing and side-harvesting by small farmers (SNV, 2007). However, while the former have the power to withdraw contracts, for the latter there is very little recourse in the event that private contractors break the terms of the contract. As Dzingarai (2003) asserts, small farmers tend to be

unorganised and their grievances are often ignored because the terms of agricultural contracts are heavily weighted in favour of large agri-businesses. He writes:

While acknowledging the inevitability of risk in growing perishable crops, the contracts are vague, if not silent, about what the role of the company should be in the event of problems arising. Thus the contracts do not commit the company to compensate the farmer when a proffered crop variety fails under severe or unfamiliar weather conditions (2003, p. 48)

In such an event, the farmers in our study sites complained that they are still expected to pay-up. As Dzingarai notes, the company's expectations of small farmers are almost always clearly defined. One of the original resettlement farmers interviewed said, "The contractor is so hard-hearted that he does not appreciate that there can be a drought" (Interview with CC, 15/02/12). Another from the neighbouring village said, "The problem is that even if there is a drought, or any other problem, the company still needs its money. They will take my property if I fail to pay" (Interview with MM, 07/03/12).

The exploitative nature of some contracts can therefore lead to increased indebtedness, dispossession and the loss of wealth. In one case, a resettlement farmer lost the metal door to his house and a cultivator because poor rains meant that he was unable to repay the loans provided by contractors (Interview with PM, 20/02/12). The loss of agricultural tools and equipment, which can be expensive and are not easily replaced, both undermines the ability of the farmer to meet the terms of any future contract and the family's ability to manage the land through well-timed tillage.

## **6.5. Conclusion**

The chapter established that the price of sugar is determined by the Zimbabwe Sugar Sales which comprise of directors of Triangle Limited, Hippo Valley Estates, Zimbabwe Commercial Farmers and Chiredzi Sugarcane Farmers Association and that the Ministry of Industry and

International Trade has no input on that. The Ministry has no direct intervention in the pricing of sugar except that they are informed. The ministry is only informed as a matter of courtesy. The study therefore recommends policy intervention by government to regulate the activities of such an industry which contributes so much to the national economy.

The study also established that there are two types of agreements that farmers enter into when selling their sugarcane to millers. These are called Cane Purchase Agreements and Milling Agreements. It recommends that Triangle Limited and Hippo Valley Estate harmonize these and come up with a single uniform agreement that is applicable to all cane growers regardless of race, colour, creed or farming history.

The study further established that farmers are only paid for raw and sunsweet sugar from one season to another and this results in a low average price to farmers as compared to millers and retailers. The general feeling among farmers was that they should also benefit from refined sugars. The study therefore recommends the formation of an all-inclusive Sugar Council (SC) that draws its composition from government, growers, millers, financiers, marketers, research and development and other stakeholders. This would increase the bargain and lobbying leverage of all the stakeholders.

Also the National Railways of Zimbabwe must be put at the center of an integrated cane haulage model in the estate. The advent of the Tokwe Mukosi Dam means that sugarcane would be grown on a large scale throughout the lowveld and this also means that the distance from fields to the milling companies shall increase. That development implies a cheaper and more cost effective transport system is therefore necessary.

The study was encouraged by Government's interest in one of sugar's byproducts namely ethanol but encourages Government to extend its interest to other by-products like bagasse which has a potential to solve energy deficit in the area. In other sugar growing economies sugar is no longer treated as the main product and has been substituted by electricity and other products. Because of the increased demand for sugar and its byproducts on the global market, the



government can expand the sugar industry by introducing Build-Operate-and-Transfer (BOT) arrangement and then change the ownership structure to a joint venture (JV) between the government and the resettled farmers and other stakeholders. In doing the BOT conversion to JV, due diligence and investment valuation, there is a need for rigour and creativity on the part of the government. There must be robust and creative valuation of the State's asset contribution to the project, such as the land, equipment, intellectual property, institutional memory, other state assets usable as security for loans, the partnership with Government as an asset and value enhancing instruments such as mandatory blending.

Finally the study recommends the government to break the monopoly of existing milling services by THZ by bringing in more players. There is a case for another milling company for A2 farmers that needs further research and support. The study recommends that the anti-monopolies Ministry immediately investigates into this matter. The Ministry of Industry and Trade must be part of the board that determines the price of sugar because there is a huge gap between the retail price and the producer price. When the industry decides to review the price of sugar, the Ministry of Industry and Trade must be involved as an arbitrator and confirm price derivatives and not just be informed 'as a matter of courtesy' leaving farmers at the mercy of THZ.

## 6.6. References

- Glover, D. & Kusterer, K. (1990) **Small Farmers, Big Business: Contract Farming and Rural Development**. London: Macmillan Press.
- Government of Zimbabwe, (1957) **The Hippo Valley Act**, Harare, Zimbabwe
- Government of Zimbabwe, (1962) **The Sugarcane Control Act. Of 1962**, Harare, Zimbabwe
- Government of Zimbabwe (2011) **Parliamentary Portfolio Committee on Agriculture Report**, Harare, Zimbabwe
- Mlambo S.and Pangeti E.S. (1996) **The political Economy of the Sugar Industry of Zimbabwe 1920-90**, University of Zimbabwe, Harare.
- Moyo S (2011) Changing agrarian relations after redistributive land reform in Zimbabwe, *Journal of Peasant Studies*, 38:5, 939-966
- Richardson B (2010) Big Sugar in southern Africa: rural development and the perverted potential of sugar/ethanol exports. *Journal of Peasant Studies*, Vol. 37(No.4). Pp917-938
- Saunders C (1980), **Murray MacDougal and the story of Triangle**, Zimbabwe: Triangle and the Murray MacDougal Museum.
- Scoones I, Marongwe N, Mavedzenge B, Mahenehene J, Murimbarimba F, and Sukume F (2010), **Zimbabwe's Land Reform: Myths and Realities**, Java Media Pty Ltd, Auckland Park, South Africa.
- Shava V, (2012), **Dilemmas of Agrarian Reform in independent Zimbabwe and South Africa**, Mambo Press, Senga Road, Gweru, Zimbabwe.
- Tongaat Hulett Charter (2015) **The Successful Rural Communities (SusCo): Project Charter**
- Watts, M. (1994). Life under Contract: Contract Farming, Agrarian Restructuring and Flexible Accumulation. In: P. Little & M. Watts, M., eds. 1994. **Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa**. Madison: University of

Wisconsin Press. Watts, M. (2010). *The Southern Question: agrarian questions of labour and capital*.

## **CHAPTER 7**

### **BEYOND SUGAR PRODUCTION:**

#### **7.1. Abstract**

Land reform in Mkwesine Estate entailed access to some livelihood opportunities beyond sugar production. These opportunities include both ‘on farm’ and ‘off farm’ activities. Both activities play an important role in sustaining the resettled farmers who usually suffer from infrequent cash flows since sugar is sold once per year. These livelihood portfolios provide a vital source of income, which sustain some of the farmers who are struggling to make a living from their land. This chapter therefore examined the livelihood activities by resettled in Mkwesine beyond sugar production to argue that access to land by the beneficiaries opened other frontiers beyond sugarcane production. Although a sizeable number of the resettled farmers in Mkwesine Estate struggle to utilize land due to a number of reasons they are involved in a number of income generating off farm activities. Drawing from descriptive and qualitative data from a sample of 45 farmers the study examined the diversification options that have been pursued by some farmers in the estate. These have not been subjected to a detailed analysis hence this study. Findings from the study indicate that farmers are straddling across sole trading, crop production, livestock farming, fishing and hunting as well as natural resource extraction to augment their families’ income. The major off farm activity in the estate is formal employment outside the estate. Over seventy percent (73.3%) of the sample of the land beneficiaries are civil and security services officials who have no sugarcane farming experience while 26.7% are former THZ employees. The former have made limited investments on their land and this does not mean that they have completely failed. Some of them are doing far much better than those who are farming on a full time basis. While the former spent the greater part of their time on their formal employment, the latter are into full time farming. The study also established that both groups of farmers engage into off farm activities to boost their cash flows. The study recommends diversification of livelihood options to ease the cash flow constraints of the resettled farmers between the planting and harvesting times of the perennial sugarcane crop.

## **7.2. Introduction**

When the government reconfigured Mkwesine Estate to redress the land ownership imbalance in the sugar estate, other diversification options to augment the resettled farmers' incomes were not given serious consideration. Neither the feasibility to pursue crops that used to be grown in the area in the past was fully explored nor a wide range of off farm activities like fishing, farming and hunting were explored. Cattle ranching currently occupies second place in the estate but is still largely controlled by THZ and some resettled farmers.

In the event of plough out before the next sugarcane crop land should not be underutilized or left fallow as growing other crops improves the farmers' cash flow. Sugarcane takes twelve months to be harvested and within those twelve months farmers find it difficult to buy fertilizers and pay for their water and electricity bills. Instead of leaving the cane fields fallow for three months before putting the next crop farmers prefer to put another crop to improve their cash flow earnings Jackson and Cheaters, 1994; Watts, 1994). As a result some farmers have engaged in short life span crops (Muromo, 2015) as maize and sugar beans and other activities that help them to improve the constrained cash flows hence this study.

The lucrative nature of the sugarcane crop due to its flexible and multiple uses on the global market as food and as an alternative to fossil fuels has attracted many players in the south eastern Lowveld culminating into the marginalization of other potentially viable livelihood options in the region. Before commercial sugarcane farming in the three sugar estates of Triangle, Hippo Valley and Mkwesine estates, Chiredzi District were originally dominantly inhabited by the Shangani people whose economic activities included hunting, cattle rearing and trading in such commodities as salt, dried fish, palm wine and clay pots (Saunders, 1980; Mlambo and Pangeti, 1996).

The livelihood activities by the resettled farmers after the reconfiguration of the sugar estate have not been subjected to any detailed analysis although Scoones et al (2010) and others have done much to highlight some outcomes of land reform in the sugar industry. This paper therefore

addresses this gap by examining how a changed ownership structure in the estate opened new economic opportunities to the land beneficiaries and allowed them access to some natural resources. The objective of this paper is therefore twofold; firstly, to understand why the resettled farmers engage in other activities beyond sugarcane farming, secondly to establish the livelihood activities pursued by the farmers in the sugar estate and lastly to suggest how these diversification options can be integrated into their livelihood portfolios to cushion the resettled farmers against risks that might be wrecked by infrequent cash flows as a result of seasonal shocks due to drought or market problems.

### **7.3. Results**

This section presents the quantitative and qualitative finding of the chapter.

#### **7.3.1. The reconfigured sugar estates**

Table 6.1 shows that 26.7% of the sample was resettled in 1982 and 73.3 % in the year 2000 and beyond. The former belong to the Chipiwa Settlement Scheme and the latter to the A2 scheme. The former are doing full-time sugarcane farming and are resident on the estate while the latter take sugarcane farming on a part-time basis since they have full time employment in the civil and security services sector. While the former are responsible for the day to day operations on their farms the latter employ managers to supervise the operations on their behalf.

**Gender and sugarcane farming experience:** Table 6 also shows 31.1% of the samples are women and 68.9 % are men who benefited from the land redistribution exercise in the estate. Of these farmers 26.7% had sugarcane farming experience before being allocated farms and 73.3% had not. There are significant statistical differences between gender, farming experience and access to land.

**Professional background and category of farmer:** Table 6.1 shows the elitist nature of land reform in the sugar industry because 73.3% of the sample holds formal employment positions in

government departments. This formal employment leaves them with less time for sugarcane production 44.5% of the sample A2 Also the capital intensive nature of sugarcane farming requires people who have the financial capacity or access to financial resources. The table also shows 22.2% of the farmers are in the high producer category, 33.3% in the middle producer and 44.5% in the lower producer category respectively. There is a significant difference between farmer category and access to land in the estate.

**Table 6.1: Socio-economic characteristics of farmers (Categorical variables)**

Variable		Access to land		Total no. of farmers	X <sup>2</sup>
		Chipiwa Settlement Scheme	A2 scheme		
Year resettled	1982	12	0	12	<b>45.000***</b>
	2000 & beyond	0	33	33	
Gender	Female	2	12	14	<b>1.593***</b>
	Male	10	21	31	
Sugarcane farming experience		12	33	45	<b>45.000***</b>
Professional background	Former THZ	12		12	<b>40.695***</b>
	Civil		16	16	
	Security		17	17	
Category of farmer	Low	0	20	20	<b>14.318***</b>
	Middle	6	9	15	
	High	6	4	10	

**N=45**

### **7.3.2. Utilizing the acquired the land**

After the complete acquisition of Mkwesine Estate by the government there was not a complete break from Tongaat-Hulett Zimbabwe (THZ) by the resettled farmers. Apart from the transformation of the land ownership structure in the estate, there was also an alteration of the management system of the sugarcane plantations. Prior to the resettlement of black farmers in the estates, THZ' management of sugarcane fields was centralized coordinated with clear top down command structures spanning from the General Manager (GM) at the top to general hands right at the bottom.

For the easy day-to-day management of farming operations the sugar estate was divided into ‘farming areas’ of between 1500 and 2000 hectares of sugarcane fields under ‘Area Managers’. The Area Managers reported to the Production Manager. Each ‘farming area’ was further subdivided into smaller units called ‘sections’ to facilitate effective management on a day to day basis. The sections under a Section Manager reported to the Area manager who in turn complied with the Production Manager’s calendar pertaining to the planting and harvesting dates of the sugarcane in the estate.

The entry of the black farmers in Mkwesine altered the centralized management system of sugarcane plantations in the estate. This orientation from centrally managed entity by one company to disaggregated units under individual ownership and control by the resettled farmers brought with it some changes in employment practices as well as provision of social services for the workers. Under the new arrangement, each resettled farmer was now responsible for all operations on his or her sugarcane farm. Depending on size, one original section found itself accommodating between 10 to 20 resettled farmers which illustrate the extent of fragmentation of the management system.

The reconfiguration of the sugar estate also meant THZ relinquishing responsibility over the workers made redundant by the land redistribution exercise. After getting their retrenchment benefits, those workers who wanted to continue working for the resettled farmers entered into new employment contracts with the new owners. The compounds which used to accommodate labor for a single employer ended up accommodating workers of various employers with different management styles and remuneration packages. This meant conditions of service of workers (especially remuneration) who stayed in the same location varied. The resettled farmers secured their accommodation together with that of their employees in the former THZ compounds. The maintenance and provision of social amenities in the compounds shifted to the resettled farmers who, in the majority of cases, had no financial capacity to this.



Unlike the old centralized management system, the resettled farmers individually manage their sugarcane subdivisions. Each farmer makes all the decisions affecting the day-to-day running of his or her sugarcane farm single-handedly as put in the following biography;

Each farmer is responsible for the planning of day-to-day operations on his or her plot, such as weeding and fertilizer application. There are, however, areas where the A2 farmers work hand in glove with Tongaat-Hulett Zimbabwe extension managers. Areas of convergence include irrigation water distribution, weed and cane disease control. Each farmer decides on who to employ and how many to employ! We only grow those cane varieties approved by Tongaat-Hulett Zimbabwe. Milling quotas for farmers are also regulated by THZ to avoid over and undersupply of sugarcane to the processing mills at Triangle and Hippo Valley.” (Interview with Mr Mazambani- A2 farmer in Mkwesine on 6/07/15)

The burden of managing farms on their own stretched some farmers to a limit especially those who had no prior knowledge about sugarcane farming hence the differentiated performance by the farmers as discussed in the following section.

The following biographies have been loosely grouped into three broad categories already explained in Chapter 4. The high and middle producer categories are already accumulating from below. The last category comprises of the struggling low producer category which has not been doing very well on the farms and produce less than 70 tonnes per hectare. All the three categories comprise of farmers from both the Chipiwa Settlement and A2 scheme respectively. These farmers are either full-time sugarcane farmers or farming on part-time basis. However both groups engage in other non-farm activities beyond sugarcane production to augment their family income as highlighted by the following biographies.

Mr Gobvu’s main livelihood activity is sugarcane production which he sells to THZ for processing and marketing. He produces over 100 tonnes of sugarcane per hectare and therefore

falls under the high producer category. This farmer belongs to the Chipiwa Settlement Scheme who had sugarcane farming experience prior his resettlement. Apart from having a smaller land size than his counterparts (the A2 farmers) he is able to effectively utilize the acquired land as well as quickly making agricultural investments. He took advantage of new opportunities created by land reform in the estate. For example the departure of THZ and white out growers from Mkwesine opened avenues for the resettled farmers to start income generating projects. Some farmers in this category quickly took over some retail shops, butcheries and beer outlets left by THZ.

Besides sugarcane production he also runs a grocery shop at Section R in the estate. He is doing very well as he produces 101 tonnes of sugarcane per hectare on average annually. This output compares favorably with yield figures by THZ in Triangle and Hippo Valley where up to 110 tonnes per hectare are sometimes realized. He attributes the high output to his sugarcane farming experience as he once worked for THZ for over a decade in Triangle Estate as an extension manager.

I came here in 2001, attracted by the prospect of better income from the lucrative sugarcane farming industry. I had served Triangle for close to eleven years and grabbed this option as a viable retirement strategy. I used my retirement package and a bank loan to establish this business. This shop used to be run by Triangle Trading Company- a subsidiary of THZ before we came here. Initially, I was not sure of the viability of this venture but now am confident that the business is making substantial income for my family.

This business is helping quite a lot as it is supporting my farming operations as well. We recently bought a tractor and other agricultural equipment. The soil here is much better for intensive farming, especially for those farmers with better knowledge of agriculture. In terms of improvements, our business is doing well, and we are already planning to extend the shop to cope with demand that comes during harvest periods. Our farming will improve with time as we acquire more machinery. Despite the many economic challenges we faced since we came here, the situation is likely to improve with time (Interview with Mr Gobvu at Mkwesine on 23/09/15).

The biography above demonstrates how one farmer was able to take advantage of these new business opportunities. It also typifies numerous cases of how those who had access to financial resources or those who could utilize their banking connections to access loans could diversify into other things to supplement their incomes. These business opportunities contributed immensely to the farmers' operations as money generated from these was sometimes used to procure inputs. The narrative highlights how the farmer was able to make investments at a time when a large number of the new farmers struggled to establish their farming operations.

Sugarcane is a capital intensive perennial crop. The need to augment the cash flows by the resettled farmers becomes necessary. There are quite a number of farmers who have ventured into business other than farming. These run stores, butcheries as well as second hand trading shops. With proceeds from this diverse range of livelihood portfolios, the farmers are able to acquire farming inputs, pay labour and meet their subsistence costs and finance their children's education as well as making investments on or outside the farms.

Mr Sakala is also senior agricultural extension officer under the Ministry of Agriculture and stationed at the district offices in Chiredzi. When the resettlement in the sugar estates was rolled out, he was in the know since his Ministry was a key player in the exercise. He falls under the middle producer category as he produces on average 85 tonnes of sugarcane per hectare. This category consists of farmers from both the Chipiwa Settlement and A2 schemes. These farmers have been able to reproduce themselves mainly through income from sugar production as well as formal employment as civil servants or other professions. Although farmers in this category do not have the financial endowment to make large scale investments, they have been able to manage their plots effectively, construct houses and acquire some tractors and other farming implements. They have generally relied on family labour in order to do most of their farming operations.

Those who come from outlying rural districts such as Zaka, Bikita and Chivi generally have better access to extended family networks which are a vital source of labour. However, for those who come from areas further away, it was generally difficult to access labour from extended

family networks given the logistics involved and they had to make do with whatever labour they had in order to establish themselves.

An important characteristic of people in this category is that they are largely formally employed. However they also engage in a wide variety of off-farm income generating activities although sugarcane growing remains a key part of their livelihoods. For example, some engage in petty entrepreneurial activities such as trade in household goods sourced through cross-border trade. Within this group are also those who have accumulated enough capital through livestock farming and commuter transport service to acquire farming equipment and to hire labour on a seasonal basis. Such people are already accumulating from below. The biography below highlights the dynamics that shaped the way farmers in this category have invested in their land and how off-farm activities are a key part of their livelihoods.

Mr Sakala claims he submitted his application for the farm like anyone and managed to get his 20 hectare farm. He is of Malawian parentage and had this to say:

I was born in Zimbabwe but my father originally came here during the Federation of Rhodesia and Nyasaland in the 1950s. I have a family with four children. I worked as a section supervisor since 1980 in Hippo Valley.

I have an Honors degree in Agriculture from the University of Zimbabwe. By virtue of working for the Ministry of Agriculture I was in the know when the scheme was introduced in 2001, and I also applied for a farm here. My academic qualifications were an added advantage and my application was considered. During the land invasions of white out grower areas in the year 2000 in Hippo Valley, I actively participated and partnered war veterans who occupied white farms. Since I got a farm here in Mkwesine my life has changed significantly due to proceeds from this lucrative activity. Besides sugarcane farming I have also curved part of the dry land adjacent to my plot for livestock rearing as I am on the outskirts of the estate. The dry land used to be a game reserve but with the advent of land redistribution it was converted to a resettlement area after the some wild animals were moved to the Gonarezhou National Park. A number of A2 farmers who had secured sugarcane farms in the estate benefitted from the resettlement

I am still in the process of clearing more land, as I want to expand my farming operations by diversifying into non-sugar crops. I use the income from livestock sales to buy agricultural inputs, pay school fees and buy food for my family in times of droughts. This place has a lot of potential, the only challenge we face here is access to inputs and government support. We hope the government can provide support in the long term (Interview with Sakala on 04/10/15).

This biography indicates that some people in this category have invested in their land despite the challenges they faced after resettlement. A fundamental characteristic of people in this category is that they owned limited means to utilize the land when they were resettled. However, such people have taken advantage of new opportunities associated with the new land to acquire livestock, farming inputs, agricultural equipment and to hire seasonal labour. Off farm livelihoods such as dry land farming and livestock farming have also played important roles in the way people in this category have accumulated assets. This demonstrates the importance of off farm livelihoods to the way a large number of the farmers have been able to eke out a living in the estate.

Farmers in this category have benefitted off farm activities with part of the money earned being also used to address immediate needs such as school fees and daily provisions. Since farmers in this category were generally aware of shocks on the market such as a fall in prices they also tended to use income from non-farm activities to sustain themselves when cash flows are constrained. Petty entrepreneurial activities such as cross border trade provided an additional source of income for some of them.

For some farmers in this category engaging in other income generating activities is a way of spreading risks although this eats into much of their sugarcane production time. From the interview the farmer indicated that he intended to expand his agricultural production in future when the economic situation improves. Thus patterns of agricultural investments might change in future as the farmers access more help or have the financial resources to invest on their land. An important dynamic reflected by this biography is that farmers in this group are involved in a wide variety of off farm activities which are linked to their sugar production operations. Accumulation patterns in this group have thus been highly influenced by the presence of

opportunities to gain some income through formal employment and other income generating activities such as livestock farming and dry land farming.

One of the most important aspects of the land reform which has received limited attention in literature is how the new farmers conceptualize land reform. Across the above two biographies, the new land acquired in Mkwazine was viewed as an asset that provided economic opportunities not only in the present but in the future. Thus, challenges in utilizing the allocated land which confronted the resettled farmers at the time of resettlement were viewed as temporary impediments to be overcome in the future.

Another important factor reflected in the two biographies is that the farmers did not necessarily view the benefits of land reform as only about acquiring land to grow sugarcane but access to dry land farming, livestock rearing, game ranching and employment opportunities associated with the new land were all viewed as benefits of land reform. Therefore, land reform is conceptualized as a process which could enhance economic opportunities beyond farming. This biography of a farmer in this category demonstrates that although patterns of accumulation and social differentiation have emerged among the farmers, success and failure are relative concepts requiring an in-depth understanding of the dynamics of livelihoods that have emerged in the aftermath of land reform.

Mr Chasakara is a war veteran and superintendent in the Zimbabwe Republic Police. He is an A2 farmer in the low income category producing less than 70 tonnes of sugarcane per hectare. When the A2 sugar scheme in the estate started, it appealed to him as a lucrative retirement package.

Farmers in this category have been able to reproduce themselves mainly through income from formal employment as civil servants or other professions. Not everybody who came to the Mkwazine Estate succeeded in their operations. Some people had applied for the land without the slightest idea of what sugarcane farming entailed. These people comprise of civil and security services personnel and urbanites across the breadth of Zimbabwe. Some of these people were experiencing loss of earnings due to the worsening economic situation in the country and applied for sugarcane farms in the sugar estate in search of the “peasant option” (Rutherford 2002). Because of lack of sugarcane farming skills and capital, these people constitute the

struggling group of the resettled farmers in the estates which this study refers to as low income earners.

Some of these people only benefitted from the sale of the first cane crop they inherited from THZ at the time the land was acquired. After getting proceeds from the first sugarcane sales they failed to reinvest onto the land. Instead of acquiring inputs and farming implements they used the money to buy residential properties in urban centres and luxurious vehicles. As a result their farms later on performed poorly and part of the land went fallow. The biography below highlights how some of the farmers in this category have survived in terms of livelihoods.

I am a police officer who has risen to the post of superintendent over the years. I embarked on sugarcane farming to earn extra income in the face of falling wages due to harsh economic times facing the nation. After the war of liberation I joined the police as a constable and rose through the ranks. Before getting a sugarcane plot here I had a smallholding in Gokwe District where I grew cotton until the late 1990s when cotton growing became unprofitable due to poor prices and expensive inputs. I did not dream of sugarcane farming in my life. The activity requires a lot of capital and my pension and savings were not adequate. I looked to the government to provide us with post-settlement support but it was also struggling to meet its obligations. I am also thinking of starting a security company to guard the farmers' property here. I hope it is going to be a lucrative business. This will give me more income to utilize on my land (Interviewed at Mkwesine 28/09/15).

The biography above highlights that there is a group of people who are struggling to sustain their livelihoods although they accessed land under the FTLRP. The fact that there are people who have land but who continue to live in poverty poses serious questions to the whole land resettlement programme.

All in all, the above three biographies demonstrate that success in establishing oneself was dependent on many factors. Firstly, those who were formally employed and had access to loans and credit had a better chance of quickly re-establishing new farming operations after being resettled because they were able to hire labour. Secondly, being a pensioner after formal

employment enhanced one's chances to access inputs and other support services, which were largely accessed through funding from banks. Those who had the financial endowment before they were resettled were able to quickly take advantage of opportunities provided by the land reform as they were able to hire labour to work the land and to invest on it.

### **7.3.3. Other livelihood activities**

Picturing the resettled farmers in Mkwesine as bonded to sugarcane production only would therefore be misleading. This supports Scoones et al. (2010: 166)'s observation that "livelihoods in Africa are highly diversified and Zimbabwe is no exception". The new land in Mkwesine Estate has brought with it greater benefits which were non-existent when the area was under Tongaat Hulett Zimbabwe.

#### **7.3.3.1. Dryland and livestock farming**

Huge portions of wildlife conservancies around Mkwesine were converted to resettlement areas under the FTLRP despite relatively high climatic constraints. The semi-arid nature of the region, characterized by very low rainfall totals and high temperatures is not conducive to agricultural activity. The region lies within a region whose soil fertility and water economy are too poor to permit cropping except under irrigation or on a limited scale. This region was considered suitable only for cattle ranching.

Some resettled farmers in the estate have also accessed land in the areas adjacent to the estate where they have established some homes. On this land they grow maize, sorghum and other small grains a variety of crops other than sugarcane. The area is watered by two of our major rivers, which flow southwards (Chiredzi and Runde) and provide fresh water for domestic animals such as cattle, goats and sheep for subsistence and income. These activities go a long way in complementing the income earned from sugarcane production.



### **7.3.3.2. Hunting and fishing**

The newly resettled areas around the estates are located in an area rich in wildlife. Although the Zimbabwe National Parks has relocated some wildlife to the nearby Gonarezhou National Park, a wide range of hunting and fishing activities are undertaken. Trade in game meat although illegal is lucrative business in the area. It is largely a male activity undertaken through informal networks. In the early stages of resettlement, a large number of warthogs and other small game such as impala were snared and hunted with dogs. The meat was sold to other resettled farmers. The informal meat markets became a vital source of income for some farmers although this could not be sustained in the long term.

The riverine ecosystems are also a source of fresh water fish and other wildlife, which are harvested by the farmers in the estate for own consumption and for sale. The new land has thus brought with it a wide variety of off- farm income opportunities providing the new farmers with more income options at a time when many of them were struggling to earn a decent living from the land.

### **7.3.3.3. Natural resource extraction**

Mkwasine Estate has a wide variety of flora and fauna which are also accessible to the resettled farmers. They can harvest wildlife and other natural resources which are in relative abundance. Historically, such natural resources were formerly a preserve of the white landowners and foreign tourists who frequented the area during the safari hunting seasons.

The pristine woodlands across the former white owned farms also provide a rich array of wild plants and timber which are harvested for both domestic consumption and for sale locally and in the nearby town of Chiredzi. The gathering of wild fruits and plants for sale at informal markets by the roadside is mainly undertaken by women. The trade in wild plants and fruits provided women with some income which supplemented their agricultural activities. The wide variety of flora in the around the sugar estate was not only exploited for economic gain, but one of the three farmers interviewed highlighted how some plant species with medicinal qualities were highly valued and conserved by the settlers.

Certain species, for example like *gavakava* (aloe-vera) commonly found in the area, are harvested to cure livestock diseases such as red water common during the summer season. Other plants are propagated and harvested to cure ailments such as headaches, stomach pains and fevers. An informant who is also into the selling of herbs highlighted how ‘land reform’ had created access to a wide range of plants with medicinal qualities which were no longer available in ecologically degraded communal areas.(Interview with Mr Gobvu at Mkwasi 23/10/15).

This highlights that there are certain types of plants that people are compelled to conserve as they provide a vital source of alternative medicine in the absence of health care workers and clinics in the new area. The wide scale utilization of natural resources after land reform in the sugar estates has triggered fears of an environmental catastrophe among local authority structures such as the Environmental Management Authority and district council. Although these local authorities are tasked with policing natural resource utilization, they tend not to strictly enforce the statutory laws governing their utilization. There are various reasons for their failure to enforce the laws. Firstly, since councilors, being beneficiaries of farms themselves, and live among the resettled people, they have a better understanding of the challenges faced by people and why such people end up over exploiting certain natural resources in the area. This is highlighted in an interview with a councilor in the estate who observed that:

<p>I am against people who randomly cut down trees or engage in careless hunting of wild animals. We want to reserve these natural resources for future generations, however we should also understand that rural people have needs that they to address on a daily bases. If those problems are addressed, such as having access to alternative sources of energy or meat, then there will be less pressure on the environment’ (Interview with Mutemachani- a local councilor on 23/09/15).</p>
---

The above illustrates that local authorities are aware of the over exploitation of natural resources after land reform but are also faced with the dilemma of enforcing laws if there are no alternatives available for ordinary people. Interviews with ordinary people indicate that histories of colonial enclosure of land and natural resources influenced the trajectory of natural resource extraction. For example, the three informants above highlighted that ‘there was nothing wrong with them hunting wild animals as they have been historically barred from hunting while whites could hunt at will’ (Interview with Sakala in Mkwasi on 04/10/15). Some oral interviews

indicated that wild animals such as warthogs destroyed the A2 farmers' sugarcane crop and hence they needed to be culled. They further argued that it was inevitable that after resettlement trees were bound to be cut as people needed to clear land to grow crops (Interview with Sikala at Mkwasi 04/10/15). Thus, the dynamics of natural resource utilization after land reform are complex and require an in-depth understanding of why and how people exploit such resources.

#### **7.3.3.4. Informal petty trading**

Petty trading in household items and second hand clothing has become a major source of income for some A2 farmers and other farmers resettled in the area. The commodities ordered from Chinese shops from as far as Harare and grocery items from large retailers in nearby Chiredzi Town by the farmers' wives, apart from being a source of income for the farmers have also become a means of payment for labour by the farmers in the area.

#### **7.3.3.5. Cross border trade**

Another important off-farm activity closely related to the above in the sugar estate was cross border trade. Women from Mkwasi and the resettled area around it engaged in cross border trade as a way of supplementing family income. A wide variety of goods were imported and sold locally by mostly women traders. These products comprised, *inter alia*, mobile phones, solar panels, mobile phone solar chargers, TV sets and radios. The availability of mobile phone connectivity across the three estates and the wider area has led to an upsurge in the use of mobile phones among the A2 farmers and their employees. This has created a large market for mobile phones and associated gadgets such as solar chargers and solar panels in the newly resettled area since the new farmers are not connected to the electricity grid.

The location of the three sugar estate closes to both road and rail infrastructure meant that it was relatively easy for women from the area to travel across Zimbabwe's borders in order to import a wide variety of household goods for resale. These goods were sold to A2 farmers and their employees as well. Female informants interviewed informally highlighted how they regularly travelled to Zambia, South Africa and Botswana where they exported locally made handcrafts

and embroidered clothes which were popular in those neighbouring countries and in turn imported goods for sale locally:

We regularly go to Zambia or Botswana to sell locally made handcrafts or hand broidered clothes that are in demand in these countries. We started going to Zambia in 2004 because life here was difficult because of inflation. We sold goods there and in turn we brought back some foreign currency which was in demand in Zimbabwe. We also brought back foodstuffs such as cooking oil which were in short supply in Zimbabwe. When the economy stabilized in 2008, there was a new demand for electrical gadgets such as mobile phones, solar chargers and solar panels. We import these goods and sell them in the sugar estates and Chiredzi Town (Interview with Mrs Gava in Mkwesine on 20/11/15).

This highlights how women have become actively mobile and engaged in income generating activities. Women are no longer bonded at family farms reproducing male labour as was historically the case in communal areas. They are now active travelers across borders exporting and importing products for domestic consumption and for resale. This new mobility by women has a bearing on ownership of assets at household level. Several women indicated that they now also owned various assets bought from income gained from cross border trade:

I acquired leather sofas and paid school fees for my daughter after selling the goods I imported from South Africa. I also contributed money which we used to buy a ploughing disc. This year alone, I bought all the fertilizer for our plot. Cross border trading has helped me to augment the income realized by my husband from sugar production. It goes a long way in supporting my family since just staying at home as a house wife does not help anything (interview with Mai Banda in Mkwesine on 14/09/15).

The role of women after land reform has changed from being the traditional housewives who offer support to their spouses as some women have been able to contribute to the family purse and acquire assets for the family in the process. Also unlike before, when ownership of livestock such as cattle was a preserve for men, in Mkwesine estate, land reform necessitated some women to own livestock and agricultural equipment such as ploughs and tractors. Ownership of such assets has empowered the women to have leverage over the control of family income and assets

and enhanced their ability to have a say in the way land is utilized and leverage over how the proceeds from farming are shared among households.

#### **7.4. Discussion**

Land reform in Zimbabwe's sugar estates in the first decade of the country's independence (1980-1990) was constrained by the willing buyer willing seller (WSWB) clause of the Lancaster House Constitution which ushered independence for the country in 1980. The first attempt to reconfigure the sugar industry was when the government acquired approximately 2000 hectares in Mkwazine from THZ in 1982. That culminated in the settlement of 191 smallholder black farmers under the Chipiwa Settlement Scheme (Jackson and Cheater, 1994; Watts, 1994; Mlambo and Pangeti, 1996).

In the second decade the reform was constrained by lack of financial resources despite the government's spirited effort to redistribute land (Moyo et al., 2009) as evidenced by the Compulsory Land Acquisition Act of 1992. The Act empowered the state to compulsorily acquire land it had identified for resettlement purposes. The state was obliged to compensate the acquired land. Due to lack of financial resources there was not any reform in the sugar estates in general and Mkwazine in particular. The constitutional provisions of the WSWB clause in the first decade and lack of financial resources in the second decade together with the realization by the state of the strategic importance of sugar and ethanol as foreign currency earners restrained the government from disturbing the vibrant agricultural industry.

However the land ownership structure across the three estates of Triangle, Hippo Valley and Mkwazine increased significantly when in the year 2000 and beyond 872 more black farmers known as A2 farmers were resettled across the three estates. Of this massive increase approximately 50% of the new farmers are in Mkwazine Estate alone (Moyo, 2011). These were linked to THZ's processing mills at Triangle and Hippo Valley. The arrangement required them to supply their sugarcane to THZ for processing and marketing.

The resettled farmers in the estate are very enterprising and engage in variety of livelihood portfolios. This does not however, constitute a process of de-agrarianization as the sugarcane plot remains a key part of the resettled farmers' livelihood strategies. It is also important to note that not everyone who acquired land had the aim of immediately utilizing it. Some people acquired land in the sugar estates for speculative purposes as a way of boosting their family incomes against the rising costs of living in urban centres. Such people remained in urban centres from where they directed farming operations to their farm managers or supervisors by cell phone.

A major consideration to make when analyzing the livelihood activities by the resettled farmers in the sugar estate is the broader socio-economic context which obtained during and after the FTLRP. Due to the hyperinflationary environment caused by economic sanctions imposed by the West, sugarcane production ceased to be the only activity undertaken by the farmers as a large number of them diversified into a wide range of other non-farm activities which provide vital sources of income at a time when sugar sales were not on. Sugarcane is a perennial crop which is sold once per year, yet the farmers have subsistence and operating costs to meet on a daily basis.

The above dynamic demonstrates that the livelihood dimension in the estate is rather complex and dynamic. A large number of the farmers particularly the A2 farmers in the sugar estate have struggled to utilize the land and are involved in a wide range of income generating activities since they did not get government support after resettlement. Such farmers are involved in diverse activities beyond sugarcane farming. Although some farmers have realized limited returns from their land, it does not mean that they have completely failed. Findings indicate that access to land brought with it many benefits beyond sugarcane farming. These opportunities play an important role in sustaining those farmers who lack the means to farm.

The performance patterns of the resettled farmers after land reform in Zimbabwe had until recently, remained contested with critics of the land reform process particularly the FTLRP arguing that it had resulted in dramatic fall in agricultural productivity (Richardson 2005) and that the new farmers lacked the requisite farming skills. However, on the other hand some scholars (Moyo et al. 2009, Scoones et al. 2010 and Hanlon et al. 2012) opine that the FTLRP

was not a total failure as claimed but that it broadened the producer base as the new farmers are utilizing the land and are already accumulating from below.

Both groups of farmers in Mkwase engage on both on-farm and off farm activities to boost their household income. This implies the need to boost the cash flows of the resettled farmers in the estate. Kinsey and Binswanger (1993) argue that the benefits of programs which involve large-scale human resettlement are unlikely to become apparent in less than a generation. This suggests that it might be too early to make generalizations about the success or failure of the land reform programme in Mkwase given the fact that it is now a little more than a decade and half since its implementation. An analysis of the resettled farmers' performance on selected biographies of the farmers discussed above highlight how patterns of social differentiation influenced success or failure. Some farmers were more successful in their farming operations while others struggled and are thus more involved in off farm activities such as retailing, commuter transport business and livestock farming as they try to supplement their income.

## **7.5. Conclusion**

This chapter established how a changed ownership structure in Mkwase Estate influenced management dynamics that resulted in a diverse range of livelihood portfolios. It also established how some resettled farmers have been able to fully utilize the land and tap from the opportunities created by the land reform process. The paper also established that quite a sizeable number of the resettled farmers are doing well and have invested in part of their land but at the same time straddle across a broad range of livelihood portfolios such as natural resource extraction, hunting and fishing, petty trading as well as cross border trading. There remains a group of low income earners who are struggling to survive yet they accessed land. Such farmers remain hopeful that the government and other private players would be able to provide them with the necessary support in the long term.

These off farm activities have influenced accumulation patterns of the resettled farmers in the estate. Off-farm livelihoods activities have played important roles in providing alternative sources of income for a large proportion of the resettled farmers. Moreover, such activities have

enhanced the economic position of women, as income gained from cross border trade has been used to acquire assets which have given them leverage over the control of household income.

Overall, the chapter established that land reform has allowed the resettled farmers' access to a wide range of natural resources which were previously inaccessible. These have provided alternative sources of income which have in turn influenced accumulation patterns among a large group of the resettled farmers.

Having realized the economic importance of the livelihood activities discussed above, the study recommends the restriction of the resettled farmers to sugar production only and leave land adjacent Mkwase to others. This would go a long way in providing employment to a wide section of society instead of availing opportunities to those who already have land. The government must also encourage all the farmers in the estate to take farming full time in order to boost production. By relinquishing their employment posts this would also create employment for the unemployed. Loans given to sugarcane growers should be in harmony with the crop cycle and allow growers to harvest and sell. The paper recommends that banks design a facility for farmers based on a twelve months and not six months' payback period.



## 7.5. References

- Bernstein, H. (2009), V.L. Lenin and A.V. Chayanov: Looking back, looking forward, *Journal of Peasant Studies*, 36(1): 55-81.
- Chaumba, J., Scoones, I. and Wolmer, W. (2003a), From Jambanja to Planning: *The Reassertion of Technocracy in Land Reform in Southeastern Zimbabwe*. Institute of Development Studies, University of Sussex.
- Chaumba, J., Scoones, I. and Wolmer, W. (2003b), From Jambanja to planning: the re-assertion of technocracy in land reform in south eastern Zimbabwe, *Journal of Modern African Studies*, 41(4): 533-554.
- Ellis, F. (2000), *Rural Livelihoods and Diversity in Developing Countries*. Oxford University Press: Oxford.
- Evans, P.B. (2009), Constructing a 21st Century Developmental State: Potentialities and Pitfalls. In: O. Edigheji, ed. *Constructing a Democratic Developmental State in South Africa: Potential and Challenges*. Cape Town: HRSC Press, pp. 37-58.
- Hamersley, M. (1990). *Reading Ethnographic Research: A Critical Guide*. London: Longman.
- Hanlon, J., Manjengwa, J and Smart, T. (2012), *Zimbabwe Takes Back Its land*, Kumarian Press: Virginia
- Matondi, P. (2008), *The Question of Tenure and Land Rights in Resettled Areas in Mazowe District of Zimbabwe*. Harare: Centre for Rural Development.
- Matondi, P. (2012), *Zimbabwe's fast Track Land Reform*. London: Zed Books.
- Moyo, S. (2011), Land Concentration and accumulation after redistributive reform in post-settler Zimbabwe, *Review of African Political economy*, 38(128): 257-276.
- Moyo, S. (2011a), Changing agrarian relations after redistributive land reform in Zimbabwe. *Journal of Peasant Studies*, 38(5): 907-934.
- Moyo, S. (2011b), Three decades of agrarian reform in Zimbabwe. *Journal of Peasant Studies*. 38 (3): 493-531.
- Moyo, S. and Yeros P. (2005), *Land Occupations and Land Reform in Zimbabwe: Towards the National Democratic Revolution*. In: S. Moyo and P.Yeros, eds. *Reclaiming the Land: The Resurgence of Rural Movements in Africa, Asia and Latin America*. London: Zed Books, pp. 165-208.
- Moyo, S. and Yeros, P. eds. (2005), *Reclaiming the Land*. London and New York: Zed Books.
- Rutherford, B. (1997), Another Side to Rural Zimbabwe: Social Constructs and administration of Rural Farm Workers in Urungwe District of Zimbabwe, 1940s, *Journal of Southern African Studies*, 23(1): 107-126.

- Sadomba, W. (2008), *War Veterans in Zimbabwe: Complexities of a liberation movement in an African post-colonial settler society*. PhD Thesis. Wageningen University: Netherlands.
- Scoones, I., Marongwe, N., Mavedzenge, B., Mahenene, J., Murimbarimba, F and Sukume, C. (2010) *Zimbabwe's Land Reform: Myths and Realities*, London: James Currey.
- Zamchiya, P. (2011), A synopsis of land and agrarian change in Chipinge District, Zimbabwe: *Journal of Peasant Studies: Vol.38, Iss.5*.

## **CHAPTER 8**

### **CONCLUSION AND RECOMMENDATIONS**

#### **8.1. Conclusions**

This study examined the transformation of Mkwesine Sugar Estate after land reform programme in Zimbabwe against the backdrop of tensions and conflicts between Tongaat Hulett Zimbabwe and black farmers over sugarcane production and procurement prices. These contestations occurred after the estate was wholly acquired by the government for the resettlement of black sugarcane farmers. The major question addressed by the study was ‘Did the reconfiguration of Mkwesine Sugar Estate destroy the once vibrant sugar state?’ Also linked to this main question were the following sub-questions: ‘Who currently owns what, who does what, who gets what and what do they do with it in the sugar estate after land reform?’

This study was prompted by heated debates peddled in academic and media circles on the outcomes of the FTLRP in the sugar industry. The transformation of Mkwesine Estate had been thinly covered by existing literature hence the study provided a broad sketch of the changes that occurred and the livelihood activities beyond sugar production that emerged in the estate in the aftermath of land reform. In doing so the study examined changes in land ownership, tenure system and operational relations between Tongaat Hulett Zimbabwe (THZ) and the resettled black farmers in the estate.

The study started by historically reviewing the history of the sugar industry in Zimbabwe with particular reference to the out grower scheme in the south eastern Lowveld, from its inception in the colonial era in the 1920s up to the post-colonial era, particularly the establishment of the Chipiwa Settlement Scheme in 1982 and the subsequent resettlement of A2 farmers in Mkwesine Estate under the FTLRP in the year 2000 and beyond. The resettlement thrust by government after independence significantly altered the land ownership structure of the agro-industrial concern-THZ. A number of conclusions were drawn from the last four chapters

Firstly it was concluded that there was gender disparity in land ownership in Mkwesine estate after land reform. More men benefitted from the land redistribution exercise than women yet gender is a critical factor that has to be taken into consideration when allocating critical production resources. This finding points to the exclusion of more than half the country's population in the allocation of national resources. Women are often disadvantaged in both statutory and customary land ownership.

Many of the beneficiaries of land reform in Mkwesine do not have sugarcane farming experience giving credence to other criteria having influence the land allocation exercise. The majority of the beneficiaries hailed from the top echelons of the civil and security services sectors with war veteran credentials and political patronage having tilted the scale to their favour. The study also concluded that these beneficiaries lacked government support and intervention since they were not given input support like other crops covered under the government input support programmes. There is therefore need to treat sugarcane as a strategic crop and stop treating it under 'other crops'. This is because of government's imbedded interest in the industry due to the foreign currency it generates for the country. The government should therefore desist from exercising distant interest and urgently address the challenges being faced by both Tongaat Hulett Zimbabwe and the resettled black farmers.

The government should note that historically, the white sugarcane growers were self-sufficient because they did not entirely depend on government assistance but things have since changed. Land sizes per farmer have been reduced and tenure system changed as freehold paved way to leasehold tenure. The new farmers cannot stand on their own because of their reduced farm sizes and tenure insecurity. The government has to assist them until such a time that they are self-sufficient. THZ through its Triangle and Hippo Valley operations who when they source inputs would be doing it for their operations only and not for the resettled farmers.

While the study fully supports the land reform it concluded that land disputes in Mkwesine are affecting the production of sugar negatively and there is need to resolve them once and for all. Some farmers with offer letters are being moved away from their allocated farms and being replaced with some with the help of corrupt lands ministry officials. There are also a lot of dirt

dealings happening in the estate such multiple farm ownership involving lands officials who should be exposed.

The study also concluded that the Chipiwa Settlement Scheme farmers managed to pay in full the loans advanced to them by THZ and were expected to get their title deeds. This reflects the commitment of these farmers to land reform. However because of the nationalization of all agricultural land under the FTLRP these farmers did not receive their title deeds. This exposed them also to insecurity of tenure like the A2 farmers who started on leasehold tenure.

The Chipiwa group of farmers is asking to have their hectares increased from ten to twenty. The new farmers (that is: A2 farmers) without as much experience in sugarcane as them are on more than twenty hectares of land. To the Chipiwa group this defies logic. According to the group the ten hectares they were allocated way back in 1982 are no longer viable considering the costs of water, inputs, transporting cane and maintaining irrigation equipment. Their claims were confirmed by THZ. The group is being treated unfairly as the first tenants in the estate. It should have been considered for resettlement under the FTLRP because the ten hectares plots its members owned had been fully paid for. The land size of this group's members need to be brought to twenty hectares for them to peacefully co-exist with their A2 farmer counterparts.

Closely linked to land sizes was the issue of sub economic farming. The study concluded that for a sugarcane farmer to be viable under irrigation conditions that farmer has to be on more than twenty hectares of land. It was disturbing to learn that the Chipiwa group of farmers were still on ten hectare plots. THZ through Hippo Valley Estate and Triangle Limited established the Chipiwa Settlement Scheme with the approval of the government. This was done in phases from 1982 to 1989 and consisted of 191 small scale farmers with an average of 10 hectares each and a homestead.

The study also concluded that the two milling agreements for famers in Mkwesine are unfair. While the Milling Agreement was set aside for the Chipiwa Settlement Scheme, the Cane Purchase Agreement was designed for the A2 farmers. The study also concluded that the land reform programme in Mkwesine Estate opened other livelihood activities beyond sugar production.

Lastly, the study also concluded that shortages of sugar which sometimes occur on the local market were not as a result of low production but illegal exports by both consumers and producers. It further concluded that besides the reduction in the production of sugarcane by resettled farmers in their initial years of resettlement, their contribution has been rising in recent years culminating in more than enough for the local market with the excess being exported. THZ indicated that they exported 70% of the total production and 30% is for the local market. There is need for government to intervene in such matters of economic importance as it receives so much from sugar exports.

## **8.2. Recommendations**

Basing on the above conclusions the study makes following recommendations;

### **Gender**

- The study recommends the redressing of gender imbalance in participation in Mkwesine Estate.

### **Land allocation**

- The study recommends a transparent land redistribution exercise to protect the interests of farmers from farm disruptions caused by the emergence of 'A5' farmers who are hopping from one 'ready to harvest farm' to another.
- The study also recommends that the Ministry of Lands investigate the operations of its Provincial officers in Masvingo and District Officers in Chiredzi.
- It recommends a new land audit for all the A2 farms and a re-planning to ensure that the Chipiwa Group together with A2 farmers get at least 20 hectares each to ensure viability. This should form the basis of setting minimum land sizes for the new farmers in the sugar industry.
- Farmers with excess, unutilized and unproductive land must have it cut down to an agreed average size so that no farmer is on less than 20 hectares. Equally no farmer should be in possession of land 20% in excess of the agreed average.

- All sugarcane growers protected under BIPA's should have their rights protected. The study calls for a definite resolution of all cases before Ministries of Lands, Agriculture and Foreign Affairs in order to restore investor confidence in the sector.

### **Land sizes**

- Having noted the importance of the THZ as a service provider to Mkwesine Estate and considering the limited hectares that most individual farmers have, the study recommends that the THZ remain with the 30% of its original landholding in the estate for it to be able to sustain itself and to provide services to the farmers.
- The study also recommends that any hectareage which is less than twenty is sub economic and therefore not sustainable. The Chipiwa Resettlement Scheme has skills developed since 1982 and these should not be thrown away.

### **Input accessibility**

- The government must declare sugarcane as a strategic crop and stop treating it under 'other crops'.
- The resettled farmers need government support in terms of accessing loans and inputs. The study recommends that there be an allocation for sugarcane inputs in the national budget and that sugarcane growers have access to fertilizers, fuel and chemicals through institutions like Grain Marketing Board and NOCZIM just like other crops covered under the Government Input Programme.
- Loans given to sugarcane growers should be in harmony with the crop cycle and allow growers to harvest and sell.
- The study recommends that banks design a facility for farmers based on a twelve months and not six months payback period.

### **Sugar skills**

- The study notes that most some resettled farmers do not have expertise in sugar production although they are willing to learn and recommends that government with other stakeholders seriously consider setting up sugar technology training institutes to improve sugar production and sector knowledge.

## **Pricing and marketing**

- The Ministry of Industry and Trade must be part of the board that determines the price of sugar because there is a huge gap between the retail price and the producer price. When the sugar industry reviews the price of sugar, the Ministry of Industry and Trade must be involved as an arbitrator and to confirm price derivatives and not just be informed ‘as a matter of courtesy’ leaving producers at the mercy of the millers.
- The study also recommends that some investigations be done on who buys sugar from Zimbabwe Sugar Sales and the kind of transactions and remittances that are done at Triangle Limited, Hippo Valley Estate and Zimbabwe Sugar Refinery. And also investigate the criteria used in awarding export licences for sugar and to find out the benefits that accrue to the sugar industry/grower and to the nation.
- Triangle Limited and Hippo Valley Estate should harmonize the issue of Cane Purchasing Agreements and come up with a single uniform agreement that is applicable to all cane growers regardless of race, colour, creed or farming history. Equally byproducts such as ethanol, molasses and so on should accrue to farmers on the same basis of equality. The study is encouraged by Government’s interest in one of the sugar’s by-products namely ethanol but encourages Government to extend its interest to other by-products like bagasse which has a potential to solve energy deficit in the area. In other sugar growing economies sugar is no longer treated as the main product and has been substituted by electricity and other products.
- The study also recommends government to break the monopoly of THZ in the processing and milling of sugar by bringing in more players. There is a case for a milling company for A2 farmers in Mkwazine that need further research and support.

## **Water charges**

- Sugarcane farmers cannot afford to pay monthly water bills because the crop is harvested after twelve months. The study therefore, recommends that sugarcane farmers pay quotas on agreed intervals to alleviate cash flow problems.

## **Transport**

- Also the National Railways of Zimbabwe must be put at the center of an integrated cane haulage model. The completion of the Tokwe Mukosi Dam means that sugarcane would



be grown on a large scale throughout the Lowveld and this also means that the distance from fields to the milling companies shall increase, a cheaper and more cost effective haulage model is therefore necessary.

## **Other**

- Finally, the study recommends the setting up of a regulatory authority governed by an act of Parliament that draws its composition from government, growers, millers, financiers, marketers, research and development and other stakeholders. This will eliminate fragmentation and partisan representation of the sector and increase the bargain and lobbying leverage of the sector to government.

### **8.3. Further areas of study**

- This study only examined post-independence changes in the land ownership structure and tenure system in Mkwase Estate. There is, therefore, a need for further investigation on how the reconfiguration of the estate has impacted on social and physical infrastructure provision in the sugar estate.
- The study considered the linking of THZ's processing mills to the resettled farmers. However there is a case for the resettled farmers' own processing plant which requires further investigation on how it could be funded.
- The study investigated livelihood outcomes beyond sugar production that emerged after land reform, however there is need to investigate how these activities can be mainstreamed so that they could be incorporated into the resettled farmers' way of life.