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QUARTERLY REPORT #2 SMALLHOLDER TECHNOLOGY & ACCESS TO MARKETS PROGRAM (USAID-STAMP)



January – March 2011

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SMALLHOLDER TECHNOLOGY & ACCESS TO MARKETS PROGRAM (USAID-STAMP) QUARTERLY REPORT #2

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The views expressed in this publication do not necessarily reflect those of the United States Agency for International Development or the United States Government.

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1. EXECUTIVE SUMMARY

This is the second quarterly report (January-March 2011) for USAID-STAMP, funded under the USAID-Zimbabwe Cooperative Agreement No. 674-A-00-10-00088-00 with Fintrac Inc.

Second quarter achievements include:

- Under the Extracts partner fund award 1,616 beneficiaries (46% women) are now harvesting their crops and receiving training on postharvest techniques, including drying and grading.
- Established 55 demonstration plots showcasing low-cost water conservation technologies such as mulching and potholing in key paprika production zones. 21 percent of the paprika farmer groups are led by women.
- There were 123 training events in the second quarter. 1,520 people received training in GAPs, safe use of pesticides and postharvest handling. 47 percent of participants were women.
- The program conducted eight paprika field days. Attendees included local community leaders, Agritex officers and non-client farmers.
- Completed a market brief for potatoes and distributed it to current and potential partners
- 2,000 smallholder farmers will benefit from two new partner fund agreements with commercial organizations that are working in high-value, subtropical fruit crops.

Deliverables for the next quarter include:

- Partner fund agreement to be signed with another commercial partner to reach 100 client farmers.
- Conduct a baseline survey in conjunction with the startup of the new subtropical fruit programs
- Submit Environmental Mitigation and Monitoring Plan (EMMP) covering all planned USAID-STAMP activities.
- Complete production guides inclusive of Safe Use Action Plans for all crops
- Finalize selection of 3 CBO's to implement HIV/AIDS and nutrition training

2. PROGRAM OBJECTIVES

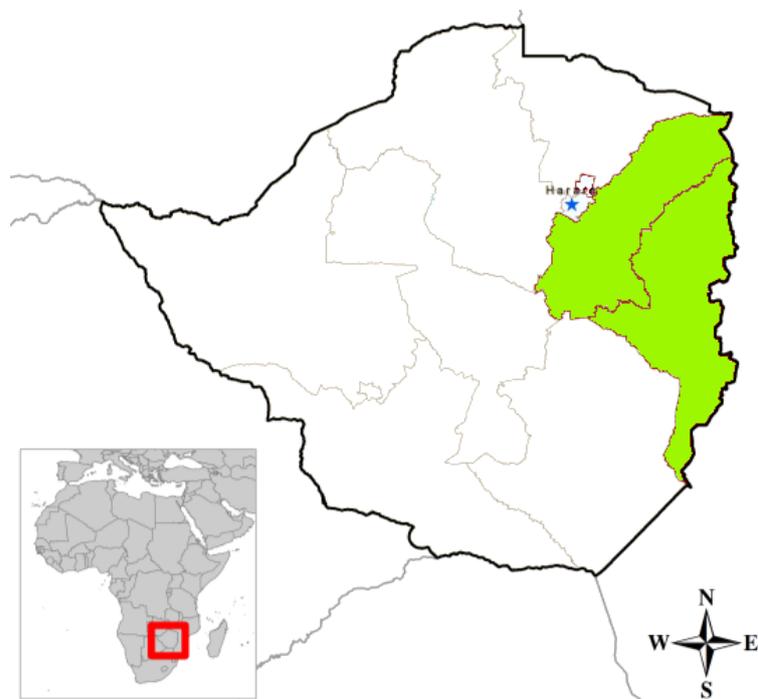
2.1 PROGRAM DESCRIPTION AND OBJECTIVES

The Smallholder Technology and Access to Markets Program (USAID-STAMP) is an 18-month initiative supported by the American people through the United States Agency for International Development (USAID). The program aims to increase food security of smallholder farmers by expanding market access and increasing productivity, which will increase incomes and impact the lives of more than 4,500 rural families.

USAID-STAMP's mission is to sustainably increase smallholder incomes from the production and marketing of high-value horticultural crops and products using environmentally friendly farm technologies and good agricultural practices (GAPs). All activities will include efforts to address the impact of HIV/AIDS on rural communities, and will encourage women and youth to recognize the potential of horticulture as a business. The program is scheduled to continue through March 2012, with long-term sustainability achieved through partner alliances.

2.2 GEOGRAPHIC FOCUS

USAID-STAMP is working in Mashonaland East and Manicaland, though the main field office is in Harare. The five districts of operation are Marondera, Makoni, Nyanga, Chimanimani and Chipinge, which represent three out of the five climatic regions (I, II and III). Targeted crops have been selected according to these environments. A USAID-STAMP agronomist is based in Nyanga and one will soon be deployed to Chimanimani to manage the Rusitu Valley and Tanganda partnerships.



2.3 COMMUNICATIONS AND REPORTING

After discussions with USAID early in the second quarter, the M&E plan, including the Performance Monitoring Plan (PMP) and workplan were revised and resubmitted to USAID. This revision took into account the request for USAID-STAMP to focus primarily on perennial crops, with cash crops such as Irish potatoes and sweet potatoes planted as inter row crops. As a result the number of beneficiaries for USAID-STAMP was reduced to 4500.

The M&E team demonstrated Fintrac's data collection, storage and reporting processes through the proprietary state-of-the-art software, Client Impact and Results Information System (CIRIS) during a routine data quality assessment at the USAID-STAMP offices in March. The filing system for completed data collection forms and the security of this information as well as security for access to the electronic database was clearly demonstrated.

The baseline survey will be conducted in the third quarter as each of the projects are rolled out in the different wards and will be implemented under the umbrella of the commercial partner with direct involvement of the STAMP M&E manager. In Rusitu Valley the baseline survey will be conducted by STAMP partner, Rusitu Valley Fresh Produce (RVFP) whose management team is familiar with this exercise. RVFP will facilitate the enumerators' activities in the field as they gather data on STAMP's indicators through a baseline questionnaire formulated by STAMP. The STAMP field agronomist and M&E manager will be present in a supportive, supervisory role to ensure data quality.

Three monthly financial statements were posted on the USAID-STAMP intranet site www.fintrac.com/STAMP. The project will be launched and monthly bulletins will be published when the project is officially operational and able to distribute public information and marketing materials.

3. ACTIVITIES

3.1 INCREASED AGRICULTURAL PRODUCTIVITY

3.1.1 Crops

Paprika: There are 1,616 beneficiary farmers receiving support under USAID-STAMP's partnership with Extracts. 15,20 smallholders have received training to date. Technical visits and training sessions by STAMP agronomists during January and early February emphasized GAPs targeting fertilization, weeding, IPM and safe use of pesticides. This was followed by a greater focus on postharvest handling techniques including timing of harvesting, removal of calyxes, drying and grading of the product. Most of the latter training and technical assistance visits were conducted by Extracts' agronomists and lead farmers.

All smallholder farmers are now reaping and drying their crop and Extracts will start buying graded product after final discussions on prices in April. Price negotiations have temporarily stalled as the smallholder farmers want \$1.50/kg and Extracts is offering \$1.35/kg collected or \$1.40/kg delivered to their factory in Ruwa. However, Extracts started negotiations at a \$1.20/kg and it is likely that they will increase to \$1.50/kg by the end of April because they are facing such high resistance from smallholders. The farmers' expectations have been fueled by enormous increases in cotton prices (\$0.30 to \$1.50/kg) during the last year as well as concerns about the effects of late-season drought on their yields.

Eight field days were held during March in both Mashonaland East and Manicaland at smallholder farms that had been selected by the local Agritex officers. These were well attended by all smallholder farmers and the local councilors from the area.

Perennial subtropical fruit (bananas, avocados, pineapples): USAID-STAMP has evaluated many crop options to improve rural family incomes. Among the most important crops are those that can be broadly grouped as subtropical fruit. Avocados, bananas and pineapples are all important crops in both local and international trade, but they are mostly grown informally for the local market with minor exports to Mozambique. The main activities on bananas and pineapples will improve postharvest handling and market linkages. In Rusitu Valley smallholder farmers stockpile their



Constantine Kamuruko of Nyahowe group grades paprika. The group graded more than 300 kilograms of paprika by March.



Farmers attend a field day at Peter Samakande's farm in Chiendambuya.

bananas on the side of the road, often in direct sunlight for extended periods of time, waiting for the *bukkie* traders to collect them. This reduces fruit quality, but farmers don't recognize this as the bananas are still green when sold and bruising doesn't appear until ripening. USAID-STAMP field staff will encourage farmers to build field shelters and will conduct practical training sessions to demonstrate simple postharvest techniques that will improve quality and increase prices paid to the growers.

Activities for avocados will focus on establishing smallholder plantations with new varieties such as Hass, which are in demand internationally. Training interventions will focus on GAPs in orchard management.

Vegetables and root crops (Irish and sweet potatoes): Root crops such as Irish and sweet potatoes will be intercropped with avocados to provide a short-term cash flow for the smallholders. Both these crops experience a strong local demand and Irish potatoes garner the highest potential return to the grower. Other suitable vegetables will be explored in conjunction with Tanganda and assessed according to several different factors, including market demand, climatic suitability, potential as a smallholder crop, return to grower and perishability.



Bananas sit on the side of the road awaiting collection.

Photos by Fintrac Inc.

3.1.2 Technologies

Several new technologies have been adopted that have had a significant impact on the smallholder growers. All of the 1,616 paprika beneficiaries received **virus free, treated seed** supplied by Extracts. This seed is not only a major improvement on the farmers' home kept seed but also compared to that supplied by other commercial Paprika companies. There have been numerous comments made during field days and technical visits stating the superior advantage that this seed has given farmers, namely:

- Excellent germination. However, this resulted in a few unforeseen problems as the farmers being skeptical of the recommended sowing rates, had added extra seed when planting their seedbeds. There were also minimal deaths that occurred resulting in more seedlings being produced than were required for the area to be planted. As some farmers were reluctant to throw away these extra seedlings, they decided to increase their plant populations in the field. Although this activity was strongly discouraged by both STAMP and Extracts field agronomists, it did not have a noticeable negative impact on final crop yields.
- Improved disease tolerance. The variety Red Czar has been specifically selected from the original variety Papri King for its greater Anthracnose and bacterial disease tolerance. This has been noted by many farmers who weathered the early season rains better than their neighbors growing paprika for another organization.
- High yielding. This seems to be a direct result of the vigor and disease tolerance of this variety.

Promoting water conservation is a priority for USAID-STAMP. The program established 28 demonstration sites in Manicaland and 27 in Mashonaland East. These plots were showcase **water conservation technologies** such as mulching and potholing, which creates miniature dams in the pathways, preventing runoff and allowing the water to percolate into the soil. The benefits of these simple techniques were obvious at recent field days, as the demonstration plants were markedly greener, had a higher number of paprika pods and were taller than those in the rest of the field. USAID-STAMP anticipates a much great buy-in from smallholder farmers next season due to the success of these demonstration plots.

“This works, I wish I had put it in the whole field!” said Rosemary Nyamurumwa, who had one of the demonstration plots in Chinhenga.

A **basal fertilizer** with high phosphate and potash (6:28:23) was purchased for the smallholder growers, and although it was more expensive than the Compound D that is normally distributed, the farmers said it gave them a significant early season advantage. Most of the growers are producing on sandy soils that are inherently weak in both of these major elements. This superior fertilizer combined with training on direct application techniques produced good results.

3.2 EXPANDED MARKET ACCESS

The two partner fund agreements that have been finalized with RVFP and Tanganda will improve market access for more than 2,200 smallholder farmers and incorporate them into the local and international value chains.

Bananas: The demand for bananas on the local market is estimated at 1,200 to 1,300 MT per month, and the current suppliers are unable to meet this demand. Industry sources estimate that there is a 40-50 percent shortfall (Zimbabwe Agricultural Sector Market Survey, June 2010). Apart from local



Photo by Fintrac Inc.

This demonstration plot highlights the advantages of mulching (right) versus no mulching (left).

requirements, there is a particularly strong demand for bananas in Botswana, Mozambique and Zambia. A survey in 2007 estimated the production base in Zimbabwe was 4,150 ha., of which 53percent was in the hands of smallholders (“Banana Sub Sector and Value Chain Analysis for Zimbabwe,” SNV Sept 2007). However, other more recent estimates state that 80% of production is now carried out by smallholder farmers due to the continuing land reform program. In Rusitu Valley, the commercial partner RVFP has already hosted marketing organizations such as Matanuska and Interfresh on a visit to the valley to see the potential production from smallholder farmers. Orders have already been secured in anticipation of this partner fund agreement being authorized by USAID.

Avocados: There is an increasing international demand for avocados, specifically for the Hass variety. Tanganda has made the strategic decision to remove nearly 500 ha of their tea plantations and replace them with avocados and macadamia nuts. USAID-STAMP will help them carry out this plan with smallholder farmers. Consumption of avocados has expanded rapidly, particularly in the USA and Europe. This has brought about an expansion in trade, and according to an FAO market report these trends are expected to continue in the future due to several factors:

- Increased public awareness of avocado nutritional properties
- Increased demand from major retail chains
- Increased demand from cosmetic industry

Potatoes: A market survey was conducted on Irish potatoes in Zimbabwe to assess the viability of the industry (Annex IV). It was noted that up to 60 percent of some markets are supplied by imported potatoes, and the survey confirmed that there is a great opportunity for USAID-STAMP to work with smallholder farmers to produce this high-value crop. The potatoes produced as an inter-crop in Chipinge district will be bought by Tanganda and marketed through their sister company, TM Supermarkets, a popular retail chain in the major cities of Zimbabwe.

3.3 OTHER CROSS-CUTTING THEMES

3.3.1 Gender

A Fintrac home office gender specialist will visit USAID-STAMP in the third quarter, when program partners and clients have been identified and are in place. The specialist will conduct a thorough analysis of group dynamics and gender attitudes among program beneficiaries and partners. The research will result in project specific and country-appropriate gender mainstreaming policies and guidelines. The specialist will also train program and partner staff on Fintrac’s gender mainstreaming approach. USAID-STAMP staff will ensure that the project is incorporating women at all levels.

To date, USAID-STAMP’s partnership with Extracts has benefitted 740 women, 46 percent of the total number of beneficiaries. In addition, 21 percent of the lead farmers are women, and 47 percent of all people trained are women.

3.3.2 Health and nutrition

USAID-STAMP will partner with three community-based organizations (CBOs) in the third quarter to provide training in health and nutrition alongside the commercial partners in Manicaland and Mashonaland East. The crops selected for expanded market access and increased productivity also have significant impact on household food security and nutrition. Bananas and root crops like sweet potatoes and potatoes have been gaining popularity in recent years and have become an important part

of daily nutrition, as they are especially high in minerals and vitamins like potassium, iron and vitamins A,B,C.

3.3.3 Environment

USAID-STAMP is introducing technologies that improve natural resource management including raised beds, potholing, mulching and scouting for pests (to reduce agrochemical usage) through demonstrations set up by program partners countrywide. **1,616 growers** learned these technologies this quarter. Other significant technologies that positively impact natural resource management outcomes include:

- IPM and integrated crop management procedures to reduce negative impacts of modern farming;
- Planting of Vetiver grass around horticultural production units to control soil erosion;
- Compost production and usage to help manage soil fertility.

The project developed draft reports of the Environmental Mitigation and Monitoring Plan (EMMP) and the Safer Use Action Plan (SUAP) for all crops, both critical baseline documents for USAID-STAMP and its partners. The EMMP outlines procedures to mitigate the effects of the program's activities on the environment, while the SUAP is a technical plan of action to reduce pesticide usage, comply with the USAID Zimbabwe PERSUAP recommendations and provide alternative measures (cultural, mechanical and biological) to controlling pests problems in crops.

4. LESSONS LEARNED

Initially, Extracts distributed enough seed to establish seedbeds for more than 2,000 smallholder farmers in most of the districts in Mashonaland East and Manicaland. The farmers were then selected from these areas when the USAID-STAMP program started in October 2010. As the first growing season is nearing an end, a selection process is underway to determine which areas and smallholders are performing better than others. This increased focus will benefit all aspects of project implementation including ease of logistics (deliveries and collections), improved technical support to growers as time is not wasted in traveling long distances between groups and better co-ordination of beneficiary data for M&E purposes. The possible negative ramifications would be that in the event of any political disturbances in a particular area, there would be a greater negative impact on the ability of USAID-STAMP to continue operations and achieve its intended objectives.

5. CHALLENGES AND CONSTRAINTS

MOU: USAID-STAMP continues to face a delay in the signing of the MOU which is proof of government authorization for Fintrac to operate in Zimbabwe. Although STAMP agronomists were working in the field until mid-February, they were withdrawn due to two incidences that were reported to the AOTR. As the release of the MOU continues to be delayed, it has been decided that field staff will continue to work together with the partners in the field in a low key, supervisory role but avoid any high profile situations such as field days. A formal request has also been made for USAID's Mission Director to update the Minister as part of their routine meetings concerning USAID's agricultural projects in Zimbabwe.

Weather: The smallholder growers producing paprika have faced extreme weather conditions and in some areas growers experienced water-logged conditions in their fields in January followed by a late season drought in all areas. Rains tailed off in the first week of February and in some areas did not fall again for another 3-4 weeks. Traditionally, the average annual rainfall in Nyanga and Marondera is 1,237 mm and 851 mm respectively, and the 2010/11 rainfall totals as of the end of March indicate that sufficient rain has fallen but that the distribution has been erratic. As a result of this rainfall pattern, only one main flush of paprika set early in the season, followed by flower abortion during the dry period in February/March. In areas where late rains were experienced, there was a much smaller pod set. This negatively impacted yield and performance of the project as 99% of the farmers are producing paprika as a dryland crop. Most of the farmers based in the irrigation schemes were unable to irrigate due to ZESA shutdowns as a result of non-payment of bills.

Rainfall (mm)

Year 2010/11	Oct	Nov	Dec	Jan	Feb	Mar	Total
Nyanga	45	142	348	335	31	159	1060
Marondera	48	164	133	320	75	84	824

Source: *The Meteorological Services Department, March 2011*

Erratic rain continues to be a major challenge facing farmers, which is why USAID-STAMP has prioritized demonstrating water conservation techniques in all areas. The impact of these demonstrations have been discussed earlier in section 3.1.2 and it is expected that these low cost,

simple technologies will be adopted by farmers to a much greater extent in the 2011/12 growing season.

Fertilizer distributions: These were done directly by the partner, which was inefficient and resulted in delays in farmers receiving the inputs. Several different distribution options have since been discussed with the partner to ensure that this will be more timely and efficient next season and will include the rural agro dealer system.

M&E: Obtaining beneficiary data from the partner and lead farmers was initially a slow process. However, since receiving training from the project in data collection and record keeping, the situation has improved. This has resulted in more timely feedback and assisted STAMP to report accurately against its impact indicators.

6. NETWORKING AND COLLABORATIONS

6.1 CURRENT PARTNERS

A partner fund agreement with RVFP has been signed and USAID approval is pending. A further partner fund agreement has been finalized. There are now three partner fund agreements including Extracts which was signed at the end of 2010. The main focus crops of the two new partner fund agreements are subtropical perennial fruit, namely bananas and avocados. These programs will be implemented in the third quarter as soon as authorization has been granted.

There are approximately 7,500 households in Rusitu Valley, of which 1,246 are registered growers with the Rusitu Valley Growers and Marketing Trust (RVGMT). The trust has signed a joint venture partnership with a commercial organization, PAI (Pvt) Ltd to form a company called Rusitu Valley Fresh Produce (RVFP). Notably, bananas are the main crop grown at every household in the valley and will be the primary focus of this partner fund award. RVFP with the help of USAID-STAMP will increase their membership and market bananas and other subtropical fruit for over 2,000 beneficiaries.

Tanganda has over 1,800 smallholder tea growers registered with their Estates in the Chipinge district of Manicaland province. Like Rusitu Valley, Chipinge is characterized by agro-ecological conditions consistent with Zimbabwe's Natural Region 1, a frost free area with annual rainfall exceeding 1,000mm per year. These conditions are ideal for the production of most crops but particularly high value, perennial crops. As world tea prices have been falling consistently over the last few years, the tea Estates have been looking for other subtropical crops like Macadamia nuts and Avocados to provide an alternative income stream to tea. As Tanganda has had a long term relationship with most of their smallholder farmers often spanning 50 years, they would like to include them in this new strategy. Although Macadamia nuts had initially been considered, there were no seedlings available in either Zimbabwe or South Africa until 2012. USAID-STAMP will therefore partner with Tanganda and assist 150 growers to produce 0,1 ha each of avocados.

6.2 POTENTIAL PARTNERS

Zimflex (Proteas) and The Seed Potato Co-op (seed potato production) are two other potential partners in discussion with USAID-STAMP management. Two stakeholder meetings with growers in the Nyanga district have highlighted a keen interest amongst smallholders to grow both these proposed crops.

Zimflex is an internationally recognized marketing organization with strong links with the Dutch flower company and has a long history of exporting flowers out of Zimbabwe. The bulk of these

exports consist of roses but also include summer flowers, carnations and proteas. Protea production in Zimbabwe is one-tenth of what it was prior to the land reform program and is currently at an all-time low of 26 ha. However, the export market is still very buoyant with the only competition coming from South Africa, which competes on the market during the same period. Zimflex had begun working with smallholder farmers in the Nyanga district in early 2000 and continues to buy Proteas from these farmers but have not given any technical support since the dollarization of the economy in 2009. Proteas make an ideal smallholder crop as it does not require high capital expenditure to establish and does not need immediate refrigeration after harvest. STAMP anticipates partnering with Zimflex to assist in revitalizing the current smallholder protea production as well as initiate new plantings (total of 100 growers). Technical training with regards to Good Agricultural Practices, correct pruning techniques, composting and basic input supply will be implemented.

Seed Potato Co-op is the only supplier of certified seed potato in Zimbabwe. Initial meetings have been held with farmers in the Bende area of Nyanga. These smallholder farmers have traditionally been producing potatoes for the informal markets like Mbare but could significantly increase their income by selling their small and chat sizes as a seed crop. In order to do this, there are several standards that they will need to comply with such as a predetermined rotation period and a 500-meter dead area around the crop. Stakeholder meetings with the farmers have resulted in a list of names of just over 100 smallholder farmers who would be able to meet the selection criteria and are interested in producing seed potatoes

6.3 OTHER APS PROGRAMS

Several meetings have been held with Phase 1 and Phase 2 recipients of the USAID APS programs where crops and implementation strategies have been discussed. These include World Vision, Technoserv, ACDI/VOCA and Mercy Corps. Information gathered on input distribution techniques have assisted USAID-STAMP in improving the current model used with Extracts. The new methodology will incorporate the local agro dealers in the distribution chain.

Apart from the APS programs, meetings have been held with Michael Jenrich of FAO and Michael Dawes of the Market Linkage Working Group specifically to liaise on perennial crops in Manicaland province through their involvement in COTEBA. Although the Union model on Bananas in the Honde Valley is focused on a very small number of growers, it was agreed that a key emphasis for success is the high level of technical input and training which is STAMP's forte.

7. CONCLUSION

Although there have been a few challenges faced by USAID-STAMP during this second quarter of implementation, there have been great strides made with smallholder paprika producers and a greater impact is anticipated as the two new projects are implemented.

ANNEX I: PROGRESS AGAINST INDICATORS

Name of the Implementing Agency: Fintrac, Inc.	Reporting Period: Q2: January – March 2011	
Local Address: USAID-STAMP 5 Premium Close, Mount Pleasant Business Park Mount Pleasant, Harare	Home Office Address: Fintrac, Inc. 3077 Kronprindsens Gade 72 St Thomas, USVI 00802	
Project Title: Smallholder Technology and Access to Markets Program (STAMP)	Target regions: Manicaland and Mashonaland East	
Cooperative Agreement #: 674-A-00-10-00088-00	Principal Target Beneficiaries: Zimbabwean Smallholder Farmers	
Period of Project: September 27, 2010 – March 26, 2012	Related Program Area and Elements of Operational Plan: 1. Agricultural Sector Productivity 2. Expanded Market Access	
Planned Life of the Project: \$1,999,905	Amount Obligated to Date: \$1,999,905	Pipeline: \$0

Indicators	FY 2011						Units
	Target	YTD	Q1	Q2	Q3	Q4	
Number of rural households benefiting directly from USG assistance	4,500	1,616	1,508	108			Households
Number of people benefiting from USG-supported social assistance programming	22,500	8,080	7,540	540			People
Percent change in on-farm net incomes of program-assisted farmers	50						Percent (US\$/Ha)
Percent change in yields of targeted crops/products	50						Percent (Kg/Ha)
Percent change in costs of production per unit	-10						Percent (US\$/Kg)
Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	4,500	1,616					Program Farmers
Number of individuals receiving short-term agricultural sector productivity training	4,500	1,520		1,520			Trainees
Number of program farmers engaged in contract farming	1,125	1,616	1,508	108			Program Farmers
Value of incremental sales (collected at farm level) attributed to FTF implementation	1,370,000						US\$

Indicators	FY 2011						Units
	Target	YTD	Q1	Q2	Q3	Q4	
Value of farm sales by all direct program-assisted farmers	3,050,000						US\$
Value of new client and counterpart investments	550,000						US\$
Percent leadership roles in producer groups held by women	25	21		21			Percent
Percent women participating in training events	40	47		47			Percent
Number of public-private partnerships formed as a result of USG assistance	4	1	1	0			PPPs
Number of partner CBOs/NGOs providing health/nutrition services to program farmers	3	0	0	0			CBOs/NGOs

ANNEX II: MARKET ANALYSIS



Market Survey: Potato Production in Zimbabwe

INTRODUCTION

Potatoes are a starchy, tuberous crop from the nightshade family (Solanaceae), *Solanum Tuberosom*. They are one of the world's most important non-cereal crops and have gained popularity as a staple food in the Zimbabwean diet. Potatoes have a high carbohydrate content and contain many different proteins, minerals (particularly calcium and potassium), and vitamins (particularly Vitamin C).

PRODUCTION

Traditionally, potatoes have been grown by large commercial farmers in Zimbabwe, but more and more smallholders are growing the crop. Currently, communal areas around Nyanga, Mutasa, Domboshawa, Chiveshe, Wedza, Goromonzi and Mhondoro are producing significant quantities of table potatoes. However, there is a lack of statistical data available, and it is very difficult to estimate national potato production or what percentage of the potato crop is produced by smallholder farmers. From figures on sales of seed potato sold in 2010 (Seed Potato Co-op), it is estimated that approximately 900-1000 hectares are under production for potatoes in Zimbabwe per year. This figure may be much higher since many growers don't buy their seed from Seed Potato Co-op, but rather trade with one another through informal arrangements. Nyanga is the main area where seed potatoes are grown as it is too cold for insect vectors to survive, so the crops remain virus free.

MARKETS

Zimbabwe's potato market can be divided into formal and informal markets. The formal market is made up of traders such as FAVCO, Harare Produce Sales and Sunspun, which have high overheads and large distribution channels. The informal markets like Mbare, Chikwana and Machipisa sell the bulk of their potatoes out of stalls to street vendors but often have buyers from formal markets as well. The following table lists the main formal and informal markets for potatoes.



Washed (above) and unwashed (left) potatoes are packed in net pockets ready for sale.



Potatoes grown in clay (left) have a longer shelf life and are worth more than those grown in lighter, sandy soils.
Photos by Fintrac Inc.

Company	Function				
	Production	Wholesaler	Retailer	Processor	Transporter
Interfresh	X	X			X
TM			X		
Cairns				X	X
Inscor				X	
Sunspun		X	X		X
Harare Produce Sales		X	X		X
Freshpro		X			X
Muchero Africa		X			X
FAVCO		X			X
Valley Fresh	X	X	X		
SPAR			X		

Zimbabwe | Smallholder Technology & Access to Markets Program (STAMP)

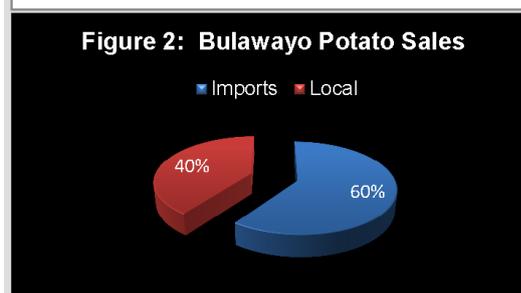
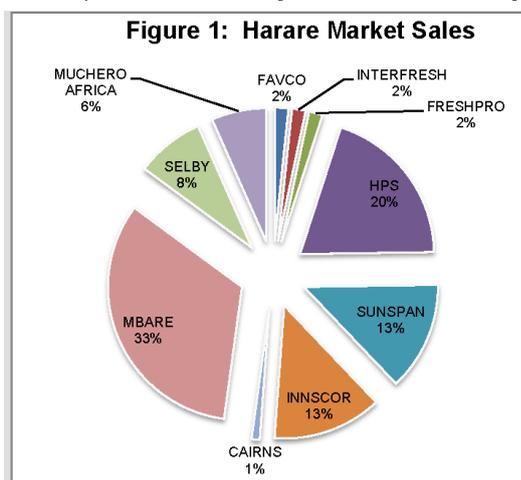
Company	Function				
	Production	Wholesaler	Retailer	Processor	Transporter
OK Zimbabwe			X		
Fruit and Veg City			X		
Honey dew	X	X	X		
Mbare *	X	X	X		X
Interfresh		X			X
Willsgroove	X	X	X		X
D G Patel		X	X		
M S Patel		X	X		
DMM		X	X		
Lippar		X	X		
Valley Foods		X	X		
Interfresh		X			X
Manica Produce	X	X			X
Sakubva *	X	X	X		X

*Informal markets

Mbare is Harare’s largest market for potatoes, accounting for 33 percent of the 350-400 tons traded per week. The Mbare market pays cash on delivery, while the formal market may take up to a month to pay farmers who are reluctant to participate in these formal channels even when the offering price is 20 percent higher.

Potatoes grown in heavy clay soils are the most popular as they tend to have a longer shelf life and fetch higher prices. As of January 2011, farmers growing in sandy soils earned US\$0.67/kg for large potatoes, while those growing in clay soils earned US\$0.80/kg – a 19 percent increase. The bulk of potatoes are sold unwashed in 15 kg pockets, but a market has emerged for washed potatoes since the dollarization of economy. Eighty percent of all unwashed potatoes are bought by hotels, restaurants, and processors. Washed potatoes are only available in supermarkets in smaller pack sizes, catering to higher-income customers who pay a 15 percent premium. Two companies, Selby and Interfresh, have already invested in potato washing machines.

In December of last year, the Agricultural Marketing Authority (AMA) imposed a ban on the import of potatoes from South Africa. The ban was a result of lobbying by Zimbabwean potato producers who were unable to compete with the price of South African potatoes, but large volumes are still entering the country, with the majority being sold in Bulawayo, Zimbabwe’s second largest city (see Figure 2). Stricter measures to enforce the ban would result in serious potato shortages, as local producers cannot yet meet national demand. According to industry sources, 300 tons per week of potatoes are required by Bulawayo, Hwange and Victoria Falls markets. Mutare has a much lower demand, requiring an average of 23 tons per week. Again, the bulk of the potatoes are sold on the informal market in Sakubva, located on the outskirts of Mutare, and the remainder through the two main wholesalers supplying the supermarkets (Manica Produce and Interfresh).



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PRICING

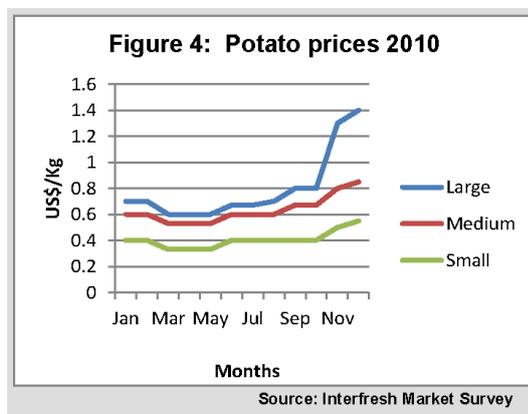
During 2010, potato prices were fairly stable and fluctuated with supply. Higher prices in November and December have been attributed to greater demand during the holiday season. Figure 4 shows the prices of large, medium and small potatoes for the formal market released by Interfresh in 2010 for the Harare market.

TRENDS

In most supermarkets, potatoes are pre-packed into 1kg, 2kg, 4kg, 5kg, 10kg and 15kg bags. Large and medium potatoes tend to move faster than small potatoes as takeaways, hotels and caterers prefer large potatoes to make chips while housewives prefer medium potatoes for household consumption. Small potatoes are mainly bought by street vendors through informal channels who seek to maximize on the number of potatoes in each bag without regard for the size.

OUTLOOK

It is estimated that the local market is operating at 50 percent of capacity, but it is difficult for new farmers to penetrate the potato market as the cost to produce 1 hectare of potatoes ranges from \$4,500 to \$6,500, which is too much for many smallholder farmers. Procurement of high quality seed is also a challenge as supplies are limited and normally sold on a relationship basis. The main suppliers of seed are the Seed Potato Co-op, Kutsaga and Prime Seed. Seed Potato Co-op and Kutsaga produce potato tubers whilst Prime Seed sells true potato seed (TPS). With the implementation of legislation banning the import of seed and table potatoes into Zimbabwe, smallholder farmers with access to credit have a huge opportunity to step up and take advantage of demand.



ANNEX III: CALENDAR OF EVENTS

Month	Date	Week	RVFP	Tanganda	Extracts
May	2 - 8	18	Baseline survey		
	9-15	19	Collation of baseline data. Partner training/admin	Baseline survey	Postharvest training continuing
	16 - 22	20	Group cohesion, committee set up, group/individual records	Collation of baseline data; partner training - admin	Postharvest training continuing; technical visits to growers
	23-29	21	Group cohesion, committee set up, group/individual records; production guidelines written	Group cohesion, committee set up, group/individual records & lead farmer training	Collection of yield data from partner and clients
	30-31	22	STAMP head office meeting	STAMP head office meeting	STAMP head office meeting
June	1 - 5	22	Training extension officers and lead farmers in M&E data collection	Production guides written; sourcing seed potatoes and finalizing logistics	Baseline survey in new roll out areas
	6 - 12	23	Training in postharvest management techniques, bananas	Identification of demo plots; training extension officers and lead farmers in M&E data collection	Coordinating farmer groups in new focus areas, group constitution, committees set up, beneficiary details/recordkeeping
	13-19	24	Training in postharvest management techniques, bananas	Farmer training for preparation to plant avocado seedlings initial GAPs; identification of demo plots	Coordinating farmer groups in new focus areas, group constitution, committees set up, beneficiary details/recordkeeping
	20-26	25	Training in postharvest management techniques, bananas	Farmer training for preparation to plant avocado seedlings, initial GAPs	Coordinating farmer groups in new focus areas, group constitution, committees set up, beneficiary details/record keeping
	27-30	26	Training in postharvest management techniques, bananas	STAMP head office meeting	Collection of yield data from partner and clients; STAMP head office meeting
July	1-3	26	Identification and establishing demo plots	Potato production training GAPs step1; establishing demo plots	Training new lead farmers in M&E data collection
	4 -10	27	Identification and establishing demo plots	Potato production training GAPs step1; establishing demo plots	Soil improvement techniques - composting training
	11-17	28	BDS training and market info	Supervision of avocado and potato plantings	Soil improvement techniques - composting training
	18-24	29	BDS training and market info	Supervision of avocado and potato plantings	
	25- 31	30	STAMP head office meeting	STAMP head office meeting	STAMP head office meeting

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