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ZIMBABWE AGRICULTURAL INCOME AND EMPLOYMENT DEVELOPMENT (Zim-AIED) QUARTERLY REPORT #1, 2013



January 2013

This publication was produced for review by the United States Agency for International Development (USAID). It was prepared by Fintrac Inc. under contract EDH-I-08-05-00007-00 with USAID/Zimbabwe.



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AGRICULTURAL INCOME AND EMPLOYMENT DEVELOPMENT (AIED)

QUARTERLY REPORT #1 2013

ISSUE #9

Cover Photo: *Twenty-five year-old AgriTrade beneficiary, Walter Matsikira with part of his weaners from which he has managed to gainfully resuscitate his father's idle piggery facilities into a viable commercialized smallholder activity in Headlands, Manicaland province.*

Photo by Fintrac

January 2013

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

ACRONYMS

AGRITEX	Agricultural, Technical, and Extension Services
AN	Ammonium Nitrate
APS	Annual Program Statement
ASP-Z	Agro dealer Strengthening Program in Zimbabwe
BDS	Business Development Services
BiZ	Bio-Innovation Zimbabwe
CA	Conservation Agriculture
CABS	Central African Building Society
CBOs	Community Based Organizations
CBZ	Commercial Bank of Zimbabwe
CESVI	Cooperazione e Sviluppo
CFU	Commercial Farmers Union
CIRIS	Client Impact and Results Information System
CLUSA	Cooperative League of the United States of America
COMESA	Common Market for Eastern and Southern Africa
COSV	Coordination Committee for Voluntary Service
CSOs	Civic Society Organizations
EA	Environment Assessment
EMA	Environmental Management Agency
EMMP	Environmental Mitigation and Monitoring Plan
EPA	Environmental Protection Agency
EU	European Union
FAB	Farming As a Business
FTF	Feed the Future
GAP	Good Agricultural Practice
GMO	Genetically Modified Organism
GMS	Gender Mainstreaming
GoZ	Government of Zimbabwe
HACCP	Hazardous Analysis Critical Control Points
HPC	Horticultural Promotion Council
IEE	Initial Environmental Examination
IMC	Irrigation Management Committee
IPM	Integrated Pest Management
IR	Intermediate Result
IRD	International Relief and Development
IRS	Indoor Residual Spray
M & E	Monitoring and Evaluation
MA	Manicaland
MAMID	Ministry of Agriculture, Mechanization and Irrigation Development
ME	Mashonaland East
MID	Midlands
MLRP	Mashonaland Livelihoods Restoration Project

MN	Matabeleland North
MOU	Memorandum of Understanding
MS	Matabeleland South
MSDS	Material Safety and Data Sheets
MSME	Micro, Small and Medium Enterprise
MSVO	Masvingo
MW	Mashonaland West
NRM	Natural Resource Management
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PHI	Pre-Harvest Interval
PIC	Prior Informed Consent
PMP	Performance Management Plan
PMP	Pest Management Plan
POP	Pesticide Organic Pollutant
PRIZE	Promoting Recovery In Zimbabwe Project
REALIZ	Restoring Economic Agricultural Livelihoods in Zimbabwe Program
REVALUE	Restoring Livelihoods Strengthening Value Chains Program
RUP	Restricted Use Pesticides
S and C	Standards and Certification
SAT	Sustainable Agriculture Technology
STAMP	Smallholder Technology and Access to Markets Program
STTA	Short-Term Technical Assistance
SNV	SNV Netherlands Development Organization
SUAP	Safe Use Action Plan
SUR	Safe Use Recommendations
TBD	To Be Determined
TBT	Tjinyunyi Babili Trust
ToT	Training of Trainers
USAID	United States Agency for International Development
USG	United States Government
USEPA	United States Environmental Protection Agency
WHO	World Health Organization
ZAPAD	Zimbabwe Agriculture Production and Agribusiness Development Program
ZESA	Zimbabwe Electricity Supply Authority
ZFAT	Zimbabwe Farmers Alliance Trust
ZFU	Zimbabwe Farmers Union
Zim-AIED	Zimbabwe Agricultural Income and Employment Development
ZINWA	Zimbabwe National Water Authority

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FOREWORD

The Zimbabwe Agricultural Income and Employment Development (Zim-AIED) program began in October 2010, and will run through February 2015. Zim-AIED is providing technical assistance to improve food security and increase incomes of rural households farming mainly in communal land areas. Activities cover all agro-ecological regions and became more focused this quarter on specific low-income areas where farmers have the potential to move from subsistence to small-scale commercial agriculture. The program is generating new income streams from employment created in the wider agricultural sector and contributing to improved food security for all beneficiary households. Beneficiaries are earning new income from both surplus production of food crops grown for home consumption and from production and marketing of higher-value cash crops and livestock.

Commercialization of small-scale farmers is being achieved by:

- Linking producers to local, national, regional, and international buyers.
- Providing access to credit.
- Raising efficiencies in production systems for an improved combination of cash and food crops.
- Training farmers to adopt good agricultural and business practices.

The program is building demand for a range of Zimbabwean crops and products by training growers on productivity, quality, continuity, and cost-competitiveness. It is also providing specialized technical support for the production of food crops to increase food availability on a sustainable basis in areas and communities most vulnerable to food insecurity.

Fintrac, a US-based consultancy company, is implementing Zim-AIED in cooperation with four subcontractors and grantees: International Relief and Development (IRD); the Cooperative League of the United States of America (CLUSA); Sustainable Agricultural Technology (SAT); and CARE International. Other local nongovernmental organizations (NGOs) and commercial companies work with the program as development partners, in some cases co-funded through a cost-sharing grant facility. This \$5 million facility is used to leverage technical support for farmers through conventional grants, and also to fund purchases of essential inputs and new technologies on a cost-recovery basis, including interest at fair commercial rates. Zim-AIED also includes a \$10 million revolving loan fund – AgriTrade – managed by three local banks that provide matching funds and provide loans on competitive commercial terms.

In summary, Zim-AIED is a market-driven program that works closely with small-, medium-, and large-scale buyers to raise demand and increase competition for smallholder-grown crops and products. It is contributing directly to food availability and access by concurrently increasing production of food crops and raising incomes of rural households in selected areas.

I. EXECUTIVE SUMMARY

This is the first quarterly report for the Fiscal Year 2013 of the Zimbabwe Agricultural Income and Employment Development (Zim-AIED) program. Zim-AIED is providing technical assistance to improve food security and increase household incomes of 180,000 small-scale farmers throughout Zimbabwe. Significant achievements for the quarter are summarized below:

- All Zim-AIED activities were directed at increasing the number of companies purchasing products from smallholders – **market linkages**; increasing the availability and disbursement of working capital to rural-based agro-traders and smallholders – **AgriTrade**; increasing **production and sales** of maize and other food crops; raising **smallholder earnings** from cash crops; and actively supporting **new agribusiness investors** in rural areas.
- A total of **8,982 rural households (10,778 farmers) received various types of technical assistance** for the first time this quarter to raise productivity, access new markets, obtain credit, and increase incomes and employment. This was 6 percent over the quarterly target (8,500 households). The cumulative number of beneficiary households, including those who joined Zim-AIED during the first and second year to date, is **81,813 (98,176 farmers)**.
- **Sales of \$3 million were recorded** by beneficiary smallholders to commercial partners through formal marketing and credit agreements. Based on previous samples of all beneficiaries this equates to total sales of at least \$15 million for the quarter. This estimate is currently being validated through a sample survey.
- **High levels of technology adoption** noted by field staff during planting and crop emergence will result in higher yields and productivity this year. If prices hold or increase, average gross margins and net household incomes from all agricultural products look set to increase from the 2012 figure of \$835 to at least \$950. Gross margins and net earnings by maize, banana, and paprika growers will increase much more than this.
- **Partner banks disbursed 172 loans valued at \$1.58 million.** New borrowers were 69, of which 17 percent were female. Disbursement for the quarter was 13 percent above the value of loans disbursed in the fourth quarter for FY 2012 (\$1.39 million). This brings the cumulative total of revolving fund loans disbursed to \$9.49 million since program inception.
- **A total of 5,587 farmers on 23 irrigation schemes, 74 percent of them in regions IV and V, received technical assistance to rehabilitate infrastructure and equipment as well as training on establishment of scheme maintenance funds, water management, market planning, and new crop production.**
- **The total of sub-grants disbursed reached \$3.50 million.** Farmers paid back \$294,218 of recoverable grants during the quarter, reducing the net disbursement to \$3.21 million. The grants are supporting a wide range of productivity-enhancing, postharvest, and marketing interventions directed at smallholders. Sixty-one percent of the approved budget is for “recoverable grants” that the beneficiary farmers and companies have agreed to re-pay for re-cycling into new activities.
- **MicroKing made the first AgriTrade loans direct to smallholders, lending \$500 each to 17 farmers in Mutoko to grow cherry pepper under contract.** Many more are expected to follow
- The program **implemented a gender mainstreaming policy** whereby men, women, young people, and disadvantaged groups were specifically considered in the planning of all program interventions. As a result, 46 percent of all beneficiaries receiving program assistance were women.

2. PROGRAM OBJECTIVES

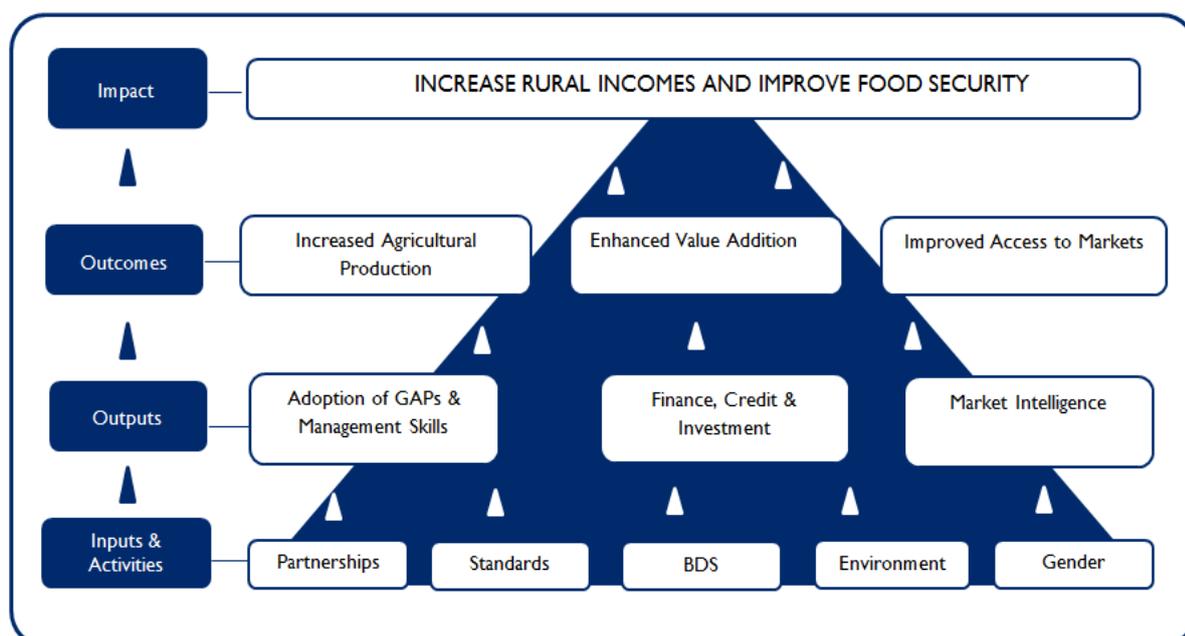
The primary objective of the Zim-AIED program is to improve food security for 180,000 Zimbabwean small-scale farmers (150,000 households) by increasing household incomes from agriculture and increasing food production among vulnerable but commercially viable farmers. This goal is being reached through the achievement of three intermediate results:

1. *Expanded Market Access*: measured through change in volume and value of sales of targeted commodities and integration of farmers into outgrower and contract farming schemes for selected cash crops.
2. *Increased Agricultural Production*: measured through change in total production, productivity and crop yields; changes in product mix to include higher value crops; and changes in area under production at the household and national level. The emphasis is on commercially viable production of both food and cash crops.
3. *Enhanced Value Addition*: measured through change in farm sales of semi-processed products and crops for processing, new employment generation in added value products, and investment in processing facilities.

The focus of Zim-AIED is on profitable food and cash crop production, new sales and income generation, and employment creation. It targets low income households in rural areas. Interventions are aimed at improving the livelihoods of “vulnerable-but-viable” farmers through sustainable commercial initiatives. Already, many rural families in partnership with Zim-AIED are moving from subsistence to commercial farming and increasing their asset base through investment in perennial crops and livestock.

Figure 1 shows the results framework for the implementation of Zim-AIED. The program focuses on expanding market access, increasing the availability of credit and finance across the value chain, raising production, and adding value to crops. To maximize outreach and ensure sustainability, these interventions are carried out via partnerships with commercial companies with additional support from NGOs, particularly in vulnerable areas.

Figure 1: Zim-AIED Results Framework Summary



The program's technical team is developing commercial partnerships to create a national network of agribusinesses that can guarantee access to markets at fair prices; provide working capital and finance at realistic rates; supply inputs efficiently; and provide extension and training to growers as an embedded cost. During this quarter, the Zim-AIED technical team continued to focus on:

- **Market linkages** – increasing the number of companies purchasing products from smallholders both through contracts and by opportunistic buying.
- **Finance and credit to traders** – increasing the availability and disbursement of working capital to rural-based agribusiness investors and to agritraders buying products from smallholders at the village level and supplying inputs.
- **Increasing direct credit to farmers** through commercial loans, advances from buyers, and recoverable grants.
- **Staple food crops** – increasing local and national production of maize, beans, groundnuts, and root crops at competitive prices.
- **Cash crops** – raising smallholder earnings through surplus production of food crops and commercial production of high-value cash crops, particularly banana, vegetables and paprika.
- **Rural entrepreneurs** – actively supporting a new generation of small- and medium-sized agribusinesses willing to invest in rural areas across Zimbabwe.
- **Commercializing targeted irrigation schemes** – through rehabilitation, crop selection and scheduling for higher returns and year-round production, business planning and introduction of new buyers

3. ACTIVITIES

Program activities across all focal areas included a range of interventions, from credit for livestock traders to crop-specific irrigation and marketing assistance. The sections below describe Zim-AIED activities in six categories of results measured against 17 Feed the Future and 10 custom indicators.

- **Beneficiaries:** number, gender balance, geographical spread, and types of support received.
- **Sales:** amount of new money in the pockets of Zim-AIED beneficiaries, measured by incremental sales of all agricultural products but focusing on maize, paprika, and banana.
- **Gross margin and net income:** Profitability and net earnings from agricultural activities.
- **Finance and Credit:** AgriTrade revolving fund and micro-credit support for rural traders.
- **Business Development:** recordkeeping, crop budgets, marketing and contract production.
- **Productivity:** increased production and net returns from crop and livestock products.

3.1 BENEFICIARIES

FTF 4.5.2-13 Number of rural households benefiting from USG Assistance

The life-of-program target for Zim-AIED is to increase the incomes and food security of at least 180,000 farmers (approximately equivalent to 150,000 rural households) including 34,000 this year (FY2013). Beneficiaries can join Zim-AIED initiatives and select from a wide range of interventions including training in agronomy and business skills; direct technical assistance to introduce new technologies; credit for producers and MSMEs; and creation of new market linkages. This quarter, 8,982 new rural households benefited from at least one of these, bringing the cumulative figure from program inception to 81,813 (Table I).

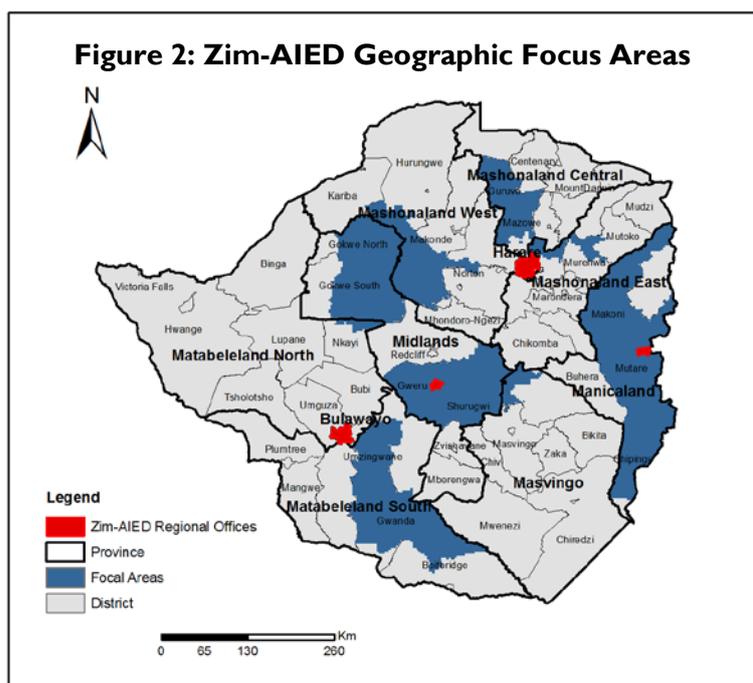
Table I: Geographical location of Zim-AIED beneficiaries FY2011 to FY2013, Q1

Number of Rural Households								
Province	FY2011 + FY2012			FY2013, Q1			FY2011 TO FY2013, Q1	
	M*	F	Total	M	F	Total	Totals	% Contribution
Manicaland	9,877	10,048	19,925	735	489	1,224	21,149	25.9
Mashonaland Central	4,820	4,141	8,961	1,240	793	2,033	10,994	13.4
Mashonaland East	5,526	5,532	11,058	1,083	848	1,931	12,989	15.9
Mashonaland West	6,011	7,314	13,325	597	621	1,218	14,543	17.8
Masvingo	3,500	6,100	9,600	439	662	1,101	10,701	13.1
Matabeleland**	2,038	2,465	4,503	150	240	390	4,893	5.9
Midlands	3,331	2,128	5,459	605	480	1,085	6,544	8.0
Total	35,103	37,728	72,831	4,849	4,133	8,982	81,813	100

* M (male) and F (female) is the sex of the farmer joining the program from each household. In some cases men and women join from the same family, so total number of beneficiaries is approximately 20% higher than the totals given in this table.
 **Includes beneficiaries from both Matabeleland North & South
 Source: CIRIS

Table 1 provides an analysis of the number of rural households that have benefited from Zim-AIED’s interventions this quarter and over the two years of implementation (October 2010 to December 2012). The program is operating in selected areas of Zimbabwe focusing on farm households occupying communal and uncontested land; areas where smallholder productivity can be improved significantly over the medium term, such as irrigation schemes; and areas with large numbers of vulnerable but potentially viable smallholdings.

Zim-AIED’s regional offices are located in Harare, Mutare, Gweru, and Bulawayo (Table 1, Figure 2).



During the first quarter of FY2013, all new interventions were targeted in the areas shown in blue which are Feed The Future (FTF) “focal areas” for the remaining period of the program. Technical support and credit was also provided to smallholders on selected irrigation schemes and specialist projects outside of the focal area areas but these account for less than 10% of the total participants in the program. Activities on irrigation schemes were intensified, particularly in Matabeleland South, to create agribusiness hubs that can extend technical and marketing support to surrounding communities for both crops and livestock.

Table 2 summarizes the main types of support being offered by Zim-AIED to farmers who have joined the program. Out of the 98,176 individual beneficiaries (81,813 rural households) reached by the program to date, about nine percent received some type of formal training in agronomy, irrigation management, basic business skills, marketing or organization capacity-building this quarter. Fifty-two unique borrowers received loans averaging \$4,000, of which 83 percent were male recipients. Six hundred and eighty-nine farmers were recorded as supplying products to AgriTrade borrowers. About 38 percent of the total number of rural households benefiting from Zim-AIED were engaged in formal marketing arrangements with our partners this quarter.

Table 2: Number of individuals participating in Zim -AIED activities

Activity	FY2011	FY2012	FY2013 (Q1)		
			M	F	Total
Training and Technical Assistance	11,896	58,055	3,986	5,168	9,154
Traders receiving Loans	305	408	57	12	69
Farmers linked to AgriTrade borrowers	-	11,194	506	183	689
Contracted Farmers	-	10,350	1,892	2,263	4,155

Source: CIRIS

In summary, Zim-AIED has assisted 8,982 rural households for the quarter, thereby surpassing its target by six percent (Table 3).

based on conservative assumptions. Additional data and analyses of gross margins for target crops are given in sections 3.6.1-2.

Table 5: Estimated Gross Margins for Maize, Banana and Paprika, 2013

Product	Area (ha)	Yield (kg/ha)	Price (\$/kg)	Value of production	Cost of Production	GM %	Net Income	Gross margin/ha	Target
Maize	305	4,000	0.22	268,400	125,255	53	143,145	469	250
Banana	105	20,000	0.25	525,000	189,000	64	336,000	3,200	1,000
Paprika	577	1500	1.30	1,125,150	230,800	79	894,350	1,550	1,500

3.4 FINANCE AND CREDIT

FTF 4.5.2-11 No. of ...private enterprises (for profit)... receiving USG assistance.

FTF 4.5.2-29 Value of agricultural and rural loans

FTF 4.5.2-38 Value of new private sector investment in the agriculture sector....

FTF 4.5.2-43 No. of firms engaged in agriculture ...operating more profitably...

Zim-AIED's revolving credit facility (AgriTrade) has advanced \$2.4 million of USAID's funds among the partner banks and has leveraged this 3.91 times into 1,050 loans valued at \$9.5 million since the beginning of the program. The partner banks added 172 loans during the quarter totaling \$1.576 million, a 13 per cent increase over the previous quarter's disbursements of 107 loans valued at \$1.394 million. MicroKing led the disbursements both in the number (166) and value of loans (\$853k). The majority of loans disbursed were to small agro-dealers and cattle traders. Trust Bank's six loans were renewals of annual overdraft facilities and CABS made no disbursements. During the month of December however, CABS did approve \$713k in new loans with disbursements pending the recording of collateral.

Table 6: AgriTrade Portfolio

	CABS	Trust	MicroKing	Total Disbursed 1 st Qtr. 2013
Amount of Loans Disbursed (\$)	0	723,000	852,935	1,575,935
Number of Loans Disbursed	0	6	166	172
Average Loan Size (\$)	0	120,500	5,138	8,387

The total AgriTrade portfolio as of December 31, 2012, was at \$3.595 million, including overdraft facilities that have not been fully disbursed. This is a decrease of \$525k from the previous quarter ending September 30, 2012, a result of total recoveries being greater than value of new loans disbursed. CABS did not extend any new loans during the quarter resulting in a decrease of \$340k from repayments while Trust Bank posted a net decrease of \$317k from repayments in excess of disbursements. MicroKing posted a net increase of \$128k with new disbursements being greater than loan repayments.

Table 7: Loan Portfolio, December 31, 2012

	CABS	TRUST	MK	Total
Loan Portfolio (\$)	425,702	1,823,323	1,346,213	3,595,238
Number of Loans	5	53	314	372

Table 8: AgriTrade Portfolio: Cumulative Figures by Partner Banks

	CABS	TRUST	MK	Cumulative Disbursed
Amount of Loans Disbursed (\$)	1,495,000	3,824,142	4,174,741	9,493,883
Number of Loans Disbursed	11	84	955	1,050
Average Loan Size (\$)	135,909	45,525	4,371	9,042
USAID/Zim-AIED Loan Capital (\$)	500,000	1,350,000	579,500	2,429,500
Number of times USAID Funds Leveraged	2.99	2.83	7.20	3.91

CABS

Considerable effort has been made to help CABS move down market (from their traditional larger corporate clients that supported smallholders) with a direct lending program designed for farmers under contract to grow. And while there is some progress, there are not yet any lending results. CABS does play a valuable role for AgriTrade since their larger clients expand outreach to include smallholder farming. We continue to seek ways to engage CABS in more lending to smallholders and companies linked to the Zim-AIED program.

Trust Bank

Trust Bank's AgriTrade portfolio is underperforming in two areas: First, the bank has not fully contributed its matching 1:1 ratio of USAID funds, ending the quarter with an underutilized funds position of \$775k and second, the portfolio has an excessive number of non-performing loans (loans that are greater than 180 days past due - 33 borrowers valued at \$570,349). In addition, the bank continues to suffer from insufficient liquidity, such that borrowers experience delays in disbursement. With the recent increase in capital requirements by the Central Bank, Trust Bank is currently seeking an outside investor and has been given an extension to June 30, 2013, for compliance.

The 33 non-performing loans are a result of poor underwriting and a lack of monitoring during the first six months of the program. Separate from these non-performing loans, Trust Bank's loan activity during the past year of the program reflects a significant improvement, ending the quarter with five loans totaling \$33,643 past due between 30 and 180 days.

On October 30, 2012, Zim-AIED requested Trust Bank, to repay \$350k of the \$1.350 million received under the AgriTrade Credit Facility (loan agreement). As of December 31, 2012, only \$50k had been repaid (another \$50k was received January 3, 2013). We continue to work closely with the bank, for example by assisting them with loan recovery strategies and improved loan monitoring techniques, as they work to improve their capital base and liquidity.

MicroKing

Since receiving a capital injection from their parent, Kingdom Bank, that was recapitalized last year, MicroKing continues to improve in its overall performance. It has managed to exceed the 1:1 funding match and has reduced its portfolio at risk (PAR) to 1.2 per cent. This is notable because of the high volume of smaller loans in the rural areas that it serves. MicroKing is carrying 94 non-performing loans totaling \$107,993 that date back to the first six months of the program where a lending officer exceeded his authority. In addition, it has invested in an IT system upgrade that is now coming online and will provide greater efficiencies and improved reporting.

MicroKing uses a graduated lending approach, whereby a second- or third-time borrower is able to increase their loan amount over the previous loan. In the past, the increased amounts have been limited to between 10 and 20 per cent of the prior loan, however based on current performance; MicroKing is now increasing loan amounts to between 50 and 100 per cent.

During this reporting period, MicroKing completed its first pilot program of lending directly to farmers. Seventeen farmers from Mutoko in Mashonaland East each received \$500 for inputs to establish 0.125 hectares of cherry peppers. Farmers received seedlings from Selby Enterprises who guaranteed the purchase of the farmers' produce. These were the first AgriTrade loans made directly to smallholder farmers for crop production.

Portfolio at Risk (PAR)

The AgriTrade Portfolio at Risk (PAR) closed the quarter at 5.9 per cent. The reduction in the PAR over the previously reported quarter of 18.2 per cent is a result of strict enforcement of the Loan Agreement terms, whereby the banks assume all credit risks and any loan that is past due 180 days or more "shall be removed from the AgriTrade portfolio". Zim-AIED continues to track these loans and reclassifies them as "non-performing". Loans that become more than 180 days past due require a workout recovery approach because there is little expectation that these borrowers will remain viable clients, whereas loans that are less than 90 days past due require an effort to save the client/borrower relationship. We continue to work with the partner banks and borrowers for a full recovery of all loans. As of December 31, 2012, there were 128 non-performing loans totaling \$685k.

Table 9: Portfolio at Risk

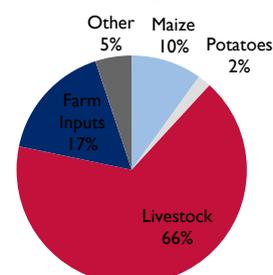
	CABS	TRUST	MK	Dec. 31, 2012
Loans Past Due > 30 Days (\$)	105,000	33,643	15,678	154,321
Number of Past Due Loans	1	5	8	14
PAR (%)	24.7	2.2	1.2	4.7
Non-performing Loans (\$)	6,889	570,349	107,993	685,231
Non-performing Loans (#)	1	33	94	128

The results of the PAR analysis above reflect an improved and growing lending program within a challenging environment. As an *agent of change*, Zim-AIED has helped the partner banks better identify good borrowers, actively monitor and collect loans, and improve reporting standards. This is most notably reflected in the difference between the performance and quality of loans granted during the first six months of the program versus the past 12 months. While improvement is still needed, there is a clear and positive change from the earlier period.

Commodities Purchased

\$2.5 million in commodities purchased were recorded during the quarter bringing the cumulative (life of project) purchases to \$15.8 million, up over the previous quarter. Cattle continue to dominate purchases, mainly because it is a year-round liquid asset in demand, but also because cattle sales are regulated, whereas the reporting of other commodities relies on borrowers to submit purchase data. Reporting systems are being upgraded to remove this distortion but it will not have a major impact on the dominance of livestock amongst borrowers.

Figure 3: Commodities Purchased 1st Quarter 2013



Farm inputs amounted to 17 per cent of total purchases for the quarter because the demand for fertilizer and seed increased during this period as farmers prepared for the 2012/13 planting season. The period under review is mainly characterized by summer cropping, primarily maize and sugar bean. The majority of inputs were purchased from rural agro-dealers, supported by AgriTrade while others were through contract farming arrangements.

Table 10: Commodities Purchased

	1 st Qtr. 2013 \$	Cumulative \$	Cumulative %
Maize	249,084	2,177,200	13.8
Potatoes	46,972	767,391	4.9
Livestock	1,671,082	10,174,279	64.5
Farm Inputs	417,375	1,705,409	10.9
Other	128,109	944,081	5.9
Total	2,512,622	15,778,360	100.0

The value of cumulative purchases by region continued to be led by the Mashonaland provinces at \$6.27 million, followed by Masvingo and Manicaland at \$2.8 million and \$2.75 million, respectively. The Midlands province recorded \$2 million in sales and Matabeleland recorded \$1.89 million.

Summary

- New loans during the quarter increased over the previous quarter by 13 per cent
- A direct lending program to smallholders has successfully begun with MicroKing taking the lead
- The AgriTrade portfolio at risk (PAR) reduced as banks assume all credit risks for loans over 180 days past due.
- Commodities purchased up over the previous quarter as demand for fertilizer and seed increase in the summer season
- Mashonaland continues to lead other provinces in value of cumulative commodities purchased
- Quarterly result for women (number of loans and value) slightly lower than overall program
- USAID funds leveraged 3.91 times since the beginning of the program

Strategies for growing the AgriTrade portfolio

- Increase women borrowers through group lending and partner bank advertising promotions
- Expand direct lending to farmers linked to Zim-AIED technical assistance under irrigation schemes and contracted farming
- 500 borrowers currently under growing contracts with Matanuska to become MicroKing borrowers
- Zim-AIED continues to look at bringing on an additional partner bank and is considering Tetrad Investment Bank, pending their ability to meet the newly imposed capital requirements of the Central Bank.

3.5 BUSINESS DEVELOPMENT

Business development is a cross-cutting activity that contributes directly to all Zim-AIED results. The core task is to assist program beneficiaries identify permanent opportunities for making more money. Activities focus on providing technical support in governance, administration, and collective marketing to existing or new farmer groups. Training is provided on enterprise budgeting; contract management; credit control; record keeping; risk management and principles of marketing to equip the farmer groups with the basic business skills and develop their entrepreneurship. Direct technical assistance to companies buying from smallholders became more important this quarter as quantities increased and the need for signed contracts and production credit became more pressing.

To ensure all farmers adopt a money-making approach, no matter how small-scale their operation, all activities took place in cooperation with private sector partners or NGO service providers linked

to for-profit companies (Annexes 3-6). Some of these partners are sub-grantees or sub-contractors but others are buyers and lenders who work in cooperation with Zim-AIED using their own funding. In addition to the crucial role of training, commercialization requires a range of other specific business-related interventions that are monitored through six FTF indicators summarized below.

3.5.1 Technical Assistance and Training

FTF 4.5.2-11 Number of food security ...organizations... receiving USG assistance

The program provided technical assistance to 54 organizations, mainly Agritrade borrowers; producer associations and irrigation management committees (IMC) on the twenty three irrigation schemes reported on in section 3.6.5. At Negomo Irrigation Scheme farmer leaders received training in group leadership. Farmer groups under FAVCO and Matanuska continued to receive training on credit and contract management in preparation for their new crop coming on stream in the second quarter of FY2013 which will instantly double incomes for many families. The BDS team continued to facilitate negotiations on the banana contract between Matanuska and Mutema farmers.

FTF 4.5.2-37 Number of MSMEs receiving business development services

During the quarter a total of 4,168 farmers and other MSMEs received business service training from Zim-AIED and its implementation partners (Table 11). Credit Management and Enterprise budgeting were emphasized during the quarter considering the low input recovery rate experienced during the last season. All farmers receiving credit for the FY2013 participated in these trainings. The aim is to foster good business ethics for sustainable business relationships in both the input and output markets.

Table 11: Beneficiaries receiving Business Skills Training by subject Q1, FY2013

Subject	Male	Female	Total
Collective /Group Marketing	14	5	19
Contract Management	33	44	77
Credit Management	860	1,102	1,962
Enterprise Budgeting	832	856	1,688
Farmer Group Organization & Management	138	120	258
Record Keeping	62	102	164
Total	1,939	2,229	4,168

A typical business intervention in quarter one of FY2013 was the Input Suppliers' day that was held in Chitora Irrigation Scheme in Mutoko district. Zim-AIED field staff had noted that one of the main constraints facing these new farmers was access to correct inputs. The only stock available in the local agro-dealers at Corner Store was limited and consisted of cheap, purple label pesticides that were not compliant to international standards. As a result, agricultural companies (fertilizer, pesticides, spray equipment and vegetable seeds) were invited to meet the farmers and given an opportunity to market their products that were Global Gap compliant or provided new labor saving technologies.

Through ongoing training in good agricultural practices, a demand has been created for certain inputs and this day was critical in linking the local agro-dealers to key suppliers as well as finance through the attendance of MicroKing. As a result of this initiative, Lindsay Mushamba, proprietor of the local corner shop, is now an agent for Prime Seeds and Intercrop, stocking vegetable seeds and recommended pesticides as well as purchasing high quality fertilizer from Omnia for the farmers. Word soon spread that she was selling key inputs resulting in farmers from other districts visiting her shop to purchase their agricultural and household supplies. Mushamba has also given farmers the option to pay for inputs with commodities such as maize and sugar beans, providing a viable alternative to the cash strapped farmers.

Herbicides were promoted as a profitable purchase for smallholders. Zimbabwean smallholder farmers, especially women, spend up to 75 percent of their time weeding and inefficient weed control reduces potential yield by about 30-40 percent for most farmers. To combat this, farmers hire labor to do hand hoe weeding, at a prohibitive cost of \$50 per hectare. Herbicide use, on the other hand, reduces cost and drudgery if properly applied.

In order to improve information flow between its head office and field staff SAT invested in 48 tablet computers valued at \$27,342 for its field based staff. Real time information on program activities is now being transmitted back to head office on a daily basis. Investment at farm level will be captured from the Gross Margin Survey, of which preliminary results are expected by end of the second quarter.

3.5.2 Investment

FTF 4.5.2-38 Value of new private sector investment... leveraged by FTF implementation

Reported new investments during the quarter were estimated at \$ 69,022. The major investment was on the construction of a pack shade by Matanuska (\$38,330) at Mutema Irrigation Scheme to ensure proper post-harvest handling of bananas coming out of Mutema and Musikavanhu. Many smallholders have invested in small-scale equipment, pipes for irrigation and water tanks but this data is still being collected.

3.5.3 Profitability

FTF 4.5.2-43 Number of firms ...now operating more profitably because of USG assistance

Business development interventions focus on ways of making more money available to participants along the Zim-AIED intervention value chains. By continuing to advise banana farmers in Honde Valley on group formation, organization and management, transaction costs of collecting bananas have remained low enabling FAVCO to increase the price paid to farmers to 32cents per kg during the quarter.

O'ennem meats managed to increase volume of slaughters through its abattoirs to 27 cattle herd per week compared to zero when Zim-AIED intervened in October 2011. In addition its 300 herd feed lot commissioned during the quarter is now operating at 30% of capacity.

Agritrade borrowers, in particular those in livestock trading have continued to increase profitability as indicated by high rates of loan turnover.

3.5.4 Employment

FTF 4.5-2 Number of jobs attributed to FTF implementation

Zim-AIED anticipates that the level of employment achieved by the program to date has been maintained in the reporting quarter and that an additional 120 new jobs were created at the farm level. Walter Matsikira, featured in this report under Annex I has become a profitable pig farmer through accessing Agritrade loans. He has managed to grow his piggery project from 15 pigs to 89 pigs and has created employment opportunity for three other youths. He is typical of many Zim-AIED beneficiaries.

3.5.5 Technology Adoption

FTF 4.5.2-42 Number of ...organizations... that applied new technologies or management practices

At least 52 organizations adopted new management practices during the quarter. This includes the majority of AgriTrade borrowers with loans under \$10,000 who are now keeping better management and accounting records to conform to the terms of their loans. In addition, four new producer associations were formed in Rusitu Valley to improve access to markets through consolidation of attractive volumes of their bananas.

3.6 PRODUCTIVITY

FTF 4.5.2-7 Agricultural sector training

FTF 4.5.2-2 Area under improved technologies

FTF 4.5.2-5 Farmers who have applied new technologies

Productivity interventions in crop agronomy, irrigation, livestock management, and postharvest processing were carried out intensively throughout the quarter by the Zim-AIED technical team and extension workers employed by partner organizations. The continuation of sub-grants with Prime Seed, Matanuska, Capsicum, FAVCO, Better Agriculture, Agriseeds, O'Enem Meats, and Inala Enterprises, provided additional technical and marketing resources to food and cash crop growers and livestock farmers, across the whole country. A two-year sub-contract was signed with Sustainable Agriculture Technology (SAT) that will establish 40 agribusiness hubs providing commercial services to at least 20,000 smallholders this year. The main target crops for 2013 are maize, sugar bean, banana and paprika. These were planted in larger quantities and with better results during the quarter than in 2011-12. Secondary crops for this year are groundnut, export vegetables and sweet potato, all of which were planted in greater volumes by smallholders. The livestock team targeted cattle, pigs and poultry and integrated its activities more closely this quarter with traders borrowing from AgriTrade. Productivity increases are monitored by three FTF indicators, summarized below.

During the quarter, 9,154 beneficiaries received short-term, specialized training and technical assistance in crop production, integrated pest management, post-harvest technology (Table 2). Training focused on good agricultural practices (GAPs) customized for specific crops and conditions. **(FTF MIS 4.5.2-7)**

Based on field observations, at least 7,000 hectares were put under new technology and/ or management practices during the year. This is on target and estimate is currently being validated by a sample survey of farmers. Field observations indicate significant increases in area planted for maize, banana, paprika and sugar bean all adopting improved practices in land preparation, nursery practices, planting, germination and weed control over last year. **(FTF MIS 4.5.2-2)**

Many farmers adopted improved soil management systems; better pest and weed management techniques; improved varieties and changes to optimal planting rates this quarter. The estimate was set at 10,000 farmers adopting new technologies but the sample survey may show this to very conservative. **(FTF MIS 4.5.2-5).**

Some of the main productivity interventions and their impact on incomes are highlighted below

3.6.1 Staple Food Crops

The introduction of the Agribusiness Hub concept has seen an increase in farmers attending trainings due to the short distances they have to walk to the designated training sites and the participation of input companies supplying seed and fertilizers. The hub concept comprises a cluster of at least five demo plots managed by lead farmers with one at a central location where monthly field days can be held attracting suppliers, buyers, banks and other commercial stakeholders in the area. The approach is an attempt to bring new investment, commercial activity, training and technology to farmers in communal areas. It is being pioneered by SAT for maize and other food crops through a two-year sub-contract but is also being adopted in various ways for all of Zim-AIED's extension and market linkage activities. Staple crops targeted for planting this season were maize, sugar beans, groundnuts and sweet potatoes. Cowpea has been planted in Gutu, Masvingo province to assess its profitability as a rain-fed crop in regions III and IV. A total of 40 hubs were established by SAT in Mashonaland Central, Mashonaland West, Mashonaland East, Midlands and Masvingo provinces. Other partners are establishing similar sites in other areas and for different

products that will service over 45,000 farmers (table 12). Planted areas increased for all crops except sugar bean but this will pick up in January 2103 as the intensity of the rains drops.

Production and gross margin estimates carried out with farmers around the agribusiness hubs showed significant improvement on 2012 figures (Table 13). Sales are projected at over \$12 million.

Table 12: Zim-AIED Beneficiaries around hubs in Q1 2013

	SAT	PRIMESEED	O'Enem	Various buyers			
				Matabeleland	Midlands	Manicaland	Total
Maize	8,700		750	674	12,141	1,876	24,141
Sugar beans	84			24			108
Groundnuts	3,800	8,200				275	12,275
Cowpeas	80	696					776
Sweet potatoes				60	8,094		8,154
Total	12,664	8,896	750	758	20,235	2,151	45,454

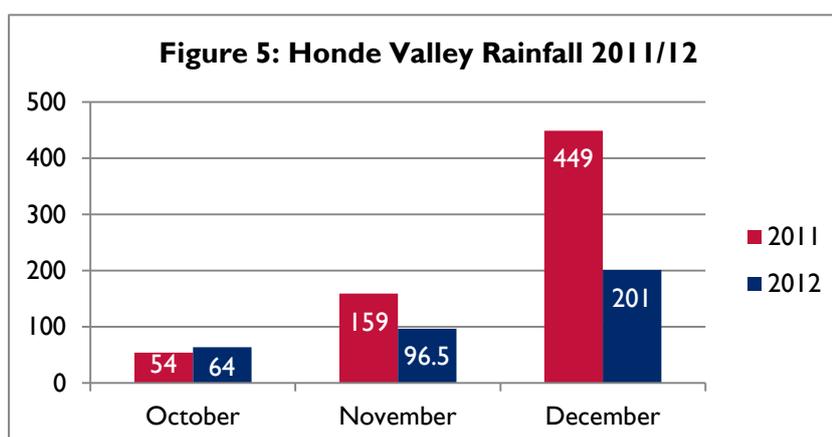
Table 13: Income and Gross margin of Zim-AIED Staple Crops Hub Beneficiaries

	Number of Farmers	Total Area Planted	Projected Production	Price/kg	Value(US\$)	Cost of Production (\$/ha)	GM(US\$)
Maize	24,141	11,832	29,573	0.22	6,506,082	200	349
Sugar beans	108	102	111	1.0	111,000	646	441
Groundnuts	12,275	1,170	1,205	0.5	602,500	175	339
Cowpeas	776	294	151	0.6	91,080	120	189
Sweet potatoes	8,154	815	16,330	0.3	4,899,000	2,425	3,586
Total	45,454	14,213	47,370		12,209,662		

3.6.2 Horticulture

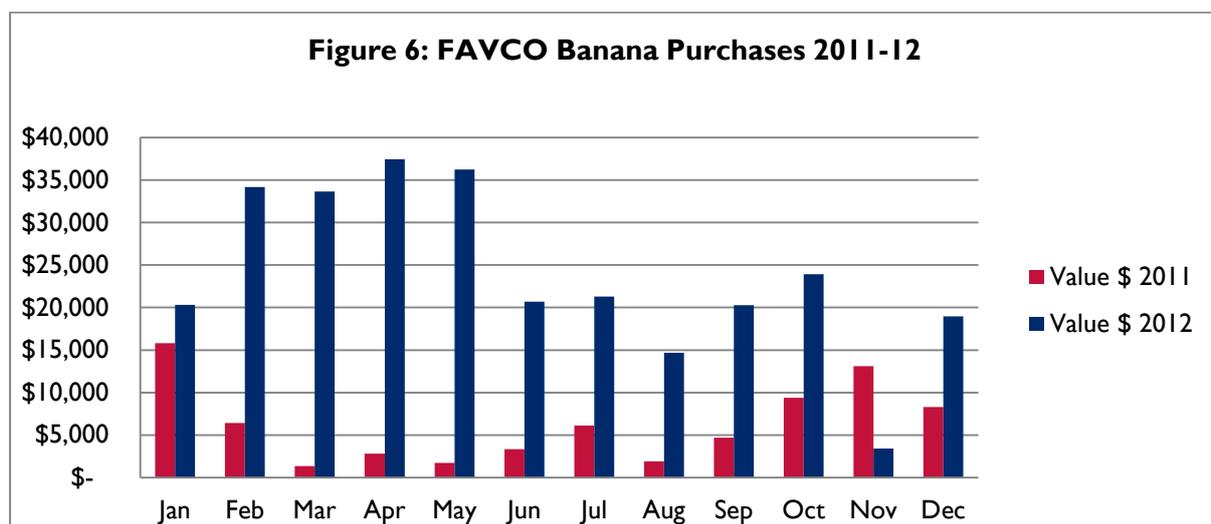
The first quarter in the Honde Valley was characterized by dry and hot weather conditions that negatively affected banana production. The effects were felt more in November by which time most irrigation water sources had dried up. All the effective November rain fell in the last 5 days of the month. After that, rainfall was good and almost double the previous year (Figure 5). However, many of the farmers started working with the Zim-AIED irrigation team to come up with low-cost surface and gravity systems that will provide a permanent, affordable solution to the changes in weather patterns being experienced.

Due to the fact that most banana plantations had stopped growing as a result of water stress, November purchases by FAVCO were just 11 tons, compared with November 2011 purchases of 47 tonnes. This impacted negatively on loan recoveries through to year end as peak production will phase later in the season.



December rainfall, whilst it was half that received in 2011, was distributed evenly throughout the month, resulting in satisfactory growth of plantations.

Calendar year purchases by FAVCO increased three-fold in tonnage, from 305 in 2011 to 955 in 2012 and by almost four times in value, from \$74,888 to \$285,178. The disproportionate value increase can be attributed to the increase in price from \$0.22/kg in early 2011 to \$0.30/kg by the end of 2012 as a result of increased competition for product due to the Zim-AIED/FAVCO marketing and business development interventions.



During the quarter, farmers supplied only a third of FAVCO's banana requirements so expansion of plantations continued and farmers who received tissue cultured seedlings, meant to cover only 22 hectares, ended up doubling the area through planting out suckers harvested from the tissue culture plots.

Work to establish two nursery sites that will provide tissue culture plants to 5 new groups has started at Ngarura and Mandeya. Chemical weed control in bananas was introduced in Q1 as weed pressure was mounting. It was well received by farmers and efforts will be made to introduce the technology into other crops.

Ginger has traditionally been treated as a minor crop because all of it was being sold on the fresh market, mainly into Mbare Musika which had limitations in quantities absorbed at any given time. Southdown Holdings, a sister company of FAVCO growing tea in the Chipinge district, asked farmers to produce 125 tons of ginger for procurement up to July 2013. Eighty farmers have planted on average 0.2 hectares each, 50 of them for the first time.

Table 14: Production and sales from Mutema and Chibwe banana demo plots

Scheme	Block Name	Area (ha)	Kg, Harvested	# of Bunches	Ave. bunch wt., (kg)	Packed Wt., Kg	Pack out %	Yield/ha
Chibwe (Surface Irrigation)	Musikavanhu A1	0.048	789	55	14.96	725	0.92	37,389
	Musikavanhu A2	0.048	392	46	9.05	340	0.87	22,625
	Musikavanhu A3	0.048	1723	112	14.33	1,643	0.95	35,824
	Musikavanhu A5	0.048	1295	112	11.38	1,229	0.95	28,460
	Musikavanhu B1	0.048	266	33	8.57	216	0.81	21,429
	Chibwe A	0.048	1603	92	17.51	1,542	0.96	43,781
	Chibwe B	0.048	366	25	15.84	325	0.89	38,787
	Total	0.336	6434	475	13.1	6,019	0.91	32,614

Mutema (Micro jet irrigation)	Mutema	0.055	3933	131	29.36	3,659	0.93	71,881
	Total	0.055	3933	131	29.36	3,659	0.93	71,881
Summary		0.391	10367	606	21.23	9,678	1.84	52,247

The 80 hectares of new tissue culture bananas planted in the Mutema/Chibuwe irrigation schemes started producing bunches during the quarter and are anticipated to be reaped from January through March 2013. The crop performance is outstanding with growth exceeding expectations during this quarter.

- Yield achieved for the Mutema Demo plot currently stands at 71,881 kg per hectare with a pack out percentage of 93%. Average bunch weight has been measured at 29.36 kg. These are partial results as harvesting of the plots is still continuing. These figures can be extrapolated directly onto the commercial plantation due to be harvested from January 2013 as treatment has been the same (Table 14).
- The yields being obtained in the project are among the highest in the country and equal to established commercial plantations whose yields range between 35,000 kg and 60,000 kg for the best plantations.
- Harvest projections from the December bunch count exercise at Mutema closed at 18,000 bunches with a projected volume of 528,480kg valued at \$ 158,544 using the prevailing price of \$0.30 at the time.
- Product quality is superior, owing to the twine and sleeving propping exercise being undertaken by farmers. The use of twine to tie bearing plants to adjacent plants rather than using timber props is an environmentally sound principle which will reduce deforestation, particularly in this area where timber is a very scarce resource.

So far, 312 farmers have planted 80 hectares and expect to generate new income of \$1,674 per household in 2013, equivalent to a gross margin of \$7,543 per hectare (Table 15). So far the fields are exceeding expectations and on target to achieve this. A further 130 farmers are due to plant out as soon as the rains allow final land preparation activities, bringing the total area under bananas to 100 ha and total number of farmers to 442. The marketing partner, Matanuska, started constructing a banana pack shed at Mutema in December and it is expected to be completed in February 2013.

Forty-five farmers in Murewa planted chillies for Zimspice using seed provided by the company. Zim AIED provided training on nursery production and transplanting into the field. Four hundred farmers in Mutoko, received sugar bean seed from PLAN International. Zim AIED is providing agribusiness training and market linkages to the sugar bean farmers.

Table 15: Projected 2013 income of Banana Farmers planting in 2012

Block Location	# of farmers	Area planted (ha)	Total volumes (kgs) in 2013	Expected net income @25c/kg	Expected net income per farmer (\$)
Mutema	154	38.5	3,316,500	406,961 (2 harvests in 2013 for 32ha)	2,642
Musikavanhu A5	45	9.2	732,484	72,939 (2 harvests for all 9.2 ha)	1,620
Chibuwe C1	50	10	400,900	44,042	880
Chibuwe C2	50	10	380,000	35,118	702
Chibuwe D	60	12	456,000	42,142	702
	359	79.7	5,285,884	601,202	1,674
NET INCOME (GROSS MARGIN)/ HECTARE \$7,543					

Paprika and chilies

Eight hundred and seventy-eight small holder farmers were trained on contract management, enterprise budgeting, seedling and nursery management and farmer group organization in preparation for the start of the paprika season. This season, paprika production was encouraged in FTF focus areas with high potential for the crop, mainly in Manicaland and Mashonaland. Farmers were trained to produce good quality disease free seedlings. Twenty four paprika demo plots were established from where farmers were trained on transplanting methods, good fertilizer application and correct spacing for achievement of optimum plant population.

Farmers in Mashonaland transplanted their crop from mid-December due to the early start of the rains whilst in Manicaland the rainfall season started late resulting in most farmers doing field transplants in late December. Generally transplanted areas range between 0.25 to 0.5 hectares per farmer. To date a recorded 2,769 smallholder farmers have adopted good planting patterns and fertilizer application and planted an estimated 716 hectares of paprika (table 16). Zim-AIED is giving technical assistance to all paprika growers with no dominant buyers in the field this quarter attempting to contract farmers.

Table 16: Projected paprika production for 2012/2013 season

Province	District	Input Supported Farmers				Unsupported Farmers				Total Farmers			
		# of Farmers	Area (ha)	Yield/ha (t)	Total (t)	# of Farmers	Area (ha)	Yield/ha (t)	Total (t)	# of Farmers	Area (ha)	Ave yield/ha (t)	Total (t)
Mashonaland West	Hurungwe	215	111	1.5	167	465	59	0.80	47	680	170	1.3	214
	Zvimba	-	-	-	-	1	1	1.50	2	1	1	1.5	2
	Charara Farm	-	-	-	-	1	25	3.00	75	1	25	3.0	75
Manicaland	Makoni/Headlands	71	36	1.5	53	269	50	0.85	42	340	85	1.1	95
	Nyanga	470	194	1.5	291	1,077	199	1.00	199	1,547	393	1.2	490
	Chipinge	85	17	1.5	26				0	85	17	1.5	26
	Mutasa	-	-	-	-	55	10	0.50	5	55	10	0.5	5
Mashonaland East	Marondera				-	60	15	0.60	9	60	15	0.6	9
Total		841	357		536	1,928	359		379	2,769	716	1.3	915

Source: Zim-AIED

Based on germination rates and growth through December, yields are expected to exceed 1,500kg per hectare for farmers who adopt GAPs and receive adequate rainfall. Total production is estimated at a minimum of 915 tons (Table 15).

Zim-AIED partner, Better Agriculture contracted 397 farmers in Nyanga and Honde Valley to grow 77.4 hectares of tabasco chilies. The company supplies tabasco chili to the Chilli Pepper Company in South Africa, agents for McIlhenny and Company (USA), the producers and owners of the tabasco sauce brand. All the tabasco chili produced is exported. Each farmer has planted 0.2 hectares. Of these, 187 farmers at Nyakomba irrigation scheme Nyanga who transplanted the crop in October 2012. In Honde Valley 210 farmers are producing under rain-fed conditions and transplanted in December 2012. Yields are expected to exceed 5t/ha. At harvest farmers will receive a price of \$0.50/kg for the wet chilies and should achieve a gross margin of \$1,690 per hectare (Table 17).

Table 17: Projected Tabasco chili and ABE chili production for 2013

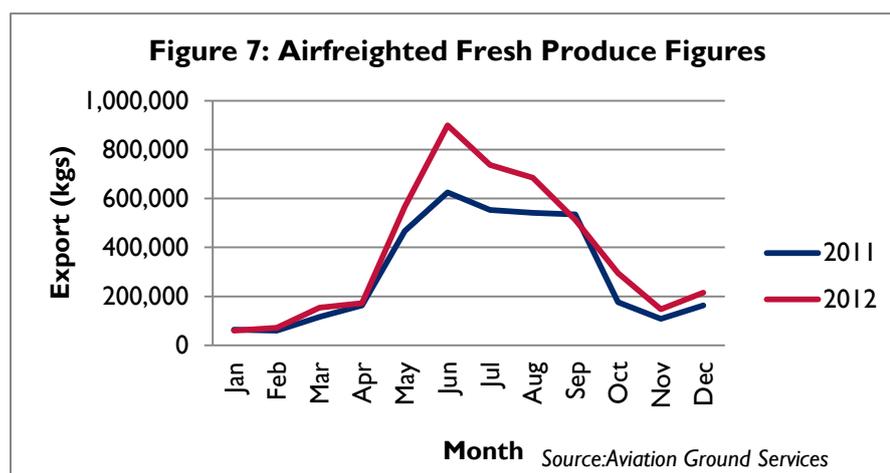
Crop	Province	District	No. of farmers	Area under production (ha)	Yield (t/ha)	Total production (tons)	Revenue	Cost of production	Gross margin/ha
Tabasco Chili	Manicaland	Nyanga	187	37.4	5.0	187	93,500	23,225	1,879
		Honde Valley	220	44.0	5.0	220	110,000	35,200	1,700
Total			407	81.4		407	203,500		
ABE Chili	Manicaland	Mutare South	29	8.7	3.0	26.1	21,663	6,960	1,690
		Masvingo	16	8.0	3.0	24.0	19,920	6,400	1,690
		Zaka*	100	25	3.0	75.0	62,250	60,000	1,690
Total			45	16.7		125.1	103,750		

A further 46 farmers have also been contracted by Better Agriculture (BA) to plant 16.7 hectares of African Bird's Eye (ABE) chilies in southern Manicaland. All chilies will be exported to the restaurant chain and processors, Nandos South Africa for manufacture of the speciality Nandos sauces. BA has an off-take agreement to supply 50 tons of dried chilies to Nandos in 2013. The farmers who were trained in contract management and adoption of good agricultural practices each planted between 0.2 and 1 hectare in December. Yields at harvest are expected to be at least 3.0t/ha and gross margins of \$1,690/ha at \$0.83/kg for the wet product are anticipated (Table 16).

3.6.3 Export Horticulture

Zim-AIED continued to bring smallholder producers into the vegetable export industry this quarter. From its inception in 1985, the Zimbabwean export horticulture sector expanded significantly until early 2000, registering an average growth rate of 30 percent per annum. This expansion was driven by a strong international demand, shortage of foreign currency, government policies favoring exporters, a solid infrastructure and highly skilled human resources. Horticulture became the second largest foreign currency earner after tobacco, and by 2000, accounted for 3.5 to 4.5 percent of Zimbabwe's gross domestic product (GDP). Horticultural export values increased from \$3.5 million in 1985 to \$142 million in 1999, but has since declined by around 73 percent to \$39 million in 2010. The decline was primarily due to the loss of production as a result of the land reform program, macroeconomic instability, weakening of the pound against the dollar, price squeeze due to the global recession and trading restrictions imposed by UK supermarkets on Zimbabwean products due to the cholera pandemic.

Over the past two years Zim-AIED has engaged stakeholders in the export horticulture industry to develop export opportunities for mangetout and sugar snap peas, green beans and, in the fruit sector, passion fruit and physalis (gooseberry). There was a significant increase in exports of these products in 2012 but volumes are still small (Figure 7).



Currently, there are only a handful of commercial exporters with a few of them being relatively new to the vegetable business but their employees have many years of previous experience in the industry. Companies such as Lonrho Agriculture, Better Agriculture, Fresh-to-Go, Selby Fresh and Veggie flora have re-established strong market links in South Africa, UK and Europe. However, most of them perceive smallholder farmers as high risk due to stringent pesticide regulations that penalize non-compliance through punitive fines and black listing offenders. For Zimbabwe to compete with and complement Kenya in the European market volumes must increase and this will require smallholder production. Zim-AIED is planning to play a critical role by establishing a well-trained out grower base with traceability systems to market standards.

The first phase of small-scale commercial and demonstration plots started this quarter and agronomic and business management training and technical assistance were provided to farmers producing cherry peppers, gooseberries, fine beans and passion fruit in Mutoko and Murehwa. Five demonstration plots were established to teach farmers on soil fertility and plant nutrition as well as chemical weeding. Fifty-five farmers were contracted by Selby Enterprises to grow a combined 5.5 ha of cherry peppers for export, with an expected production of 77 tons worth \$42,350 at farm gate. The farmers received seedlings from the company to grow the crop. Efforts in Quarter 2 FY2013 will focus on establishing a smallholder winter pea program and providing continued support for the Cherry pepper out growers in harvesting and post harvesting procedures.

3.6.4 Livestock

This period, the livestock team continued working with two sub-grantee partners and increased the level of technical assistance and monitoring of traders in cattle and small-scale poultry and pig producers accessing the AgriTrade revolving fund. Specific activities by partner include;

O'Enem Meat Products

- The partnership between O'Enem meats and Comtex bought 105 cattle for pen fattening and slaughter from 93 farmers in and around Chiweshe and extending into Muzarabani and Guruve. The cattle were purchased at an average price of \$450 each with an average live weight of 350 kilograms. They were fattened for 90 days in the feedlot, gaining 1.4 kilograms per day each. The cattle averaged slaughter mass of 436 kilograms, which translated to a cold dressed mass of 211 kilograms with an average gross margin of \$438 per animal. The average feeding cost was \$0.97/animal per day from a total ration comprising 6.5 kg of maize crush, 1.5 kg of hay, 8.3 kg of poultry litter and 3 kg molasses per day totalling to 19.3 per day per animal. Comtex employed one employee to manage the feedlot and is currently buying maize grain from the communal farmers in and around Chiweshe. The sales returns are being recycled to purchase more cattle

into the feedlot. On average the cattle in the feedlot are consuming 6.5 kg of maize per day per animal.

- The refurbishment of the abattoir has started to see an increase in the number of pigs and cattle slaughters with an average of 15 cattle and 2 pig slaughters per week. An average of 25 cattle per week from the feedlot and 42 cattle bought for direct slaughter went through the abattoir as from October – December 2012. A total of 25 pigs were slaughtered at a slaughter fee of \$18/pig. Total sale value of the slaughters, meat and processed meat products was to \$64,042. Salt treated hides also contributed \$2,062/week.
- A total of 250 farmers were contracted to grow maize for the second year after paying a commitment fee of \$70 each before receiving crop inputs for one hectare. With Zim-AIED intervention, they are targeting an average yield of 4 tons per hectare. After retaining an average amount of 600 kg for household consumption, farmers will remain with 3.40 tons for sale to O'Enem, giving a sales return of \$748 at the agreed minimum price of \$220 per ton. With an estimated production cost of \$421, farmers will generate cash income of \$327 per hectare as well as guaranteeing their household food needs. Most farmers have planted a full hectare of maize.
- To improve on the repayments rates 24 lead farmers were identified to host demonstration sites in all the 8 wards and these lead farmers were tasked to form groups of 10-15 farmers with co-guaranteeing powers. Each lead farmer is hosting a 0.2 ha plot of maize to serve as the learning site to show case good agricultural practises to the farmers.
- In addition to maize, 12 out of the 24 lead farmers are also hosting fodder and livestock production demonstration plots. The fodder demonstration plots are designed and planted in a way to show case some best practices in forage and livestock production. Lab Lab purpureus (Lablab), Mucuna pruriens (velvet bean) Pennisetum purpureum (bana grass) Leucaena leucocephala (leucaena) and Accassia angussistima (accasia) have been planted in the demonstration plots.
- During the quarter, O'Enem Meat Products opened two more butchery outlets to increase the marketing of meat from the abattoir. The company now has butcheries in Bindura town, Glendale town and Nzvimbo growth point. The butcheries are currently selling 1.5 carcasses of beef per day.

Inala Enterprises

- The Zim-AIED/Inala Enterprises sub-grantee partnership was launched this quarter. A total of 139 stakeholders attended the launch and four smallholder farmers took ownership of in-calf heifers with improved genetics. Each animal was valued at \$650 and all the farmers have paid back by selling off old, unproductive animals so that their herds will improve in quality.
- Under the agreement, Inala acquired 26 heifers (beef master crosses), of which 13 were weaners and 13 were in calf, and two beef master bulls with a total market value of \$20,000 to kick start the cattle loaning scheme, and expand the cattle breeding and cattle leasing program.
- The cattle loan scheme is the first step towards commercialization of smallholder cattle and goat herds in the area. It will benefit 48 beneficiaries through six planned cycles per year from the revolving fund. Thirty three farmers received cattle on lease this quarter from the partner.
- In the long term, the leasing and loaning scheme will be linked to new rural auctions and meat processing companies. Inala was granted permission from the Rural District council to create auctions centres where private meat processors and other traders will be able to buy and sell cattle and other commodities thereby converting these centres into agricultural hubs.
- Six fodder demo plots were planted with velvet beans, lab lab, and bana grass. Three plots were established around the first management centre in Dakamela village while the other three demo plots were planted in Zinyangeni village. Velvet bean is expected to yield 6 to 12 tons per hectare and lab lab 4 to 6 tons per hectare of seed. The seed is high in crude protein ranging from 12-17 per cent and can be made into protein blocks or seed cakes to supplement beef cattle during the dry season.

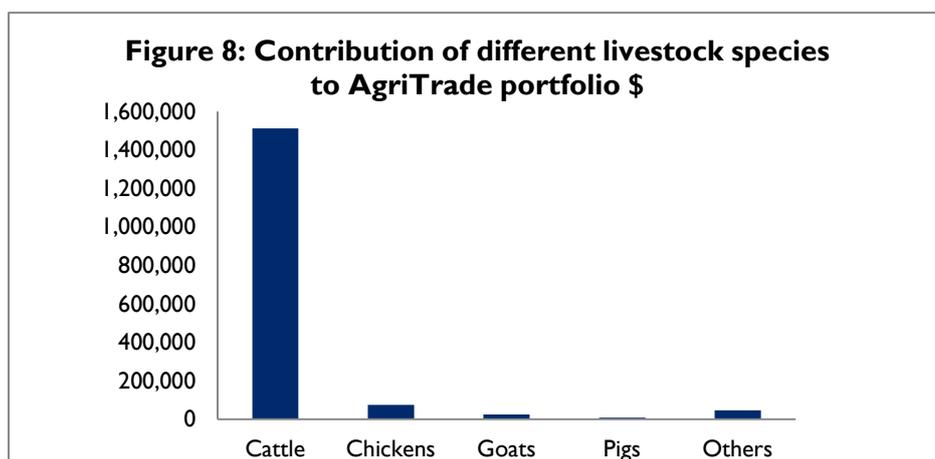
- A borehole was drilled in at one of the management centres in Dakamela village in Nkayi District of Matabeleland North. This is one out of the five boreholes to be drilled under the agreement, one at each management centre to water both the livestock and the people in Nkayi District. Previously farmers and livestock had to walk more than 5 km to the Shangani River. On average a mature oxen in the feedlot will consume 50 - 60 litres of water a day and this tends to be more when drier feeds in the form of crushed maize and mature hay are used. The partner is contributing by equipping the boreholes with the windmills and piping to carry the water to a reservoir.
- Farmers were trained on fodder production, animal health, bull maintenance, and livestock budgets during the quarter under review.

AgriTrade Livestock Portfolio

Households selling cattle are the largest sector of farmers receiving new income as a result of traders borrowing from AgriTrade banks. Livestock activities accounted for 66% of the \$9,49 million total loans disbursed under the AgriTrade facility. The livestock activities included buying, selling and raising cattle, goats, pigs, chicken and other livestock (Figure 8). Sixty three of the 70 livestock borrowers this period were trading in cattle. All together, the traders bought livestock worth over \$700,000 from farmers in Zim-AIED's focal areas (Table 18). More small-scale entrepreneurs rearing pigs and poultry also borrowed from AgriTrade this period and are receiving technical and business support (Annex 1).

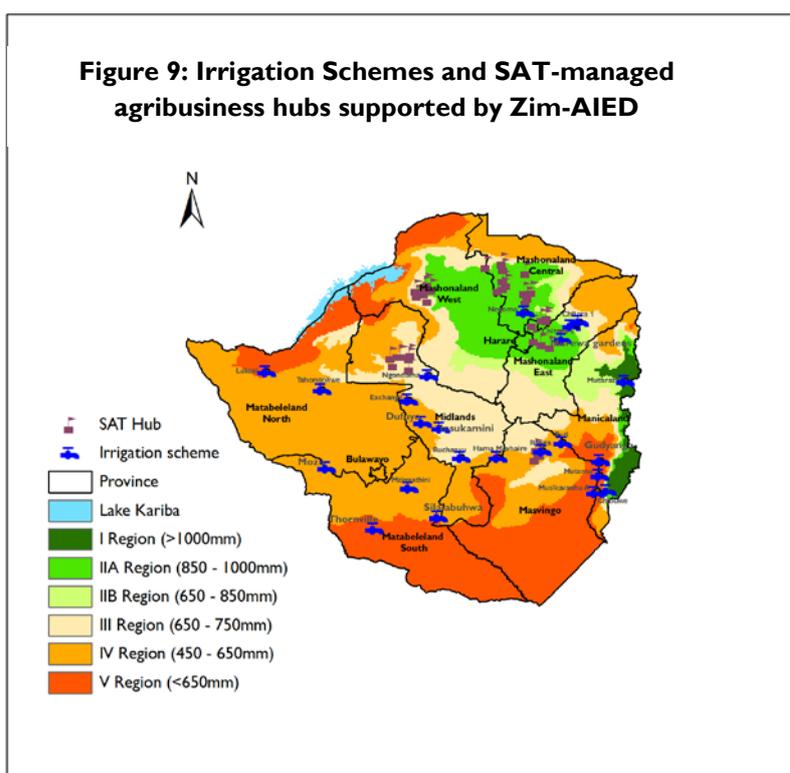
Table 18: Top ten livestock borrowers from AgriTrade, Oct-Dec, 2012

Trader	Product	Province	District	Total Purchases	# of Farmers Selling	Average Sales/Farmer
MD de Chassart(Surrey)	Cattle	Mashonaland East	Goromonzi	595,998	124	12
M Mpala	Cattle	Matabeleland North	Bulawayo	38,090	48	3
Maibvisira Richard	Cattle	Manicaland	Makoni	13,030	12	2
Nemaire Jessica	Cattle	Manicaland	Makoni	9,930	10	2
A G Zindoga	Cattle	Mashonaland East	Chikomba	8,095	10	2
Chitiyo Bamard	Cattle	Manicaland	Makoni	7,073	9	2
Chizeya Darlington	Cattle	Manicaland	Makoni	6,178	7	2
Murombedzi Terima	Goats	Manicaland	Makoni	5,258	14	12
Siyamangani Mary Jane	Cattle	Midlands	Chirumhanzu	5,070	9	1
D Machejera	Cattle	Midlands	Shurugwi	4,050	6	2
Nhenga Rachael	Pigs	Manicaland	Makoni	4,030	30	5
J Madzivanyika	Cattle	Manicaland	Makoni	3,848	10	1
Chendambuya Claudius	Pigs	Manicaland	Makoni	2,980	22	3
Total				703,630	311	49



3.6.5 Irrigation

During this quarter, the main irrigation activities included provision of technical assistance and training to farmers and private and public partners' extension staff on irrigation schemes where Zim-AIED is commercializing smallholder production. More than 6,000 farmers on 23 irrigation schemes benefitted from trainings on establishment of scheme maintenance funds (Figure 9). This is critical in order to avoid pump downtimes which may lead to yield loss through moisture stress. Chitora 2 irrigation scheme in Mutoko managed to mobilise \$1,600 from their members to repair a standby electric motor that had been down for more than four months, while Taona and Mutema irrigation schemes mobilized



around \$2,000 to fuel a bulldozer to repair more than three kilometres of storm water drains each. A list of interventions on various schemes is given in more detail in Annex 5.

4. CLIMATE CHANGE AND ENVIRONMENT

Climate change is already affecting many households in Zim-AIED's focal areas through gradual changes in temperature and rainfall patterns combined with increasing frequency and intensity of natural hazards, especially floods and droughts and there is strong evidence that temperatures have increased by 0.4-0.6 Degrees Celsius since 1900. According to the Zimbabwe Meteorological Services, the country is experiencing more hot and fewer cold days and rainfall patterns have undergone significant modifications since meteorological record keeping began in the 1890s. The poorest communities are being hardest hit because they are more dependent on climate-sensitive natural resources and agriculture; they live in fragile areas that have greater exposure to climate hazards and are less able to respond to climate change because of limited human, financial, and institutional capacity.

This section summarizes Zim-AIED mitigation and adaptation activities in the area of climate change and the environment. Some of the strategies being applied and examples of specific agricultural practices and technologies being implemented by Zim-AIED are given but others are also included above in section 3.6:

- **Commercialization**, the main objective of Zim-AIED in itself is a critical mitigation strategy since all studies on smallholder adaptation to climate change show that the best way to adapt to change is by focusing on profitable production. This principle underpinned all activities relating to climate change and environmental management during the quarter under review and was included in all training activities.
- **Good agricultural practices (GAPs)** have positive climate change adaptation and environmental outcomes, and many also have mitigation qualities. Practices promoted by Zim-AIED such as biological and integrated pest management; efficient water collection, conservation and irrigation systems; low tillage techniques; wind and water erosion barriers; composting, mulching and cover crops to improve soil texture all have positive environmental impact as well as reducing farm costs. Sixty six thousand virus-free sweet potato vines were planted in Gutu, in Masvingo Province. As a result of the dry season, smallholder farmers managed to do "water planting" to ensure that the vines survived. The practice of using clean planting material is key to improving the productivity of the crop. In sharp contrast, use of retained material leads to build up of pest and diseases requiring greater application of pesticides and lowering gross margins.
- **Crop selection** must take account of conditions. In the drier, hotter parts of Zimbabwe, short cycle maize varieties that mature quickly are essential to obtain a commercial yield. In the agribusiness hubs in Gutu (Masvingo), seed companies supplied varieties of groundnuts, maize and cowpea suitable for the area. The groundnut varieties planted were Nyanda and Natal common; cowpea, CBI and CB2; Maize, SeedCo 533, PG6I and Agriseeds varieties.
- **Water management** on irrigation schemes is currently extremely efficient. During the period under review, Zim-AIED trained 722 farmers in natural resource management techniques to combat the changes in temperature and rainfall patterns being experienced across the country and assisted more than 5,000 farmers on irrigation schemes to repair and maintain equipment. Topics that were covered included rainwater harvesting, water conservation, precision irrigation, low tillage husbandry practices (which includes range management) and integrated pest management. At the same time, a focus on irrigation management training to maximize use of water has helped farmers to achieve higher yields in crops such as sugar bean and tomato. This translates into new income that is an essential driver of the adaptations that need to be made to mitigate climate change effects.

- **Minimum tillage** systems that conserve water and improve weed control to avoid competition for water were included in all trainings, including the use of herbicides. Farmers were shown how to select and apply herbicides for maize, vegetables and paprika that cut costs and increase productivity dramatically. In Murewa district in Mashonaland East, 16 farmers from Ward 11 were trained in herbicide use and knapsack calibration to enable them to provide spraying services to other farmers for a fee. This is part of Zim-AIED's strategy for Integrated Pest Management control of weeds including herbicides and intensive cultivation systems.
- **Technology** can dramatically increase water utilization. Following training by the Zim-AIED irrigation team, growers contracted by FAVCO in Honde Valley have started investing in high density poly-ethylene pipes using income from the sale of bananas. The improvements allowed the farmers to increase irrigated cropping by more than 50 percent from the previous average area of about 0.4 hectares. The farmers also learnt how to match irrigation water supply with crop water requirements under the hot weather conditions that prevailed in the area. The combination of techniques and technology could increase yields and help maintain a consistent supply of fruit during the summer season.
- **Inorganic fertilizers** have great capacity to increase crop yields and productivity but their manufacture and distribution is highly energy intensive and contributes significantly to GHG emissions. Zim-AIED therefore promoted precision application of fertilisers to reduce wastage and cropping systems that recycle nutrients as far as possible and reduce the cost and environmental impact of supplementary fertilizer.
- **Burning crop residues** produces CO₂ and other GHGs. Instead, farmers were taught how to use the residues in compost production that actually locks up GHGs. At the same time, by planting crops at optimum density and including perennial plants and tree crops in their farming systems, farmers learned how to contribute to GHG storage in the permanent biomass of their farms.
- **Cattle and goats** contribute significantly to global methane emissions and global warming but are a traditional and essential part of Zimbabwean farming systems in arid and semi-arid areas. They graze on plants that grow on land unsuitable for cropping and, in some cases, provide the only income-generating option for rural households. To reduce the negative impact of livestock on rangelands, they must be managed to avoid over-grazing and land degradation. Zim AIED, in collaboration with Matopos Research Station, outside Bulawayo, introduced new fodder crops as the latest agricultural technology in Nkayi district (Matabeleland North). During the period under review, six demonstration plots of legumes for fodder were established at Dakamela and Ezinyangeni Nucleus Breeding Centers for the 2012/2013 season. The centers will be used as learning sites and for carrying out animal husbandry activities including dipping, dehorning, and deworming. Each center directly serves 200 farmers who are establishing their own plots of legumes at home. In addition to serving as livestock feed, the fodder can be used as green manure to improve soil structure and fertility.
- **Integrated systems** that capitalize on the effective interaction between crops and crop-related products to provide feed for livestock maintains ecosystem stability. In collaboration with the Department of Livestock Production, Zim-AIED worked on suitable fodder crops in the two provinces of Mashonaland Central and Matabeleland North. Six demonstration sites in Nkayi and 12 in Mashonaland Central were hosted by lead farmers and planted to show- case best practices in forage and livestock production, such as *Lab Lab purpureus* (Lablab), *Mucuna pruriens* (velvet bean) *Pennisetum purpureus* (bana grass) *Leucaena leucocephala* (leucaena) and *Accasia angussistima* (accasia) were some of the forage crops planted on 0.2 m plots during this quarter in both provinces. Forage production and conservation is one of the key drought mitigation methods and is useful for filling in the winter feed gap which is more pronounced in the drier parts of the country, such as Matabeleland.

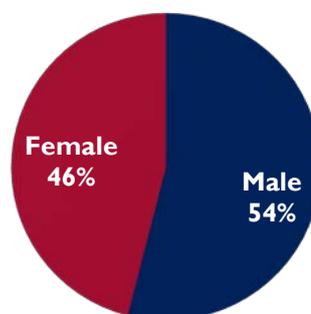
- **Agrochemicals** are produced in highly energy-intensive processes that generate GHGs. In addition to this, pesticide residues can have negative impact on beneficial species and are expensive and often difficult to apply effectively. For these reasons, Zim-AIED trained all beneficiaries to employ integrated pest management systems that control pests and diseases more safely, efficiently, and cost-effectively by minimizing agrochemical application and maximizing biological controls. Wherever possible, varieties of target crops were recommended that have tolerance to common pests and diseases.
- **The USAID - PERSUAP** for Zimbabwe was approved by USAID during the quarter under review. This will enable Zim-AIED to apply the PERSUAP recommended agrochemicals in its program of work.

5. GENDER

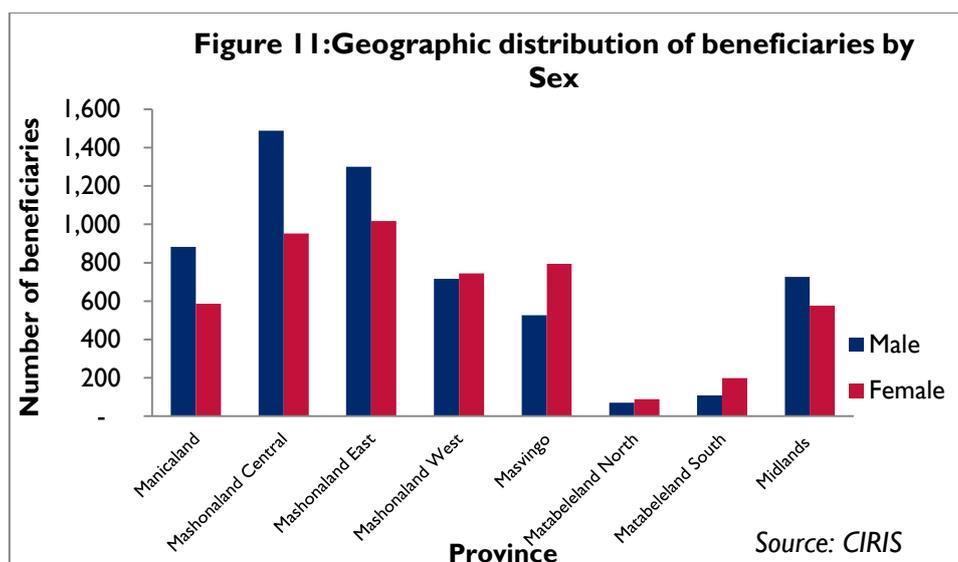
Zim-AIED's commitment to gender integration assisted thousands of women throughout the project areas to improve their quality of life and their families through higher crop yields, improved microenterprise development and expanded markets. During this quarter, Zim-AIED assisted 10,778 farmers (8,982 households) across the country of which 46 percent (4,958) were women (see Figure 10). This brings the overall percentage of women beneficiaries since the start of the Zim-AIED program to 51 percent (50,233 beneficiaries).

In Mashonaland West, Matabeleland and Masvingo the number of women beneficiaries exceeded those of men. This can be attributed to the fact that in most of these areas, particularly Masvingo, Zim-AIED partners are working with crops traditionally perceived to be women's crops such as sweet potato. In contrast to this, there are 39 percent woman beneficiaries in Mashonaland Central as this is the province with the highest number of contract farming operations. Men traditionally want to take a leading role where inputs are made available. Zim-AIED staff continues to highlight the importance of women in playing a key role in contributing to the family income whilst taking into account that the majority of women beneficiaries (77 per cent) are married and only 19 per cent are in female headed households.

Figure 10: Beneficiary disgregation by Sex



Source: CIRIS



Simple gender sensitive strategies are an integral part of Zim-AIED operations that are used to incorporate women into program activities. At recent SAT launches, both the host farmer and his wife are introduced and invited to co-present. One may be a better record keeper while the other may have a stronger technical capacity. Children are also included where they have played a role in maintaining rainfall records or had other record keeping duties. This helps to show case the importance of all members of the family working together as a team to achieve successful results.

Another simple strategy is to schedule training sessions in the afternoon from 2 p.m. during the school term as the women indicated that they would want to wait for their older children to come home from school so that they could look after their siblings. The women also indicated that they preferred to complete household chores and farming activities in the mornings and attend training sessions in the afternoon. As it is very rare to have both husband and wife attend trainings at the same time, the field officers also paid on farm visits to ensure that they disseminate GAPs to all household members.

In recent discussions with Zim-AIED field agronomists, it was highlighted that the women Field extension officers that have been deployed by the partners often face challenges with farmers who don't want to take advice from them. Those that are successful have managed to build a strong relationship with their lead farmers so have achieved high attendance rates and have become very successful. However, it has taken time to overcome these cultural prejudices but it has also been noted that where there is a female extension officer, there is greater participation by female farmers as they felt more comfortable talking to her. Often any issues are addressed more openly and better records are maintained. Although a solution would seemingly be to hire more women extension officers, the Zim-AIED partners have struggled to find qualified women who are comfortable with riding a motor bike and prepared to be relocated to rural areas away from their families

The Zim-AIED field team has actively encouraged gender equality in leadership positions but has achieved variable results. In some places like Bulawayo, 74 percent of the leadership team consists of women but in other areas such as the Honde valley it is only 22 percent. Although this figure appears to be very low, it has taken consistent hard work to achieve this level of involvement for women in decision making and improved participation in developmental discussion related to bananas.

As 77 percent of all households are male and female headed, appointing a married woman as a lead farmer must be done in consultation with her husband in order to address their concerns. Ongoing training and awareness building is one of the major ways to alleviate these concerns. It is also

essential for male field managers to meet the husbands to build a relationship with them in order to be able to interact freely with the female lead farmers. However, there are many successes where women have been given leadership roles in the community such as the Chibuwe Irrigation scheme. One out of 15 of the block irrigation management committees is chaired by a woman and this group is said to be run extremely efficiently as it is the only group that takes minutes of their meetings which are read at the start of the next meeting.

The percentage of men versus women receiving loans for the quarter equaled 74 per cent men and 26 per cent women, while the value of loans equaled 89 per cent received by men versus 11 per cent by women. The quarterly results for women are slightly below the cumulative figures for the overall program (Table 19; Figure 12 & 13).

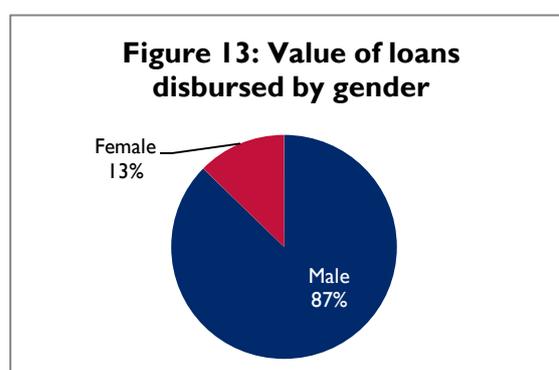
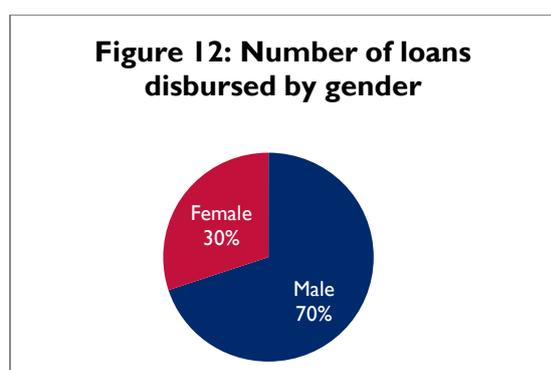
Table 19: Loans disbursed by sex 1st Quarter 2013

	Men	Women	1 st Qtr 2013
Number of Loans	128	44	172
Percentage of #	74	26	100
Value of Loans (\$)	1,406,686	169,250	1,575,935
Percentage of \$	89	11	100

Table 20: Cumulative disbursements by sex FY2012

	Men	Women	Cumulative
Number of Loans	734	316	1,050
Percentage of #	70	30	100
Value of Loans (\$)	8,289,054	1,204,829	9,493,883
Percentage of \$	87	13	100

Women traditionally have little access to credit so are disadvantaged in establishing or expanding their businesses. Zim-AIED will be hosting a gender workshop in March 2013 where the predominantly female participants will contribute to finding viable economic solutions to meeting the collateral requirements stipulated by the banks.



To prevent the lack of collateral being the main hindrance for loan sizes to women, the AgriTrade team is now targeting women borrowers organized into groups. Groups normally offer peer pressure on the full establishment of the intended project as well as in repayment of borrowed funds. Banks which are normally comfortable in group lending are more flexible in increasing the value of repeat loans as well as high values for first time loans. There are some successful women borrowers who are benefitting from AgriTrade such as Mrs. Samupunga of Clinoid investments. Mrs. Samupunga has just received her second loan for buying commercial maize from smallholder farmers in the Midlands Province. Based in Kwekwe, the increased loan from \$70,000 to \$110,000 has enabled her to increase maize purchases for her milling plant. The mealie meal is sold to supermarkets in the province at whole sale prices whilst she also has her own shop in the center of Kwekwe.

- **FTF MIS 4.5.2-38** The FY2013 target for the value of new private sector investment in agriculture is \$7 million. The total investment made by partners alone was \$0.42 million this quarter. More investment is anticipated to occur at farm level in low-cost mechanization, irrigation and livestock and AgriTrade borrowers. Put together, it's anticipated that Zim-AIED will achieve its annual target.
- **FTF MIS 4.5.2-7** The FY2013 target for the number of farmers receiving short-term agricultural productivity training is 60,000. The result was 9,154 farmers. The majority of these trainings were done by Zim-AIED field staff. This year, partner field staff will also help train farmers, thereby putting the program on course to achieve its annual target.
- **FTF MIS 4.5.2-28** The FY2013 target for number of enterprises and organizations adopting new technologies or practices is 770. The result was 689 companies (69 new; 620 continuing). This was due mainly to the large number AgriTrade borrowers improving their management practices. A sustained effort at encouraging enterprises and organisations to adopt new technologies and management practices sets up the program on track at achieving its annual target.
- **FTF MIS 4.5.2-29** The FY2013 target for value of agricultural and rural loans disbursed is \$6 million. The result was \$1.58 million, five percent above an arbitrary quarterly target of \$1.5 million. The strong emphasis of the program for readily available credit at an affordable rate will ensure that the annual target of loans to be disbursed will be achieved.
- **FTF MIS 4.5.2-37** The FY2013 target for the number of MSMEs, including farmers, receiving business development services from USG assisted sources is 34,150. The result was 9,051 MSMEs. With the Zim-AEID Team dedicated to providing business development services to program beneficiaries, the annual target will be achieved.
- **GNDR I** The FY2013 target for the number of lead farmers in USG assisted programs is yet to be advised. The result was 586, 36 percent of which are females. This percentage is likely to increase over the next nine months.
- **GNDR 4** The FY2013 target for the number of farmers engaged in contract farming is 12,000. The result was 5,082, 46 percent of which are females. The program is on track to achieve its annual target and gender balance.

and converted them to commercial loans. As a result, \$294,218 was returned to the recoverable grant fund.

Table 23: Zim-AIED Sub-grant Disbursement Summary, 2013

Partner	ZIM-AIED Budget Grant+ Recoverable (a)	Spent to date (b)	Recovered to date (c)	Net Spent to date (b-c)	Balance remaining	
					US\$	%
PF01 Mercy Corps	99,996	99,233	0	99,233	763	1
PF02 IRD	99,990	96,299	0	96,299	3,691	4
PF03 O'Enem Meat	656,760	493,645	169,011	324,634	332,126	51
PF04 Matanuska	1,589,942	787,155	3,000	784,155	805,787	51
PF05 SAT	969,595	939,868	0	939,868	29,727	3
PF06 FAVCO	389,500	146,399	17,075	129,325	260,175	67
PF07 Better Agriculture	142,968	58,550	0	58,550	84,418	59
PF08 Capsicum	606,024	490,143	27,600	462,543	143,481	24
PF09 Prime Seed	368,250	316,967	23,273	293,694	74,556	20
PF10 Agriseeds	569,800	40,795	36,010	4,785	565,015	99
PF11 Inala Enterprises	146,053	30,718	18,250	12,468	133,585	91
Total	5,638,878	3,499,773	294,218	3,205,555	2,433,323	43

ANNEX I: SNAPSHOTS

AgriTrade Provides Economic Boost to Young Entrepreneur

AgriTrade set to change smallholder agriculture in Zimbabwe from an informal sector to a more formal status.



Photo by Fintrac Inc.

Walter Matsikira who grew his piggery project from 15 pigs to 89, has also managed to create employment opportunities for three other youths.

“I am now able to send my brothers to better schools. I have constructed a three-room house for my mother...”

— *Walter Matsikira*

Twenty- five year old Walter Matsikira, from Chiendambuya communal lands in Makoni district (Manicaland Province) is a young businessman who is carving a career in farming, courtesy of the AgriTrade loan facility co-funded by Zim-AIED and three commercial banks.

As an AgriTrade beneficiary, Matsikira accessed his first loan of \$750 through Zim-AIED partner bank, Micro King Finance, in June 2012. He is now on his second loan for \$1,100. He is using the loans to buy maize from smallholders in surrounding communal areas that he mixes with pig concentrates to produce pig feed.

The loans have allowed Matsikira to expand his piggery business from 15 pigs to 89. He earned \$9,345 in gross sales after selling the 89 pigs for \$3 per kilogram. He is now able to buy feed and meet the required weights in record time, boosting production in the process.

His increased income is leading to improved living conditions for his entire family. “I am now able to send my brothers to better schools,” Matsikira said. “I have also constructed a three-roomed house for my mother with proceeds from the business.”

To diversify, the youth started a poultry project with a batch of 200 broilers in December last year. This was made possible after selling 32 pigs for a gross income of \$3,360 and a net profit of \$806. “I want to have a 10-sow unit and keep it there from the current three-sow unit,” he explained.

Matsikira has been able to hire new employees to keep up with his growing business, expanding from one to three employees over the last year.

Many smallholder farmers in Zimbabwe are shifting into the formal business sector, with technical assistance from Zim-AIED and access to commercial credit through the revolving fund. At the end of December 2012, AgriTrade loan disbursements had reached \$9 million.

Despite this life of difficulties and few joys, Matsikira perseveres. His is a philosophy based on courage and on confidence that he will succeed. “This work is so hard that if anyone thinks of failure before they start, they are sure to fail because they won’t have tried at all!”

ANNEX 2: PERFORMANCE INDICATOR SUMMARY TABLE

#	Indicator	Source	Unit	Baseline	FY2011+FY2012		FY2013	
					Actuals	Target	Q1 Actuals	
1	# of rural hh benefiting from USG assistance	FTF 4.5.2-13	Hh	0	72,831	34,000	8,982	
2	Net income per hh from target agricultural products	Custom (AIED 1)	US\$	483	835	1,200	835 ¹	
3	Value of incremental sales attributed to FTF implementation	FTF 4.5.2-23	Total sales(US\$m)	3.90	16.53	24.50	0.68	
			Actual sales – Banana (US\$)	28,249	3,815,000	6,000,000	164,834	
			Actual sales – Paprika (US\$)	1,130,267	4,488,000	5,000,000	254,130	
			Actual sales – Maize (US\$)	2,742,980	8,230,000	13,500,000	263,176	
Intermediate Result: Increased Agricultural Production								
4	Volume of production by program beneficiaries	Custom (AIED 2)	Tons	21,846	83,778	169,300	182,700	
5	Value of production by program beneficiaries	Custom (AIED 3)	US\$ m	4.00	25.72	33.35	41.00	
6	Area grown per target product	Custom (AIED 4)	Ha	Maize	16,000	51,760	72,000	45,300
				Paprika	100	700	800	577
				Banana	100	1,080	1,600	105
7	Average yields per target product	Custom (AIED 5)	tons/ha	Maize	1.35	1.47	1.94	4.00
				Paprika	0.72	1.41	1.60	1.50
				Banana	1.74	6.00	15.00	20.00

¹Indicator numbers 2, 4, 5, 7, 8, 13, 14, and 15 are estimates. These will be validated after the Gross Margin Survey.

#	Indicator	Source	Unit	Baseline	FY2011+FY2012		FY2013	
					Actuals	Target	Q1 Actuals	
8	Gross margin per unit of land, kilogram, or animal of selected product	FTF 4.5.4	US\$/ha	Maize	37	225	250	469
				Paprika	220	1,235	1,500	1,550
				Banana	416	476	1,000	3,200
9	# of food security private enterprises (for profit), producers organizations, water users' associations, women's groups, trade and business associations, CBOs receiving USG assistance	FTF 4.5.2-11	Enterprises Organizations Groups Associations	0	689	770	691	
10	# of buyer and market-related firms benefiting directly from interventions	Custom (AIED 9)	Buyers/ Firms	0	679	140	69	
11	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	FTF 4.5.2-38	US\$ m	0	6.73	7.00	0.07	
12	# of firms (excluding farms) or CSOs engaged in agricultural and food security-related manufacturing and services, now operating more profitably because of USG assistance	FTF 4.5.2-43	Firms/CSOs	0	14	20	TBD ²	

² Reported annually

#	Indicator	Source	Unit	Baseline	FY2011+FY2012		FY2013	
					Actuals	Target	Q1 Actuals	
13	# of jobs attributed to FTF implementation	FTF 4.5-2	FTE	0	1,159	2,159	120	
14	# of hectares under improved technologies or management practices as a result of USG assistance	FTF 4.5.2-2	New Ha	0	25,804	11,202	3,200	
			Continuing Ha	0	500	25,804	25,804	
			Total		26,304	37,006	29,004	
15	# of farmers and others who have applied new technologies or management practices as a result of USG assistance	FTF 4.5.2-5	New farmers	0	20,480	25,000	3,600	
			Continuing	0	11,896	32,376	32,376	
			Total	0	32,376	57,376	35,976	
16	# of individuals who have received USG supported short term agricultural sector productivity or food security training	FTF 4.5.2-7	Individuals	0	58,055	60,000	9,154	
17	# of private enterprises, producers organizations, water users' associations, women's groups, trade and business association & CBOs that applied new technologies or management practices as a result of USG assistance	FTF 4.5.2-28	Enterprises/ Organizations/ Groups/ Associations	0	649	770	689	
18	Value of agricultural and rural loans	FTF 4.5.2-29	US\$m	0.79	5.38	6.00	1.58	

#	Indicator	Source	Unit	Baseline	FY2011+FY2012		FY2013	
					Actuals	Target	Q1 Actuals	
19	# of beneficiaries receiving credit	Custom (AIED 6)	Individuals	1,002	10,758	12,400	5,151	
20	Value of cost-sharing with alliance partners	Custom (AIED 7)	US\$m	0	0,71	1.00	0.02	
21	# of individuals receiving training in business skills	Custom (AIED 10)	Farmers/ Borrowers	0	13,756	10,000	4,023	
22	# of MSMEs receiving business development services from USG assisted sources	FTF 4.5.2-37	MSMEs	0	73,520	34,150	9,051	
23	# of individuals receiving training in (NRM)	Custom (AIED 11)	Individuals	0	14,563	20,000	722	
24	Number of lead farmers in assisted programs	GNDR 1	Individuals	TBD	TBD	TBD	586	
25	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources	GNDR 2	Percent	TBD	TBD	TBD	TBD ³	
26	Number of project participants in relevant leadership positions	GNDR 3	Participants	TBD	TBD	TBD	TBD	
27	Number of farmers engaged in Contract farming	GNDR 4	Farmers	0	10,350	12,000	5,082	
			Female			6,000	2,338	
			Male			6,000	2,744	

³ Indicator numbers 25 and 26 are new hence we have no data to report on