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# ZIMBABWE AGRICULTURAL INCOME AND EMPLOYMENT DEVELOPMENT (Zim-AIED) QUARTERLY REPORT #2 – FY2014



**April 2014**

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# ZIMBABWE AGRICULTURAL INCOME AND EMPLOYMENT DEVELOPMENT (Zim-AIED)

## QUARTERLY REPORT #2 – FY2014

### ISSUE #14

**April 2014**

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

BDS	Business Development Services
BiZ	Bio-Innovation Zimbabwe
CABS	Central African Building Society
CBZ	Commercial Bank of Zimbabwe
CESVI	Cooperazione e Sviluppo
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
EMMP	Environmental Mitigation and Monitoring Plan
EPA	Environmental Protection Agency
EU	European Union
FTF	Feed the Future
GMO	Genetically Modified Organism
HACCP	Hazardous Analysis Critical Control Points
HPC	Horticultural Promotion Council
IEE	Initial Environmental Examination
IMC	Irrigation Management Committee
IPM	Integrated Pest Management
IRD	International Relief and Development
MAMID	Ministry of Agriculture, Mechanization and Irrigation Development
MLRP	Mashonaland Livelihoods Restoration Project
MSDS	Material Safety and Data Sheets
MSME	Micro, Small and Medium Enterprise
PFA	Partner Fund Agreement
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PMP	Performance Management Plan
PMSp	Pest Management Strategy 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
SAT	Sustainable Agriculture Technology
SAZ	Standards Association of Zimbabwe
SUAP	Safe Use Action Plan
TBT	Tjinyunyi Babili Trust
USEPA	United States Environmental Protection Agency
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 household food security and increase incomes and employment of rural households. At inception in 2010, Zim-AIED activities started in all agro-ecological regions of Zimbabwe and became more focused this fiscal year on specific low-income and food-insecure 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 high-value crops and livestock.

Commercialization of small-scale farmers is being achieved by:

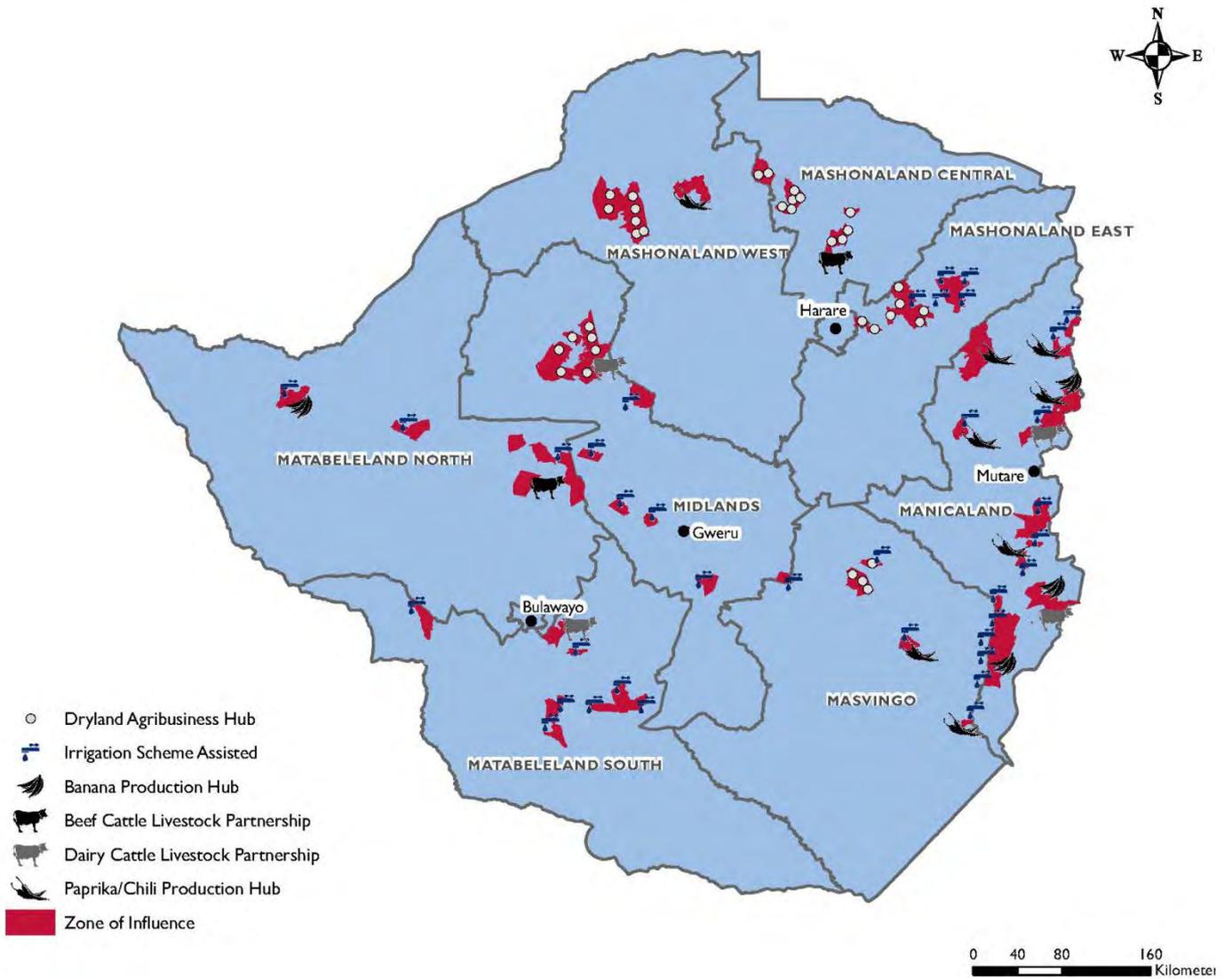
- Linking producers to local, national, regional, and international buyers.
- Providing access to credit.
- Raising efficiencies in production systems for an improved combination of livestock, cash and food crops.
- Training farmers to adopt good agricultural and business practices.

The program is building demand for a range of crops and products by linking farmers with local, regional, and international buyers and training growers on productivity, quality, continuity, and cost-competitiveness. It also provides specialized technical support for the production of food crops to sustainably increase food availability in areas and communities most vulnerable to food insecurity.

Fintrac, a US-based consulting company, is implementing Zim-AIED in cooperation with three subcontractors and grantees: International Relief and Development (IRD); the Cooperative League of the USA (CLUSA); and Sustainable Agricultural Technology (SAT). Other local nongovernmental organizations and commercial companies work with the program as development partners, in some cases co-funding 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. Zim-AIED also includes a \$10 million revolving loan fund – AgriTrade – managed by three local banks that provide matching funds and 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. The program directly contributes to food availability and access by concurrently increasing production of food crops and raising incomes of rural households in selected areas.

**Figure 1: Zim-AIED Geographic Coverage**



# I. EXECUTIVE SUMMARY

This is the second quarterly report of FY2014 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 150,000 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 through **market linkages**; increasing the availability and disbursement of working capital to rural-based agritraders and smallholders through **AgriTrade**; increasing **production and sales** of maize and other food crops; raising **smallholder earnings** from cash crops; and actively supporting **new agribusiness investors** and **direct lending of loans to smallholder farmers** in rural areas.
- A total of **2,273 rural households 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; 50 percent of program beneficiaries were women. The total number of beneficiary households, including those who joined Zim-AIED during previous years, is 129,867.
- The **total recorded farm-gate sales of agricultural products by program beneficiaries were valued at \$7.3 million** for the first two quarters of FY2014. The program was successful in linking smallholder farmers to profitable output markets.
- The **average estimated net income per household from production of agricultural products by program beneficiaries increased by 58 percent from \$835 per household recorded last quarter**. Production of maize, bananas, sweet potatoes, and livestock were the largest cumulative sources of income for all farmers.
- A total of **1,219 full-time positions created** under the program continue to be sustained.
- **69 loans valued at \$471,755 were disbursed** by AgriTrade partner banks. There were nine new borrowers received loans through AgriTrade this quarter. In addition, 371 new Zim-AIED smallholder farmers received loans worth \$66,492 from Virl Microfinance, Agribank, Untu Capital and MicroKing for sugar bean, potato and horticultural production.
- **8,614 farmers on 5,080 hectares in 36 irrigation schemes** enhanced their ability to function as commercial agribusiness hubs, thanks to strengthened linkages facilitated by Zim-AIED with parastatals, input suppliers, marketing organizations, and microfinance institutions.
- **Farmers paid back \$206,967 in recoverable grants, reducing the net disbursement to \$3.40 million**. These grants support a wide range of productivity-enhancing, postharvest, and marketing interventions directed at smallholders. Forty-one percent of the approved grants budget is earmarked as “recoverable grants” that beneficiary farmers and partner companies ultimately repay in order to be used for new program activities.
- The program **implemented a gender mainstreaming policy** whereby men, women, and youth were deliberately considered in the planning of all program interventions. As a result, 50 percent of all beneficiaries receiving program assistance were women.

# ZIM-AIED

BY THE NUMBERS

2011-2014

TOTAL NUMBER OF RURAL HOUSEHOLDS BENEFITTING

**129,867**

## TRAINING

IN THE SECOND QUARTER OF FY 2014, ZIM-AIED TRAINED **3,775** MEN AND **3,730** WOMEN IN GOOD AGRICULTURAL PRACTICES AND BASIC BUSINESS SKILLS

## SALES

TOTAL SALES FROM PRODUCTION **\$2.88 MILLION**

\$1.2 MILLION

BANANAS



5,421 TONS

\$194,516

MAIZE



583 TONS

\$928,468

LIVESTOCK



1,386 HEAD

## VOLUME

TOTAL VOLUME OF PRODUCTION **335,153 TONS**

AVERAGE INCOME

**\$1,322 / HOUSEHOLD**

## AGRICULTURAL LENDING

**69** LOANS DISBURSED, INJECTING **\$471,755** INTO THE AGRICULTURAL ECONOMY



FIGURES FOR Q2 FY 2014: JANUARY 1 - MARCH 31, 2014

## 2. PROGRAM OBJECTIVES

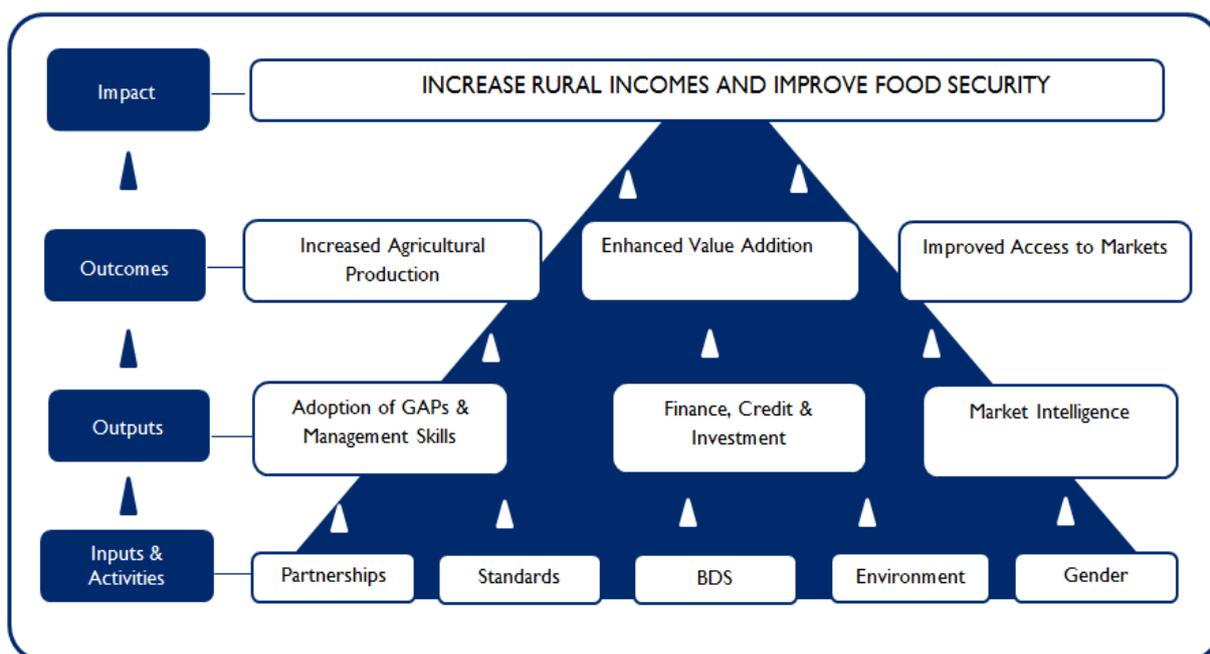
The primary objective of the Zim-AIED program is to improve food security for 150,000 Zimbabwean small-scale farmers (125,000 households) located in communal and old resettlement areas by increasing household incomes from agriculture and increasing food production among vulnerable but commercially viable 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 changes in total production and productivity; changes in product mix to include high-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 value-added products, and investment in processing facilities.

The focus of Zim-AIED is on profitable livestock, 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 high-value crops and livestock.

Figure 2 shows the results framework for Zim-AIED implementation. 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 2: Zim-AIED Results Framework Summary**



The program is developing commercial partnerships to create a national network of agribusinesses that can strengthen 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. The partnerships focus at establishing service provision at market rates. During the year, Zim-AIED continued to focus on:

- **Market linkages** – increasing the number of buyers purchasing products from smallholder farmers through formal and informal arrangements.
- **Finance and credit to traders** – increasing the availability and disbursement of working capital to rural-based agribusiness investors and to agritraders buying products from and supplying inputs to smallholders at the village level.
- **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 crops, particularly banana, vegetables, and paprika.
- **Rural entrepreneurs** – actively supporting a new generation of small- and medium-sized agribusinesses that will invest in rural areas across Zimbabwe.
- **Commercializing targeted irrigation schemes** – through rehabilitation, crop selection and scheduling (calendarization) for higher returns and year-round production, increased access to credit, business planning, and introduction of new buyers.

## 3. ACTIVITIES

Program activities across all focal areas included credit for livestock traders, crop-specific irrigation and marketing assistance. The sections below describe Zim-AIED activities in six categories of results measured against 14 Feed the Future, 10 custom, and 5 gender specific 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 sales of all agricultural products.
- **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 and farmers.
- **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*

During the current quarter, 2,273 new households benefited from at least one of Zim-AIED's interventions including training in agronomy, livestock husbandry and business skills; one-on-one technical assistance through regular field visits by program and partner staff; accessing profitable input and output markets; and accessing finance. Women accounted for 50 percent of the total new beneficiaries in FY14, Q2. Table 3.1.1 provides a summary of the number of new rural households that benefited from Zim-AIED's interventions during the current quarter and the cumulative number of households assisted since program inception in October 2010 across the different geographic focus areas.

**Table 3.1.1: Geographic location of Zim-AIED beneficiary households – FY2011 to Q2, FY2014**

Province	FY2011 to Q1, FY2014			Q2, FY2014 (new)			Cumulative to Date		
	M	F	Total	M	F	Total	M	F	Total
Manicaland	13,158	13,581	26,739	538	521	1,059	13,696	14,102	27,798
Mashonaland Central	10,208	8,609	18,817	109	130	239	10,317	8,739	19,056
Mashonaland East	11,932	12,203	24,135	58	56	114	11,990	12,259	24,249
Mashonaland West	11,107	9,080	20,187	25	31	56	11,132	9,111	20,243
Masvingo	5,382	9,068	14,450	60	36	96	5,442	9,104	14,546
Matabeleland*	3,489	4,546	8,035	119	92	211	3,608	4,638	8,246
Midlands	8,438	6,793	15,231	221	277	498	8,659	7,070	15,729
<b>Total</b>	<b>63,714</b>	<b>63,880</b>	<b>127,594</b>	<b>1,130</b>	<b>1,143</b>	<b>2,273</b>	<b>64,844</b>	<b>65,023</b>	<b>129,867</b>

\*Includes Matabeleland North and South Source: Zim-AIED

After 42 months of implementation, Zim-AIED interventions impacted a total of 129,867 rural households (Table 3.1.2), which is four percent above the life of project target.

**Table 3.1.2: Rural households assisted by Zim-AIED to date**

Target	Achieved to date	Variance	% Variance
125,000	129,867	4,867	4

Source: Zim-AIED

In the reporting quarter, 7,505 individual farmers received training and technical assistance from Zim-AIED (Table 3.1.3). Twenty farmers signed new contracts with Inala Enterprises which is one of Zim-AIED's commercial partners working in the livestock value chain in Nkayi district, Matabeleland North. More than 370 client farmers received input loans from financial institutions for the first time.

**Table 3.1.3: Number of individuals participating in Zim -AIED activities**

Activity	FY2011	FY2012	FY2013	Q1, FY2014			Q2, FY2014			Cumulative to date		
				M	F	Total	M	F	Total	M	F	Total
Training and technical assistance	11,896	58,055	54,851	2,958	3,406	6,364	3,775	3,730	7,505	54,701	63,645	118,346
Traders receiving loans	305	408	321	2	3	5	3	5	8	712	335	1,047
Farmers receiving loans (AgriTrade)	-	-	79	7	5	12	1	-	1	57	35	92
Farmers receiving loans (other)	-	-	11	110	106	216	134	236	370	248	349	597
Farmers linked to markets	-	11,194	18,529	1,253	515	1,768	-	-	-	19,711	10,671	30,382
Contracts issued to farmers	-	10,350	6,228	1,812	1,323	3,135	9	11	20	10,028	9,705	19,733

## 3.2 INCREMENTAL SALES

### FTF 4.5.2-23 Value of incremental sales attributed to FTF implementation:

Zim-AIED continued to link farmers to profitable output markets during the quarter under review, through various buyers detailed in Annex 3. Zim-AIED beneficiary farmers recorded sales totaling \$2,884,936 compared to \$4,410,711 in the previous quarter. Low sales are normal during this period as the bulk of the

crops will still be under field production. Forty-two and 32 percent of total sales were from bananas and cattle, respectively, as these commodities are available throughout the year.

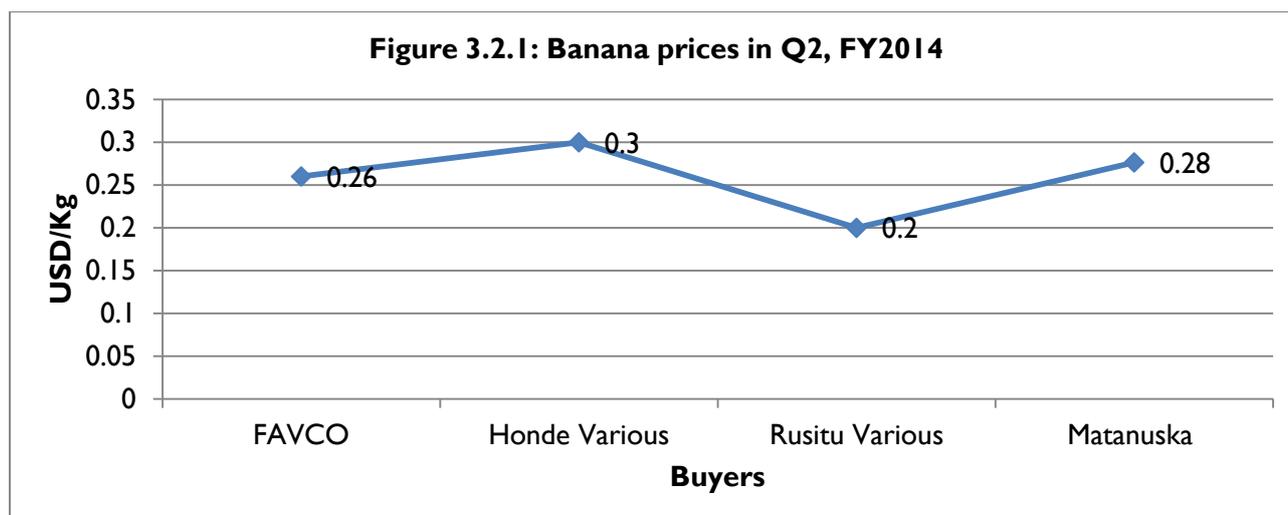
**Table 3.2.1: Sales Reported by Zim-AIED beneficiaries**

Product	Q1, FY2014		Q2, FY2014	
	Volume of sales (kg)	Value of sales	Volume of sales (kg)	Value of sales
Banana	2,387,447	\$600,830	5,420,995	\$1,204,346
Maize	2,896,636	\$957,211	583,074	\$194,516
Green Mealies	-	-	33,087	\$26,929
Paprika	984	\$1,072	-	-
Sugar beans	74,745	\$93,936	46,827	\$38,439
Fine beans	36,800	\$25,920	1,260	\$812
Cabbages	15,200	\$1,580	12,862	\$2,573
Cowpeas	29	\$36	-	-
Groundnuts (Unshelled)	1,006	\$1,457	45,060	\$16,679
Butternuts	10,800	\$3,240	81,541	\$21,275
Peppers	5,230	\$3,661	6,170	\$2,587
Tabasco Chilies	-	-	177,500	\$88,750
ABE Chilies	-	-	79,610	\$55,727
Table potatoes	22,841	\$18,764	3,148	\$1,518
Soybean	231,537	\$125,086	5,240	\$2,616
Sweet potato	2,005	\$876	37,017	\$23,417
Tomatoes	54,800	\$21,920	109,365	\$62,557
Cattle			340,609	\$816,280
Beef			25,480	\$112,188
<sup>1</sup> Other Products		\$268,968		\$213,727
<b>Total sales</b>		<b>\$4,410,711</b>		<b>\$2,884,936</b>

Source: Zim-AIED

<sup>1</sup>Other products are inclusive of all leafy vegetables, broilers, poultry, bones, offals, eggs, goats, sweet potato vines among other products

Bananas were bought at different prices by various buyers during the quarter under review (Figure 3.2.1).



The participation of middlemen (various buyers) in the banana value chain has been significant. They bought bananas at the highest and lowest prices. While middlemen at times buy small volumes at highest prices (\$0.30 per kilogram), they do not establish sustainable links with smallholder farmers but are necessary in increasing the aggregate demand, which pushes the banana prices offered by FAVCO and Matanuska up to \$0.26 per kilogram and \$0.28 per kilogram, respectively.

### 3.3 GROSS MARGIN AND NET INCOME

*FTF 4.5-16 Gross margin in dollars per hectare for three selected products*

Gross margin takes into account the volume of production; average price; cost of production and unit of production in its calculation. Gross margin data points for maize, paprika, and banana are shown in Table 3.3.1, but gross margins for the rest of the products promoted by the program are shown in Annex 2.

**Table 3.3.1: Estimated gross margins for maize, banana and paprika during Q2, FY2014**

Product	Yield (tons/ha)	Price/ton	Value of Production	Cost of Production/ha	GM/ha	Target
Maize	2.29	\$250	\$573	\$282	\$291	\$250
Banana	9.20	\$280	\$2,576	\$482	\$2,094	\$3,500
Paprika	1.35	\$1,500	\$2,025	\$617	\$1,408	\$1,125

Gross margins vary because of changing yields and market prices. Gross margin estimates derived from the first round of the Zim-AIED gross margin survey suggest that there will be significant increases in yield, resulting in higher gross margins. Projected margins for maize and paprika are 16 percent and 25 percent over target.

### 3.4 FINANCE AND CREDIT

Zim-AIED provides funds and technical assistance for a revolving credit facility, AgriTrade. This intervention contributes towards Zim-AIED's achievements against the four Feed the Future indicators listed below:

- *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...*

AgriTrade reached \$14.49 million in cumulative disbursements representing a growth of 3.4 percent during the second quarter of FY2014. This growth is attributed to 69 new loans worth \$471,755 from MicroKing. There was significant growth in both the number and value of new loans (81.6 and 508 percent respectively) compared to the previous quarter. The improved loan disbursements were driven by strong demand for working capital loans from MicroKing's regular clientele of rural agrodealers for purchasing agro-input stocks for the farming season.

Zim-AIED is actively promoting direct lending to farmers through collaborative partnerships with three financial institutions: Agribank, Virl Microfinance and Untu Capital. During the quarter, a total of 371 input loans valued at \$66,492 were disbursed from the private capital of the three financial partners. Since the start of the 2013/14 agricultural season, Zim-AIED partner banks and microfinance institutions have disbursed a total of 632 input loans worth \$149,098 to smallholder farmers.

**Table 3.4.1: AgriTrade Loan Portfolio as of March 31, 2014**

	CABS		TRUST		MK		Current Active Portfolio	
New Loans Disbursed	0	\$0	0	\$0	69	\$471,755	69	\$471,755
Portfolio Commitments	7	\$1,164,401	28	\$613,819	237	\$1,113,041	272	\$2,891,261

Lending activities by most AgriTrade partners were subdued. MicroKing disbursed all of the loans recorded in the quarter. The Central African Building Society (CABS) continued its policy of suspending new AgriTrade loan disbursements in response to Zim-AIED's withdrawal of USAID matching funds instituted at the start of FY2014. Trust Bank was inactive due to the revocation of its banking license in December 2013.

USAID matching funds to Zim-AIED's AgriTrade financial partners declined from \$1.901 million to \$1.601 million by the end of the quarter. Both MicroKing and CABS continued to honor the agreed quarterly repayments schedule of matching funds.

**Table 3.4.2: AgriTrade Portfolio: Cumulative figures as of March 31, 2014**

	CABS	TRUST	MK	Cumulative Disbursements
Value of Loans Disbursed to Date	\$3,634,500	\$3,854,142	\$6,999,590	\$14,488,232
Number of Loans Disbursed to Date	20	85	1,501	1,606
Average Loan Size	\$181,725	\$45,343	\$4,663	\$9,021
USAID/Zim-AIED Loan Capital	\$300,000	\$771,516	\$529,500	\$1,601,016
Number of times USAID Funds Leveraged	12.12	4.99	13.22	9.05

MicroKing repaid outstanding arrears totaling \$150,000 in February 2014 and also paid their third installment of \$150,000. CABS, however, missed the March 31, 2014 deadline for payment of its third installment of \$100,000. CABS assured Zim-AIED to pay the full outstanding amount in April 2014 and this has since been received at the time of compiling this report.

No progress was made in collecting the \$771,516 of USAID's loan capital from Trust Bank. Trust Bank delayed liquidation of its assets through a successful legal challenge against the RBZ liquidation order. The case remains before the Court and no progress is expected on the collection of repayments from Trust Bank until the legal challenges are resolved.

**MicroKing** remained the only active Zim-AIED AgriTrade partner with matching USAID funds. MicroKing, a microfinance subsidiary of AfrAsia Bank Zimbabwe, disbursed AgriTrade loans to new and repeat clients, including conventional agrodealers, informal agro merchant traders and smallholder irrigation farmers. During the quarter, MicroKing disbursed \$4,600 in repeat input loans to 13 performing smallholder irrigation farmers in Mutoko, Mashonaland East. Input loans worth \$5,000 were also provided to five performing smallholder sugar bean farmers for the second consecutive year in the Chipinge district of Manicaland. In addition to its successful, albeit small, pilot ventures into direct lending to smallholder irrigation farmers, MicroKing continues to expand its loan products rural agro-traders and agrodealers. The size of loans

approved for some informal agrodealers has notably risen above \$50,000. Three MicroKing AgriTrade clients who initially received microloans were approved for loans for \$65,000 (Jerald Tigere), \$70,000 (Crown City Hardware) and \$100,000 (Neruss Investments).

MicroKing is currently maintaining a tight 1:1 matching on USAID loan capital funds by graduating repeat clients out of AgriTrade and into normal microfinance loan products. MicroKing is expected to fully repay the remaining USAID matching loan capital by December 31, 2014.

The major challenge that MicroKing faces is the high cost of loan capital, which presently sets commercially viable lending rates at 38 to 48 percent per year. As matching funds diminish at the scheduled rate of \$150,000 per quarter, MicroKing will be left with only \$229,500 by the end of FY2014 and a corresponding AgriTrade portfolio commitment of \$459,000, compared to the current AgriTrade active portfolio of \$1,113,041.

Zim-AIED AgriTrade's exit strategy for MicroKing is to focus remaining matching funds on a new set of bankable informal rural traders, agrodealers, agro-merchant traders, and high potential smallholder irrigated farmers in functioning schemes. The AgriTrade team will continue to encourage MicroKing to invest its own loan capital to grow its loan book by targeting the informal agrodealers and rural traders, as well as low risk smallholder irrigation farmers and livestock traders.

**CABS** suspended new lending under the AgriTrade facility since the amendment of the AgriTrade Facility Loan Agreement in September 2013. Despite these efforts, CABS' active AgriTrade portfolio exceeds the mandatory 1:1 matching of USAID loan capital funds. At the close of the quarter, CABS' active AgriTrade portfolio was \$1.164 million against USAID investment of \$300,000 in matching loan funds with a healthy 4:1 matching ratio. Should CABS repay the \$100,000 installment in the month of April 2014, the remaining USAID funds will fall to \$200,000 with an increased matching ratio of 6:1.

Zim-AIED expects CABS to fully repay the remaining USAID loan capital by September 30, 2014. Its current agricultural loan book is primarily funded from CABS' own resources; USAID matching funds contribute less than 20 percent of CABS' AgriTrade loan capital resources. CABS, however, is refinancing all paid AgriTrade borrowers under its internal portfolio to attract interest rates of above 11 percent per year.

As a part of Zim-AIED's exit strategy with CABS, the team continues to recommend formally registered and established agribusiness companies to CABS for financing under normal loan products. Currently, Zim-AIED is working with CABS to refinance Zim-AIED establishment and working capital loan facilities extended to Mutema and Chibuwe banana farmers through the partner fund agreement with Matanuska. CABS' absorption of Zim-AIED debt is being negotiated under CABS' internal portfolio loan funds, which attract an interest rate of 13 percent per year.

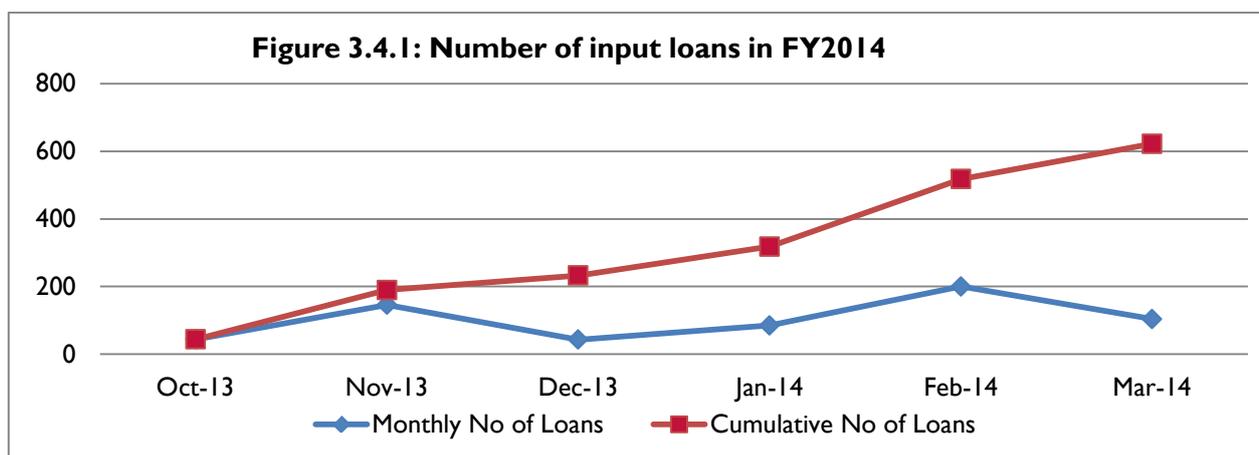
**Trust Bank's** position remains unchanged at the end of the second quarter following cancellation of its commercial banking license in December 2013. The bank made a successful appeal to the High Court in January 2014 which cancelled the planned liquidation of bank assets, pending a final ruling on the legal challenges. Collection of the USAID loan capital amounting to \$771,516 under Trust Bank is therefore stalled pending the High Court's judgment.

### **Non-USAID-funded AgriTrade Partners**

Through additional partnerships with Agribank, Virl Microfinance, and Untu Capital, Zim-AIED is actively promoting direct lending to beneficiary smallholder farmers. During the quarter, a total of 371 input loans valued at \$66,492 were disbursed by these three financial partners. In total, 597 input loans worth \$134,198 have been issued by the three partners directly to smallholder farmers in Zim-AIED project areas since the beginning of FY2014. Cumulative direct disbursements to Zim-AIED farmers since the start of FY2014 by partner banks, funded and non-funded, are 632 loans valued at \$149,098.

**Table 3.4.3 : Direct lending to farmers in FY2014**

Province	Location	Crop Financed	Beneficiaries	Total Disbursements
<b>Virl Microfinance</b>			<b>344</b>	<b>\$90,401</b>
Manicaland	Tombo	Paprika	42	\$13,440
	Nedziwa	Paprika	42	\$13,860
	Nyamaropa	Paprika	27	\$8,100
	Musikavanhu & Chibuwe	Paprika	26	\$5,100
	Chiendambuya	Paprika	14	\$4,340
	Nyakomba	Paprika	17	\$5,100
	Honde Valley	Bananas	48	\$14,766
Mashonaland East	Nyaitenga	Horticulture	10	\$3,850
	Chipo	Horticulture	11	\$3,500
Masvingo	Hama Mavhaire	Sugar bean	24	\$8,010
Matabeleland North	Silalabuhwa	Sugar bean	27	\$4,095
Midlands	Exchange	Sugar bean	56	\$6,240
<b>Agribank</b>			<b>189</b>	<b>\$34,913</b>
Matabeleland North	Lukosi	Potatoes	20	\$10,400
Manicaland	Taona	Sugar bean	69	\$13,713
Matabeleland South	Moza	Sugar bean	100	\$10,800
<b>Untu Capital</b>			<b>64</b>	<b>\$8,884</b>
Midlands	Ngondoma	Sugar bean & green mealies	17	\$1,862
Midlands	Insukamini	Sugar bean	47	\$7,022
<b>MicroKing Finance</b>			<b>35</b>	<b>\$14,900</b>
Mashonaland East	Chitora 1 & 2	Horticulture	30	\$12,900
Manicaland	Musikavanhu	Sugar bean	5	\$2,000
<b>TOTAL</b>			<b>632</b>	<b>\$149,098</b>

**Figure 3.4.1: Number of input loans in FY2014**

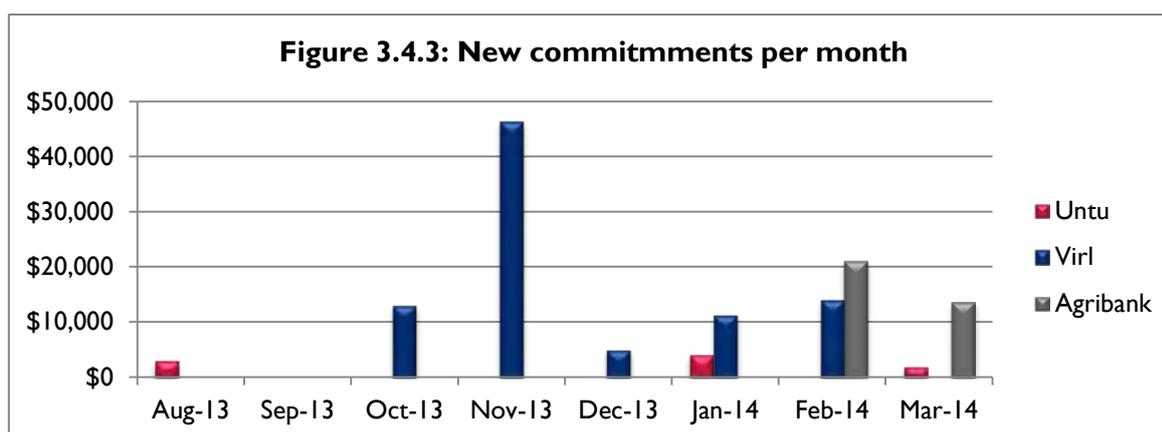
**Virl Microfinance** is active in five provinces focusing on smallholder irrigation schemes and one dryland farming community, all of which have benefitted from Zim-AIED technical assistance and training. Virl disbursed 107 input loans worth \$18,345 for sugar bean production and 21 input loans worth \$7,350 for horticultural production this quarter. Virl has disbursed a total of 344 input loans worth \$90,401 to Zim-AIED farmers since August 2013. The 21 horticultural farmers received an average \$350 worth of input loans to grow an average of 0.4 hectares. The 107 sugar bean producing farmers secured input loans ranging from \$78 to \$105 per 0.1 hectare. The input loans have interest rates of 48 percent per year and a loan establishment fee of 5 percent; they are repayable in four to six months with a monthly interest payment component and principal is repayable at marketing of the funded crop.

**Agribank**, a state-owned bank, is working to modify its existing input loan products and lending approach to match the AgriTrade philosophy of targeting high-potential, low-risk farmers with viable loan products. Agribank offers the cheapest loans on the market because its loan products are financed by a mix of government funds, concessionary regional development funds, and private capital markets.

Nearly 200 Zim-AIED beneficiaries across three provinces received input loans worth \$34,913 from Agribank this quarter. The loans are at 18 percent annual interest plus 2 percent loan establishment fee. Approximately 66 percent of the input loans were for irrigated sugar bean crops and 34 percent went toward irrigated production of potatoes. Each potato farmer received an input loan of \$520 to establish 0.1 hectares of the crop. Input loans for sugar beans ranged from \$84 to \$108 for 0.1 hectare, depending on the farmer's choice of input mix.

**Untu Capital** is using AECF matching funds to extend affordable loans to smallholder farmers at 30 percent per year with an establishment fee of 3 percent. This quarter, Untu Capital disbursed 54 input loans worth \$5,884 to Zim-AIED beneficiaries in the Midlands for production of irrigated sugar beans and green mealies. Cumulatively, Untu Capital has disbursed 64 loans worth \$8,884 to Zim-AIED farmer beneficiaries. The average size of input loans was \$79 for 0.1 hectares of sugar bean and \$95 for 0.1 hectares of green mealies.

The partnership with Untu Capital, unfortunately, has not performed to expectation as they have focused their lending activities outside of Zim-AIED clients. Zim-AIED's strategy is to continue engaging with Untu Capital management to share experiences and understand their lingering concerns about lending to smallholder irrigated farmers. This capacity building process takes time.



Agribank disbursed both the largest number and value of input loans to farmers (189 loans valued at \$34,913) followed by Viri (128 loans valued at \$25,695) and Untu Capital (54 loans valued at \$5,884). Although Agribank started well in February 2014, its monthly disbursement tapered off in March 2014, hampered by limited liquidity from delays in expected injections of government funding for new input loans in Zim-AIED schemes. Viri Microfinance, which started strongly in the first quarter, slowed down its lending activities during the second quarter. Despite accessing AECF matching funds, Untu Capital also appears to be facing liquidity challenges. Zim-AIED plans to introduce its partners to seven new smallholder irrigation schemes (Table 3.4.6) under the Zim-AIED during the third quarter of FY2014.

**Table 3.4.6: Target irrigation schemes for smallholder inputs loans in Q3, FY2014**

Province	Viri	Untu Capital	Agribank	MicroKing	CABS
Manicaland			Honde Valley (Banana)		Mutema (Banana)
					Chibuwe (Banana)
Mashonaland	Chinyika (Horticulture)				
Midlands		Madigane (cattle)			
Matabeleland			Tuli-Makwe (Potato)		
			Fanisoni (Potato)		
<b>Total</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>2</b>

The variety of smallholder crops funded through input loan schemes will be further expanded to include irrigated bananas, potatoes, export horticulture, and venture in cattle value addition. AgriTrade also plans to establish new partnerships with at least three additional microfinance institutions, namely Quest Microfinance, Microplan (subsidiary of FBC Bank) and Inclusive Microfinance. Each have access to funding from ZMWF for on-lending to SME agribusinesses and smallholder irrigation farmers.

**Portfolio at Risk (PAR)**

The AgriTrade Portfolio at Risk (PAR) closed the quarter at 29.8 percent. Loans overdue by 31 to 180 days account for 22.1 percent of the portfolio. Loans over 180 days past the due date account for 7.7 percent of the portfolio (Table 3.4.7). The apparent PAR increase is attributed to two large AgriTrade loans at CABS, which migrated to the 31 to 60 days past due category during the second quarter. The two companies are Strathdon Pvt Ltd (\$128,000) and Profeeds Pvt Ltd (\$417,000). Profeeds went into loan repayment arrears after failing to pay the March 2014 installment of \$60,000 due to delayed payments for stockfeed sold on credit to its customers facing a tight market. The loan facility for Strathdon Pvt Ltd was due in March 2014, when the company faced cash flow problems. It is resolving the issue by selling one of its properties to pay off the CABS AgriTrade loan in full.

**Table 3.4.7: Portfolio at Risk**

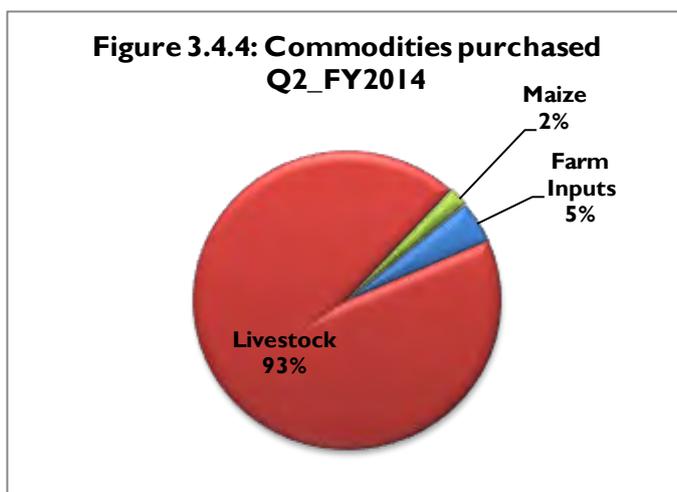
	CABS	TRUST	MK	As of March 31, 2014
Loans Past Due by 30 to 180 days	\$544,414	\$48,034	\$47,000	<b>\$639,449</b>
Number of Loans Past Due	2	6	50	<b>58</b>
PAR	46.8%	7.8%	4.2%	<b>22.1%</b>
Non-performing Loans (\$)	\$09	\$224,071	\$0	<b>\$224,071</b>
Non-performing Loans (#)	0	14	0	<b>14</b>
PAR	0%	36.5%	0%	<b>7.7%</b>

*NB: MicroKing and CABS transferred \$191000 in NPLs to their own portfolio in line with Zim-AIED AgriTrade Agreement*

Under the AgriTrade agreement, partner financial institutions assume 100 percent risk on non-performing loans (over 180 days past due). In compliance with this undertaking, both MicroKing (\$121,000 in non-performing loans) and CABS (\$172,000 in non-performing loans) removed non-performing loans from their respective AgriTrade portfolio into their internal portfolios. Trust Bank’s AgriTrade portfolio is burdened by \$224,000 in non-performing loans, which the bank should move to its internal account should it ever become active again.

**Commodities Purchased**

The trading activities funded by AgriTrade loans during the second quarter financed \$0.814 million purchases that were documented according to Zim-AIED’s M&E requirements. These purchases bring the cumulative purchases funded by AgriTrade loans at \$28.13 million. Livestock purchases continued to dominate during the second quarter. Purchases of farm inputs accounted for 5 percent while maize purchases accounted for only 2 percent of recorded trade, reflecting the limited supply of grain stock on the market following a drought year.



### 3.5 BUSINESS DEVELOPMENT

Business development services are a cross-cutting activity that contributes directly to all Zim-AIED results. The core task is to assist program beneficiaries in identifying permanent opportunities for making more money. During the quarter, activities focused specifically on the following:

- **Developing the organizational capacity of farmer groups** – increasing the capacity of farmer groups to participate in productive value chains by providing training and support to leaders in key managerial duties such as budgeting, work planning, simple financial management, and democratic group decision making.
- **Contract farming** – fostering good business ethics and improving trust between buyers and growers by facilitating contract design and negotiations.
- **Business skills** – improving planning and decision making by imparting basic business skills such as enterprise budgeting, break-even analysis, and recordkeeping.
- **Collective marketing** – reducing transaction costs by linking farmer groups to input and output markets.
- **Farmer-led extension systems** – training lead farmers to establish a permanent knowledge and skill base within the community to promote the adoption of good agricultural practices.

Technical support was provided to existing and new farmer groups on governance, administration, and collective access to both input and output markets. Farmers organized in the groups were trained on group management and leadership skills, enterprise budgeting, contract management, credit control, recordkeeping, risk management, and marketing principles to equip them with basic business skills.

To ensure all targeted farmers adopt good business and agricultural practices regardless of the size of their operation, all activities took place in cooperation with private sector partners or nongovernmental organizations linked to for-profit companies. Some of these partners are sub-grantees or subcontractors, while others are buyers and lenders who work in cooperation with Zim-AIED using their own funding. To ensure sustainability after conclusion of the Zim-AIED program, Agritex and partner field staff were engaged in all training activities as co-facilitators.

In addition to the crucial role of business training, commercialization requires a range of other business-related interventions that are monitored through six Feed the Future (FTF) indicators summarized below.

#### 3.5.1 Technical Assistance and Training

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

During the quarter under review, 990 organizations received training and technical assistance from Zim-AIED and its partners. A total of 32 irrigation management committee (IMC) members from Fanisoni (Nkayi) and Moza (Bulilima) irrigation schemes in Matabeleland North and South respectively, received training on conflict resolution, negotiation skills, and action planning. Zim-AIED facilitated a meeting between the IMC of Tshongokwe and Zimbabwe National Water Authority (ZINWA) to address water billing disparities. The outcome of the meeting was an agreement to reconcile the disparity in the scheme's favor. As part of its exit strategy, Zim-AIED will continue to build local capacity to plan and negotiate with stakeholders.

To foster a commercial approach in the agribusiness hubs, a total of 87 contracted lead farmers drawn from four irrigation schemes in Midlands received training on contract management. Emphasis was on the importance of building the farmers' credit history via timely repayment of the input loans.

Trust between co-contractors is a prerequisite to the success of contract farming arrangements. To improve trust between Matanuska and the banana growers, Zim-AIED facilitated the introduction of a user-friendly income statement template to replace a complex derived income statement that many farmers struggled to understand. All of the 442 contracted farmers received training on how to read the income statement. This exercise helped to rebuild trust as farmers were able to determine how much they had repaid versus the amount they owed.

*FTF 4.5.2-37 Number of MSMEs receiving business development services*

A total of 2,282 new micro, small and medium enterprises (MSMEs), of which eight were AgriTrade borrowers, received business development services training from Zim-AIED and its implementing partners. Focus was on irrigation management, natural resource management, gender mainstreaming, marketing, postharvest handling, recordkeeping, budgeting, and contract management. Table 3.5.1 shows the breakdown of beneficiaries who received trainings in various business skills during the quarter.

**Table 3.5.1: Business development services trainings – Q2, FY2014**

Subject	FY2014		
	Male	Female	Total
Contract management	282	213	495
Gross margin calculation	268	348	616
Farmer group organization and management	127	152	279
Recordkeeping	1,033	906	1,939

At household level, farmers were trained in the concept of farming as a family business. This concept recognizes every family member as an important stakeholder. As an introduction to farming as a family business a total of 1,939 farmers including 124 dairy farmers from Tsonzo and Rusitu Milk Collection Centers in Manicaland were trained on recordkeeping. Of all the possible records farmers can keep, the farmers were encouraged to keep a daily cash record. To increase the adoption of the recordkeeping practice, as well as encourage a family approach to farming, it was agreed that other household members be responsible for capturing the business transactions. During the third quarter, farmers will be trained on enterprise performance evaluation using a profit and loss account derived from their daily cash records.

Following the success of the pen fattening intervention that Zim-AIED implemented in conjunction with nine smallholder farmers at Tshongokwe in Lupane (Matabeleland North) during the first quarter of FY2014, a new group of 50 farmers at Lukosi (Hwange district) established pens for fattening during the third and last quarter of FY2014. Zim-AIED technicians trained these farmers on feedlot management and budgeting.

Zim-AIED linked 13 banana producer associations from Honde Valley in Manicaland with a local agrodealer, Masamvu Investments, to improve their access to inputs at fair prices. The agrodealer is now supplying the farmers with Compound J fertilizer at a competitive price of \$38 per 50 kilogram bag on a 30-day credit facility. The price is the same as the ex-factory price in Harare.

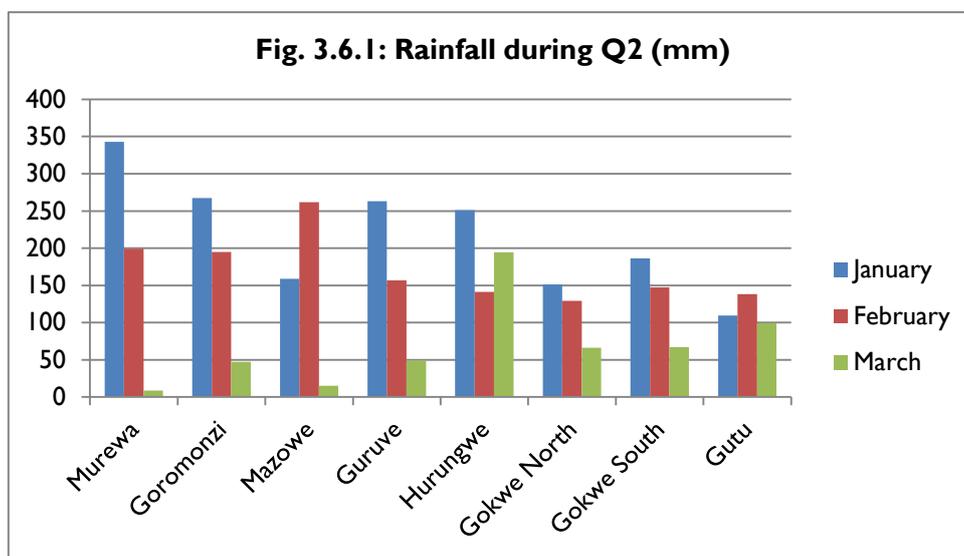
In Hurungwe (Mashonaland West), five farmer groups with a total membership of 124 farmers producing maize and paprika were linked with Windmill, an agrochemical supplier. Each farmer group has opened a bank account where members are depositing installments from current crop sales proceeds toward the purchase of fertilizer and herbicides. The arrangement reduces the farmers' transaction costs and ensures timely supply of inputs. The farmer groups have targeted to purchase 110 tons of fertilizer for the coming cropping season. The groups are also being organized for collective output marketing of paprika and maize.

Zim-AIED collaborated with Agribank and Virl Microfinance in training 12 farmer groups to come up with group constitutions that meet banking requirements by incorporating clauses that pledge group collateral by all members and enable stakeholders such as traditional leaders to assist in enforcing loan repayments.

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

Implementing partners' new investments reported for the quarter totaled \$43,343. Chilies partner Better Agriculture invested \$34,543 toward construction of a storage shed, warehouse renovations, and weighing scales. Livestock partner Inala Enterprises invested \$2,500 toward holding pens and land development at Dakamela in Nkayi (Matabeleland North). FAVCO purchased 724 crates worth \$6,300 for harvesting and postharvest handling of increased production of bananas from smallholder farmers in Honde Valley.

Investment in farming equipment through group resource mobilization was promoted in Honde Valley. A total of 50 banana farmers from Pfumai Village in Zindi bought \$4,485 worth of irrigation pipes to draw water from a nearby river to expand their tissue-cultured banana plantations.



### 3.5.3 Profitability

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

Business development interventions continued to focus on ways to make more money available to beneficiaries along the Zim-AIED intervention value chains. By continuing to advise paprika and maize farmers in Hurungwe on organization and management, the transaction costs of selling fertilizer have remained low for Windmill enabling farmers in this remote area to access fertilizer at ex-Harare prices.

### 3.5.4 Employment

#### FTF 4.5-2 Number of jobs attributed to FTF implementation

This quarter Zim-AIED and partners maintained 1,216 full-time employment positions and created three new positions.

### 3.5.4 Technology Adoption

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

At least 990 organizations adopted new management practices during the quarter. This includes the majority of AgriTrade borrowers with loans less than \$10,000 who are now keeping better management and accounting records to ensure conformance to the terms of their loans. In addition, three irrigation schemes in Matabeleland have adopted the use of action plans to direct and control their operations.

## 3.6 PRODUCTIVITY

The rainfall received in most parts of the country was good in January and February, but declined significantly in March, except for Hurungwe in Mashonaland West. This resulted in fairly good crop production in most program areas including marginal sites such as Gutu in Masvingo province.

Technical assistance and training continued in the agribusiness hubs with the support of the lead farmers who also provided training to a minimum of five other farmers around their demonstration plots. The main crops this season were maize, sugar beans, groundnuts, cowpeas, soy beans and sweet potatoes. Increased productivity was promoted through the application of good agricultural practices such as effective weed control, correct application of top dressing fertilizer, and pest and disease control.

In Matabeleland, 29 sugar bean and 24 green mealies demo plots were established to train farmers on their production, handling, and marketing. Twenty-eight sugar bean and 13 green mealies demonstration plots were established in the Midlands region.

Zim-AIED continued to facilitate productive credit linkages between smallholder farmers with Viril Microfinance and Agribank this quarter. At Moza irrigation scheme in Matabeleland South, 100 farmers received loans from Agribank worth \$10,800 to grow 10 hectares of sugar beans. Viril Microfinance funded 27 farmers at Silalabuhwa irrigation scheme, also in Matabeleland South, with \$4,000 for the production of 3.9 hectares of sugar beans.

#### *FTF 4.5.2-7 Agricultural sector training*

During the period under review, Zim-AIED continued with trainings and technical assistance on major crops, such as maize, sugar beans, groundnuts, cowpeas, soy beans, and sweet potatoes. Most training focused on weed control and safe use of pesticides, which was critical during the incessant rains in January and February. Trainings on split application of top dressing fertilizer were also conducted.

Thirty-six field days were conducted on agribusiness hubs in March. The field days were attended by high-ranking government officials and civic and political leaders. During these events, government officials learned how the Zim-AIED program works with smallholder farmers, while farmers learned more on how to produce and market their products. Private sector participation at the field days improved compared to the same period last season.

Farmer groups around the 36 SAT-managed agribusiness hubs continued to receive training from the business development services team on group formation and administration. This is part of Zim-AIED's exit strategy from these agribusiness hubs where there has to be at least one group per hub established to coordinate farmers' efforts with both input and output markets. This quarter, assistance was focused particularly on financial management, as the groups prepared paying for their 2014/15 inputs.

#### *FTF 4.5.2-2 Area under improved technologies*

Based on this season's first round of the gross margin survey, a total of 18,151 hectares of productive land were put under new technologies or improved management practices this quarter. Figures from the survey on maize, banana, paprika, and sugar bean all show significant improvements in yield and productivity as farmers established these crops using improved practices in land preparation, water management, nursery management, planting, germination, and weed control.

#### *FTF 4.5.2-5 Farmers who have applied new technologies*

A total of 29,141 farmers applied at least one new technology in soil management systems, better pest and weed management techniques, improved varieties, and changes in optimal planting rates. Of note is that 49 percent of these early adopters were women.

### *3.6.1 Staple food crops*

**Maize (dryland):** Training and technical assistance continued this quarter. The favorable rainfall resulted in good maize crops in most districts. Average yields of at least 4.5 tons per hectare for lead farmers and 2.3 tons per hectare for other farmers are expected in Mashonaland and Midlands provinces. According to Agritex's crop assessment survey, farmers who are mentored by lead farmers are expected to achieve average yields of 2.5 tons per hectare compared to 1.9 tons per hectare for other farmers receiving training only and 0.86 tons per hectare for those outside the program. In marginal areas such as Gutu, yields of up to 3 tons per hectare are expected for lead farmers, even though they were not contracted to grow maize.

**Maize (irrigated):** Maize was planted on 123 hectares in the six irrigation schemes where Zim-AIED is working in Midlands, on 770 hectares at Chibuwe and Mutema in Manicaland, and on 430 hectares on 10 schemes in Matabeleland. The 770 hectares in Manicaland were planted in September/October 2013 and harvests of more than 4 tons per hectare were recorded. Farmers who were linked to buyers such as Peak

Trading used the proceeds to fund the winter sugar bean crop. In Matabeleland and Midlands farmers received prices of up to \$3 per dozen for their green mealies.

**Sugar beans (dryland):** Sugar bean crops were grown mostly in the Mashonaland provinces (Guruve, Mazowe, Hurungwe, Goromonzi) and Midlands (Gokwe South). Based on Zim-AIED's crop production survey conducted in March 2014, average yields of 1 ton per hectare are expected with total production reaching more than 1,000 tons.

**Sugar beans (irrigated):** A total of 244 hectares of sugar bean were planted in Midlands between early February and early March. In Manicaland, only 10 percent of the expected area of 800 hectares had been planted by the end of the quarter as farmers were still harvesting their maize crops. In Matabeleland, 64 hectares of sugar bean were planted by 333 farmers in January and February.

**Table 3.6.1: Expected yields and gross margins for sugar beans**

Product	Area (ha)	Yield (kg/ha)	Price (\$/kg)	Value of Production (\$)	Gross Income (\$) per ha	Cost of Production (\$/ha)	Gross Margin (\$/ha)
Midlands (irrigated)	204	1,600	1.00	326,400	1,600	788	812
Honde Valley (irrigated)	450	1,000	1.00	450,000	1,000	480	520
Honde Valley (dryland)	120	300	1.00	36,000	300	100	200
SAT farmers (Hurungwe, Guruve, Goromonzi, Gokwe South and Mazowe)	100	1,100	1.00	110,000	1100	290	810
Matabeleland	64	2,500	1.00	160,000	2500	1,100	1,400
Chipinge (Chibuwe and Mutema)	80 *	1,500	1.00	120,000	1,500	650	850

*\*80 hectares planted to date; up to 720 hectares expected by end of April*

**Groundnuts:** This crop was only grown under dryland conditions. The planted crop benefited from good rains in January and February and harvesting began in late March. Yields of up to 1.2 tons per hectare (unshelled) are expected. However, from the crop production estimates, the lead farmers using improved varieties should achieve harvests up to 2 tons per hectare and earn up to \$1,200 in gross margins. The introduction of the Falcon variety has brought a lot of excitement on the crop in Gokwe, as the farmers are used to growing the lower yielding variety, Flamingo, which yields 0.4 tons per hectare and a gross margin of \$240 per hectare. Zim-AIED also linked the farmers to markets within and around the districts.

**Cowpeas:** Cowpeas intercropped with maize were grown in most areas. From the crop production survey conducted in March, yields of about 1 ton per hectare are expected from the Zim-AIED assisted farmers and up to 1.3 tons per hectare for the lead farmers. The other farmers not participating in the program are expected to produce about 0.58 tons per hectare, according to Agritex. This is proving to be a valuable cash crop for Gutu, assuming that favorable prices are obtained on the market.

**Sweet potatoes:** Farmers continued planting sweet potatoes through February because of the heavy rains. The main production areas were in Masvingo, Mashonaland East, and Midlands. Yields are generally expected to be low mainly because farmers are using third generation vines. However, many lead farmers in Gutu were now able to significantly control the sweet potato weevil, after receiving technical assistance and training from Zim-AIED.

**Soy beans:** This was grown mainly in Goromonzi, Guruve, and Hurungwe districts by farmers contracted to produce the crop by ETG. The crop was generally satisfactory with average expected yields of 1.5 tons per hectare (gross margin of \$470 per hectare). Although the rains were heavy in these areas, the crop was generally disease free because farmers used the tolerant Sequel variety.

### 3.6.2 Paprika and chilies

This quarter, 1,840 smallholder farmers received training in business management skills, pest and disease management, and safe use of pesticides. To strengthen Zim-AIED's industry approach that seeks to strengthen the paprika sector through collaborating with all paprika buyers and other stakeholders, Zim-AIED facilitated buyer-farmer interaction meetings and market fairs in all major paprika hubs, as well as a paprika grading workshop in Harare.

Zim-AIED held a paprika grading training workshop for buyers and lead farmers in February to increase awareness on paprika quality across the value chain and to facilitate the development of a Zimbabwean grading standard for the local industry. Six buying companies and eight producer groups signed an agreement to standardize grades and ensure consistent quality of Zimbabwean paprika.

Although Zimbabwe has a reputation for high-quality export paprika, maintaining the quality of Zimbabwe's paprika has become critical as new buyers have entered the industry over the last few years. Adoption of a universal grading standard will ensure Zimbabwean paprika remains competitive globally. The agreement paves the way for developing a set of regulations and ethics that has, to date, been non-existent in the industry. Zim-AIED submitted a draft of the paprika grading standard to the Standards Association of Zimbabwe who will steer the standards development process.

The 21 paprika demonstration plots established in Manicaland and Mashonaland were used as field training schools on good fertilizer application, disease and pest management, and safe use of pesticides and herbicide. As of this report's publishing, all paprika crops were at least in early pod ripening stage. Harvesting of the first pods began at the end of March in a few production areas. A total of 1,548 smallholder farmers in the two provinces have planted an estimated 458 hectares of paprika.

Farmers that accessed input loans received adequate rainfall and adopted good agricultural practices are expected to attain minimum yields of 1.5 tons per hectare. Total national production is estimated at a minimum of 735 tons and, of this, total production by smallholder farmers is estimated to exceed 630 tons.

Zim-AIED facilitated farmer-buyer interaction meetings and market fairs at three major paprika hubs (Hurungwe, Headlands, Nyanga) aimed at providing market linkages between farmers, buyers, input suppliers, and processors. A total of 454 farmers attended the meetings and market fairs, reassuring farmers of the potential markets for their crop and also encouraging them to plan for procurement of inputs for the 2014/15 season. Farmers in Hurungwe formed five groups to procure 140 tons of fertilizer for next season.

**Table 3.6.2.1: Projected paprika production during 2013/2014 season**

Province	District	Input-supported Farmers				Unsupported Farmers				Total Farmers			Total (t)
		# 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)	
Mashonaland West	Hurungwe	16	7	1.5	10.5	184	58	1.00	58	200	65	1.05	68
	Zvimba*	-	-	-	-	1	30	1.5	45	1	30	1.5	45
	Charara Farm*	-	-	-	-	1	20	3.00	60	1	20	3.00	60
Manicaland	Makoni/Headlands	14	12	1.5	18	100	30	1	30	114	42	1.05	44.1
	Nyanga (Zim-AIED)	86	34.4	1.5	51.6	60	12	1	12	146	46.4	1.37	63.6
	Nyanga (ADF)	990	279	1.5	418.5	-	-	-	-	990	279	1.5	418.5
	Chipinge	26	5.8	1.5	8.7	15	3	1	3	41	8.8	1.32	11.7
	Chimanimani	42	13	1.5	19.5	4	0.4	1	0.4	46	13.4	1.48	19.9
Mashonaland East	Marondera					9	4	1	4	9	4	1	4
<b>Total</b>		<b>1,174</b>	<b>351.2</b>	<b>1.8</b>	<b>526.8</b>	<b>374</b>	<b>157.4</b>	<b>1</b>	<b>212.4</b>	<b>1548</b>	<b>508.6</b>	<b>1.4</b>	<b>735</b>

Source: Zim-AIED

**Chilies:** Zim-AIED partner Better Agriculture (BA) contracted 404 farmers in Nyanga and Honde Valley to grow 88 hectares of Tabasco chilies. Of these, 220 farmers were producing the crop under irrigation at Nyakomba irrigation scheme in Nyanga district, while 125 farmers in Honde Valley and 59 farmers at Tombo were producing the crop under rainfed conditions.

Each farmer planted 0.2 hectares while Zim-AIED provided technical assistance in correct fertilizer application and weed control and ridging to minimize the impact of excessive moisture following heavy rainfall. Yields are expected to exceed 5 tons per hectare under irrigated conditions and three tons per hectare under dryland conditions. At harvest, farmers will receive a price of \$0.50 per kilogram for the wet chilies and should earn gross margins between \$750 and \$1,650 per hectare.

A further 239 farmers were contracted by Better Agriculture to plant 42 hectares of African Bird's Eye (ABE) chilies in southern Manicaland and Masvingo. The farmers each planted between 0.1 hectare and 0.25 hectares. Target yields are expected to be between 3 and 6 tons per hectare. Gross incomes ranging from \$1,300 to \$3,400 per hectare at \$0.70 per kilogram for the wet product are anticipated. Better Agriculture has an offtake agreement to supply 80 tons of dried chilies Nando's South Africa in 2014.

Eight Tabasco chili demonstration plots and six ABE chili demo plots at the production sites in Manicaland and Masvingo were used to train farmers on good agricultural practices such as split ammonium nitrate fertilizer application, continuous kraal manure application, pest and disease management, and grading standards.

**Table 3.6.2.2: Projected Tabasco chili and ABE chili production in 2013/14 season**

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	220	44	5.0	220	110,000	37,400	1,650
		Honde Valley	125	32	3.0	96	48,000	24,000	750
		Tombo	59	12	3.0	36	18,000	9,000	750
<b>Total</b>			<b>404</b>	<b>88</b>		<b>352</b>	<b>176,000</b>		
ABE Chili	Manicaland	Mutare South	32	8	3.0	24	16,800	6,400	1,300
		Chiredzi	99	16	6.0	96	67,200	12,800	3,400
	Masvingo	Zaka	108	18	4.5	81	56,700	14,400	2,350
<b>Total</b>			<b>239</b>	<b>42</b>		<b>201</b>	<b>140,700</b>		

Harvesting of Tabasco chilies and ABE chilies commenced during the second week of February and is underway at all sites except Tombo where Tabasco chili was planted late. Steady and well-distributed rainfall coupled with good fertilizer application promoted vigorous crop growth and good quality of the crop. Better Agriculture dries ABE chilies onsite and has expanded capacity of the drying structures on all sites. They are also constructing a new Tabasco chili grinding shed at Tombo.

**Table 3.6.2.3: Tabasco chili and ABE chili harvested/sold in February/March 2014**

Area	Crop	Total harvested to date (kg)	Price (\$ per kg)	Value of total sales
Chiredzi (Tshovane)	ABE chilies	26,230	\$0.70	\$18,361.00
Zaka	ABE chilies	44,680	\$0.70	\$31,276.00
Chipendeke (Mutare South)	ABE chilies	8,700	\$0.70	\$6,090.00
Nyakomba	Tabasco chilies	159,500	\$0.50	\$79,750.00
Honde Valley	Tabasco chilies	18,000	\$0.50	\$9,000.00
Tombo	Tabasco chilies	-	\$0.50	-
<b>Total</b>				<b>\$144,477.00</b>

**Cherry peppers:** 96 farmers in Chiduku Tikwiri scheme in Makoni district (Manicaland) established 9.6 hectares of cherry peppers under contract with Zim-AIED partner, Better Agriculture. Each grower planted 0.1 hectares of the crop. These farmers are growing cherry peppers at the scheme for the first time and rely on training from Zim-AIED to ensure a successful crop. Zim-AIED provided the growers with technical

assistance and training in correct fertilizer application, safe use of chemicals, contract farming, and crop budgets and recordkeeping. By adopting these technologies, the farmers expect to increase their yields and incomes. If well managed, cherry pepper has a yield potential of 40 tons per hectare. Since farmers are growing the crop for the first time, minimum yields would be at least 12 tons per hectare. Farmers will receive \$0.40 per kilogram for the peppers and gross margins of at least \$3,077 per hectare.

### 3.6.3 Horticulture: Bananas

#### 3.6.3.1 Honde Valley

The quantity and quality of bananas purchased by Zim-AIED partner FAVCO significantly increased this quarter compared to the same quarter last year. The increased adoption of good agricultural practices by farmers as well as plantation expansion contributed to the improved performance. Cumulative harvest from the first tissue-cultured crop of 23 hectares stands at 800 tons worth about \$220,000 and some farmers are already harvesting bunches from the ratoon crop. Average bunch weights from the ratoon crop are currently at 25 kilograms, up 25 percent from the first harvest average of 20 kilograms. This translates to an average yield of 50 tons per hectare.

**Table 3.6.3.1: Banana purchases by FAVCO in Honde Valley**

Year	January		February		March		Total	
	Qty (t)	Value (\$)	Qty (t)	Value (\$)	Qty (t)	Value (\$)	Qty (t)	Value (\$)
2013	115	36,800	62	19,840	52	16,640	229	73,280
2014	159	41,366	145	37,642	184	47,894	488	126,902
% increase	138%	112%	234%	190%	354%	288%	213%	173%

The number of bananas purchased by FAVCO more than doubled compared with this time last year, from 229 tons to 488 tons, while the value of these bananas increased by 173 percent from \$73,280 to \$126,902.

The reduction in the farmgate price paid by FAVCO from \$0.32 to \$0.27 per kilogram in February as a result of poor demand did not affect farmers' banana supplying behavior. However, the pressure to increase the price is being felt as some buyers are now offering farmgate prices as high as \$0.34 per kilogram. Competitors that are currently active in the area include Matanuska, Jamfeb, Sunspun, and ZN Fruiterers.

The tissue-cultured crop that was grown on contract with the second group of 370 farmers is currently throwing bunches and harvesting is expected to start in July. Peak production will be reached at a time when bananas are usually scarce in Honde Valley so farmers' price expectations are high.

FAVCO's loan recoveries from the initial contracted group of 230 farmers are now at 64 percent of the original \$86,600 loan. Repayments continue to be deducted from farmers' sales and the recovery of the outstanding \$30,400 is expected to be complete by July 2014.

The cumulative loan amount to the new groups not yet in production is \$104,000. Strategies for early recovery of the debt have been put in place and farmers are being encouraged to contribute from the income streams of other enterprises as well. To date, a total of \$8,985 (8.7 percent) has been recovered from these groups. Loan values per farmer ranged from \$97 to \$1,303, averaging \$386 per loan. The combined repayment performance by both the old and new groups is at 34 percent.

The 48 farmers that received loans worth \$14,766 from Zim-AIED partner Viril Microfinance have repaid in full all the installments for the three-month period from January to March. These farmers, who are expected to increase their yields from 12 tons per hectare to 20 tons per hectare, have reported increased bunch sizes as a result of the fertilizer purchased with the loans. An additional 77 farmers are being linked with Agribank to develop strong relationships that will ensure long-term access to agricultural finance.

The major lesson learned this quarter is that farmer-to-farmer extension is an important tool in agricultural development. An increasing number of farmers who adopted good agricultural practices for banana production from their Zim-AIED beneficiary neighbors are now marketing good quality bananas to FAVCO.

The total number of farmers adopted new technologies such as banana planting pattern and densities, fertilization, irrigation, mulching, bunch care and harvesting, and postharvest management via this process is estimated at 2,000.

### 3.6.3.2 Mutema/Chibuwe

Banana yields in Chibuwe have increased in all blocks, but most significantly in Mutema and Musikavanhu A5, which increased by 28 and 25 percent, respectively. This is because of farmers' improved management capacity as they gain experience in bananas as well as a natural increase in bunch size during the first ratoon crop. Chibuwe C1 and C2 increased by 4 percent and 2 percent, respectively, this year.

Mutema, which was at the peak of its production cycle, saw yields rise from 66 tons per hectare to 85 tons per hectare, while Musikavanhu A5 increased from 53 to 67 tons per hectare.

Harvested volumes declined from 811 tons worth \$199,374 in Q1 to 784 tons worth \$218,089 in Q2, mainly because the Chibuwe blocks were not in a high production phase. Mutema was the main contributor to sales, harvesting more than 120 tons weekly, whereas the other blocks were just starting to reap the first ratoon crop and are expected to peak in the next quarter. Both net bunch weight and quality improved greatly with Mutema bunches averaging 35 kilograms, up from 27 kilograms last quarter.

The first harvest from Chibuwe D block performed better than the more mature Chibuwe C blocks, attaining an average net bunch weight of 30 kilograms (compared to 18 kilograms in Chibuwe C). Much of this could be attributed to better management of the block by the Matanuska field extension officer and more enthusiasm from participating farmers.

Farmers' loan repayments totaled approximately \$120,000 during the quarter. Many Mutema farmers are well on the way to completing their loan repayments with their current deliveries.

### 3.6.3.4 Rusitu Valley

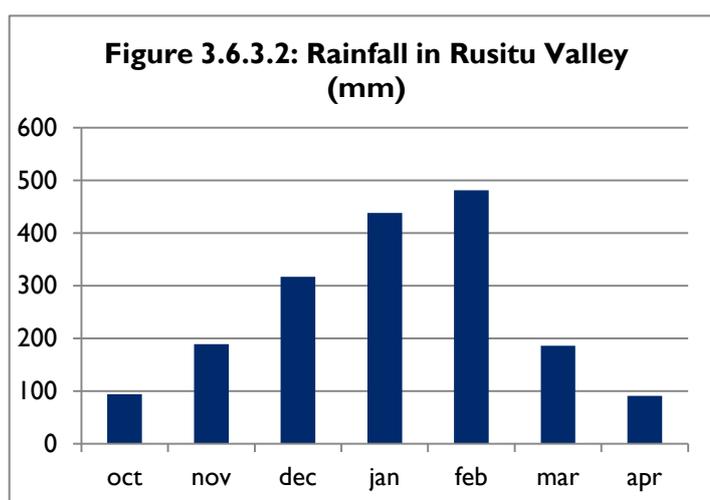
By the end of March, a total of 1,796 millimeters of rainfall was received in Rusitu Valley. Heavy rains caused nutritional challenges mainly from leaching.

All five tissue-cultured banana demonstration plots are at advanced fruiting stage with harvesting due in early April 2014. Projected yields are estimated at 60 tons per hectare based on hand counts of the first bunches to come out. Advanced bunch care and management trainings were introduced in the quarter with farmers learning the bunch labelling and forecasting system.

Fifteen herbicide demonstration plots were established and Zim-AIED trained farmers on the safe use of chemicals and the advantages of herbicides over hand hoeing. The trainings and demonstrations highlighted the cost benefits of the herbicide technology. Fifty-six farmers from seven villages in Rusitu applied herbicides on their banana crop with more adopting the technology.

**Table 3.6.3.2 Mutema and Chibuwe banana sales**

Name of Scheme	Volumes and sales	
	Packed Weight (kg)	Sales Value (\$)
Mutema	618,431	171,690
Musikavanhu A5, Chibuwe	45,538	13,068
Chibuwe C1	43,983	12,504
Chibuwe C2	64,386	17,495
Chibuwe D	11,108	3,333
<b>Total Sales – Q2</b>	<b>783,446</b>	<b>218,089</b>
<b>Total Sales – Q1</b>	<b>810,958</b>	<b>199,374</b>



Value chain links were established with major banana wholesalers FAVCO and Sunspun. Six groups have been formed and are being developed to supply bananas to these established market players.

### 3.6.3.5 Matabeleland

During the review period, the demonstration plot Lukosi, Hwange (Matabeleland North) was growing well and should start throwing bunches within the next quarter. Two demonstration plots at Moza irrigation scheme planted in December 2013 suffered from waterlogging as a result of recent heavy rains. However, both plots are now recovering and are throwing suckers. The farmers dug drains adjacent to the worst affected plot to get water out of the field but their effect was limited by the incessant rains.

#### 3.6.4 Local horticulture

Zim-AIED continues to promote high-value horticulture on all irrigation schemes and wetland areas as the widespread commercialization of smallholder farmers through horticulture production can only be achieved if a reliable supply of water is available.

On the irrigation schemes located close to urban centers that have traditionally grown vegetables, Zim-AIED focuses on improving farmer practices through demonstration plots to showcase effective nursery management, correct plant populations, appropriate fertilization techniques, crop protection, safe use of herbicides, harvesting, and postharvest handling (Table 3.6.4.1). On schemes that have traditionally grown maize, wheat, or sugar beans, the demonstration plots are not only used to promote farmer adoption of new technologies but also introduce high-value crop. The common perception among government extension officers is that horticultural crops do not provide food security for farmers. However, they tend to be more accommodating of these new crops once they witness how farmers' incomes can be increased significantly and ultimately achieve (if not surpass) the same objective of improved household food security.

**Table 3.6.4.1 GAPS and new technologies showcased in demo plots**

Crop	GAPs and New Technologies
Butternut	Bed preparation, correct application of appropriate fertilizers, plant spacing, pest and disease management.
Cabbage	Hybrid seed, nursery management, correct application of appropriate fertilizers, raised beds, plant spacing, water planting, pest and disease management.
Onion	Nursery management, plant spacing, pest and disease management.
Table potato	Use of certified seed, use of sprouting hormone Gibberellic acid, plant population, ridging, foliar fertilizers, pest and disease management, harvesting.
Tomato	Hybrid seed, nursery management, correct application of appropriate fertilizers, raised beds, plant spacing, water planting, wire trellising, foliar fertilizers, pest and disease management.

In an effort to reduce growing costs by 65 percent, Zim-AIED trained farmers on the establishment and management of seedbeds in order to reduce seedling costs from \$0.06 to \$0.02 per seedling. Although the commercial seedling houses did an excellent job, the expense combined with logistical challenges of getting hundreds of seedlings to the schemes is not conducive to long term sustainability. Unfortunately because of the heavy rains experienced, not all seedbeds were successful and hardening off the seedlings prior to transplanting often became an impossible task. Zim-AIED will continue to work with key entrepreneurial farmers and microfinance institutions in these areas so that they are able to take advantage of this business opportunity to produce good quality seedlings under plastic.



*Photo by Fintrac Inc.*

Cynthia Moyo from Moza irrigation scheme is planting tomatoes in a seedbed, which she will soon transplant to her field using good agricultural practices learned from Zim-AIED.

Zim-AIED has established 103 horticultural demonstration plots throughout all of its 36 irrigation schemes with the inputs supplied on a cost recovery basis. The farmers hosting demo plots have signed contracts agreeing to pay back the loan amounts after harvest and recoveries are expected to start in late April. The demonstration sites not only provide a focal point for training events but also draw participation from key input suppliers and buyers such as Pannar, National Tested Seeds, Pioneer, Prime Seeds, Kurima Gold, and SimFresh.

To promote greater farmer buy-in on the Insukamini irrigation scheme in Midlands, Zim-AIED facilitated an exchange visit for four farmers to visit the tomato farmers at the Exchange irrigation scheme. The farmers were able to see first-hand the tomato trellising system in use and discuss relevant management practices.

Of the current 1,308 hectares of irrigated land in Matabeleland and Midlands, only 79 hectares planted horticultural crops. These include tomatoes, leafy vegetables, okra, butternut, onion, garlic, cabbages, and potatoes. Zim-AIED aims to achieve a 5 percent increase in horticultural crops produced in these areas before program closeout. Early indication of this starting to happen has already been noted in places like Makwe and Silalabuhwa where previous demo plot holders such as Abel Moyo and Lewis Ncube are continuing to grow high value crops such as butternut and covo with their own funds.

One of the major constraints to horticultural production, and the main cause of slow uptake of these crops, is the high cost of inputs. However, direct lending to farmers on irrigation schemes by Virl Microfinance, Untu, and Agribank will be critical to the long term success and sustainability in these schemes. Although direct lending to smallholders is still in the piloting stage this season, many schemes are already demonstrating positive results. For example, Moses Chimbwanda of Mashonaland East started harvesting his early crop of peas in March where he achieved a price of \$1.50 per kilogram from the Mbare Musika market. He paid off his loan with Virl six weeks early and bought a drip irrigation kit with his proceeds to expand his production area outside of the irrigation scheme.

### 3.6.5 Livestock

The Zim-AIED livestock program is implemented through:

- The operations of the two beef partners: Inala Enterprises in Nkayi district of Matabeleland North and O'Enem Meats Products in Mazowe district of Mashonaland Central.
- Integrating crop and livestock farming activities in and around targeted agribusiness hubs and irrigation schemes where Zim-AIED is implementing activities.
- Implementing a streamlined dairy development program around four milk collection centers at Tsonzo (Mutasa district), Rusitu Valley (Chipingwe district), Gokwe (Gokwe South district) and Claremont (Umzingwane district).

Activities integrating crop and livestock farming were confined to agribusiness hubs in Mazowe district (Mashonaland Central) and irrigation schemes in Matabeleland North and South, Midlands, and Manicaland provinces. Trainings continued on fodder planning, production and conservation, veld reinforcement, and good animal husbandry practices such as castration, vaccination, de-horning, de-worming, supplementary feeding, drought mitigation strategies, recordkeeping, and livestock marketing.

#### 3.6.5.1 Beef

O'Enem Meats provided a market for 340 smallholder farmers who sold 413 cattle this quarter. Forty of these farmers sold 74 cattle to the abattoir as direct slaughters for beef while 300 of the farmers brought in 339 cattle for toll slaughters. Cattle slaughters during the quarter were slightly down compared to the previous quarter at 469.

The total turnover for O'Enem Meats during the quarter from sales of beef, offal, hides, processed products, service slaughters and pork was \$100,739 compared to \$104,718 achieved in the previous quarter. Beef was 60 percent of the turnover, cattle toll slaughters 11.8 percent, and processed products 11.9 percent.

O'Enem Meats is now partnering with Montana Meats, one of the major livestock trading companies in Zimbabwe, to expand abattoir operations. The partnership will increase toll slaughters to between 200 to

300 head of cattle per month, increase monthly cash inflows to O'Enem Meats by more than \$5,000 from toll slaughter fees, and allow for increased utilization of the feedlot.

Inala Enterprises distributed, under the heifer loan scheme, 17 heifers to 13 smallholder farmers across four nuclear breeding centers in Nkayi district in Matabeleland North. The cumulative total of animals distributed under the scheme is now 83 heifers to 48 beneficiaries. Farmers have fully paid for their heifers by exchanging with mature animals. Of the 83 heifers distributed to date, 21 have calved down while 33 were reported to be in-calf. This quarter, 527 head of cattle were treated at the four centers for various good animal husbandry practices including routine dipping, vaccinations, and cattle swapping.

**Table 3.6.5.1: Distribution of Zim-AIED-facilitated heifers to date in Nkayi district**

Nucleus Breeding Center	Number of beneficiaries	Number of heifers
Zinyangeni	16	25
Dakamela	17	24
Mkalathi	4	4
Zwelabo	11	30
<b>Totals</b>	<b>48</b>	<b>83</b>

At the same time, Inala Enterprises, through its Meat Center at Nkayi growth point, slaughtered 48 head of cattle bought through auctions or as direct sales from 36 surrounding smallholder farmers. Meat sales through the center exceeded 7,000 kilograms, a 40 percent increase over the previous quarter's 5,000 kilograms. Sales income realized through the Meat Center was \$24,968 compared to \$16,656 last quarter.

Zim-AIED and Inala Enterprises continued to coordinate livestock sales in Nkayi district by engaging public livestock auctioneers in conjunction with the local authority, Nkayi Rural District Council. The total number of cattle auctioned during the quarter was 134 head of cattle from 99 farmers with a total sales value of \$59,858. The average buying price at the auctions was \$1.35 per kilogram live weight while the meat market offered \$3.20 per kilogram cold dressed mass.

More than 1,000 smallholder beef farmers received training on a diverse range of good animal husbandry practices and fodder production. Areas covered included hay bailing, veld reinforcement with legumes, supplementary feeding and watering, fodder production, cattle dosing, body condition scoring, dipping, ear tagging, and animal health management.

This quarter saw higher incidences of ticks and parasites infestation in the pasture. As a result, trainings on dipping and dosing were intensified to reduce livestock deaths from tick borne diseases. Zim-AIED technicians, in collaboration with the Department of Veterinary Services, encouraged farmers to vaccinate their cattle against the most predominant tick-borne diseases.

A total of six livestock field days were held this quarter: four in Mazowe and two in Nkayi. The field days were attended by government and private sector stakeholders including input suppliers, local agrodealers, and local leadership. The field days in Nkayi facilitated the linkage between National Tested Seeds and one of Nkayi's local agrodealers. The agrodealer will now stock and sale National Tested Seeds' products.

The 15 fodder demonstration plots established on the irrigation schemes in Matabeleland North and South (5), Manicaland (7), and Midlands (3) are in their mid-to-late vegetative stages and stimulating a lot of interest from the irrigators. Farmers around these schemes were trained on the management of fodder plots, fodder conservation techniques including hay bailing, and good animal husbandry practices.

### 3.6.5.2 Dairy

Dairy activities continued to focus on fodder planning, budgeting, production, and conservation. A total of 19 lead farmers were identified to host fodder demonstrations at Tsonzo (2), Rusitu (9), Gokwe (6) and Claremont (2).

Most dairy farmers around the four centers are unable to adequately feed their dairy herds throughout the year citing inadequate finances to purchase enough inputs to cover the total area required for fodder production, as well as a shortage of hay and silage-making machinery.

Of the 19 lead farmers, only five in Gokwe are able to grow enough fodder to feed their herds throughout the year and are practicing zero grazing for their milking cows. Zim-AIED is working with the farmers, processors, banks, and commercial input suppliers to alleviate these challenges.

Sales volumes per farmer remain low across the four milk collection centers because of small herd sizes, low daily milk production per cow, poor breeds of dairy cows, and poor cow nutrition and health management. During the quarter, Zim-AIED established a working relationship with African Breeders Services-Total Cattle Management (ABS-TCM) to improve the cow breeds through the use of artificial insemination and informed bull selection. One-day dairy cattle breeding awareness workshops were held at each of the milk collection centers in conjunction with ABS-TCM. The dairy farmers were also trained in milk quality, calf rearing, and fodder production and conservation.

### *3.6.6 Value addition: handling and processing to boost profits*

Zim-AIED is working with a number of its PFA partners and buyers to developing opportunities for value addition of commodities purchased from beneficiary farmers. Farmer participation in value adding is mainly confined to on-farm grading and hygienic handling to ensure food safety. The buyers and private companies are more involved in the value addition processes in compliance with international food standards.

#### **3.6.6.1 Paprika**

There are three main local paprika processors in Zimbabwe (Pure Seasons, Zimspice, and Four Seasons) that process the commodity into different spice mixes. The combined demand from the three processors for this season is 135 tons, up from last season's purchases of 100 tons. The processors participated in and met with farmers at Zim-AIED organized paprika market fairs and establishing buying arrangements.

Zimspice is an approved supplier of paprika powder to Unilever, a multinational company with a heavy presence in Zimbabwe, and has plans to buy at least 70 tons of paprika for processing, compared to 40 tons bought last season. Unilever manufactures a range of paprika-based condiments and spices under the Royco and Robertson's brands for the domestic and export markets. Pure Seasons intends to buy 60 tons of paprika for processing and selling on the domestic market, and Four Seasons plans to buy 5 tons.

#### **3.6.6.2 Tabasco chili**

This quarter, a total of 161 tons grade A fresh Tabasco chili pods purchased from Zim-AIED beneficiary farmers were ground with salt to form 177 tons of Tabasco chili mash for export to the Chili Pepper Company in South Africa for onward export to the United States. Zim-AIED partner Better Agriculture has set up three processing plants at Nyakomba irrigation scheme in Nyanga; the Hauna business center in Honde Valley; and a new plant currently under construction at Tombo in Nyanga district.

#### **3.6.6.3 Groundnuts**

An estimated 30 percent of the groundnut crop is processed into peanut butter. Although sales captured by the Zim-AIED team for this review period are very low, actual sales are much higher. From crop production estimates carried out in March 2014 in Murewa (Mashonaland East), Gokwe South (Midlands), and Gutu (Masvingo), about 55 percent of farmers were growing groundnuts. This equates to about 3,000 farmers growing approximately 600 hectares of groundnuts from which about 720 tons of unshelled groundnuts are expected. Approximately 200 tons will be converted to peanut butter.

#### **3.6.6.4 Grains, staples, and other food crops**

Zim-AIED, through AgriTrade, funded loans to three entrepreneurs for expansion of their value addition activities. In Midlands, Pretty Chibinya received a \$10,000 loan from MicroKing Finance to purchase maize and cattle from farmers in nearby Chiwundura and Gokwe communal areas where Zim-AIED has been

promoting these commodities. The bulk of the purchased maize is used as feed for her poultry and piggery business. She sells the products through her own butchery as well as to other butcheries and schools within Gweru. She has 13 permanent workers and expects to employ more with the new investment.

In Mashonaland, Jerald Tigere accessed a \$75,000 Capex loan from MicroKing to expand his maize milling business. Tigere has accessed two previous AgriTrade loans to buy surplus maize from smallholder farmers in communal areas around the country such as Murewa, Karoi, and Chiweshe.

Before the AgriTrade credit facility, monthly sales were averaging 50 tons of maize meal valued at around \$35,000. Now sales have increased to more than 100 tons of maize meal valued at more than \$70,000 per month thanks to AgriTrade. The number of employees also doubled after utilization, from 10 to more than 20 employees today. Tigere used profits and a capital expenditure (Capex) loan of \$75,000 to expand his business through investment in improved transport logistics and a shed to house a new maize milling plant recently purchased from South Africa for \$100,000. The maize milling plant is expected to be fully operational by the second half of the year.

In Norton, Mashonaland West, Tawonga Mukonoweshuro accessed a second AgriTrade loan of \$50,000 from MicroKing to purchase maize for his 28,000 broiler unit. He buys maize grain from communal areas as far as Guruve in Mashonaland Central for poultry feed. His primary product is packaged chickens that he sells directly to supermarkets and Irvine's, a national chicken processor and distributor.

Mukonoweshuro started his poultry business with one fowl run with a capacity of 14,000 birds in August 2012. He received the first AgriTrade loan of \$40,000 in September 2012 for infrastructure development for a second fowl run and purchased maize and stock feeds, boosting his total capacity to 28,000 birds. In addition, the facility enabled him to improve the standards of his business leading to mortality rates of less than 5 percent per batch. His monthly turnover doubled from \$30,000 to more than \$60,000, and the number of employees increased from four to seven after he built the second fowl run.

### **3.6.6.5 Meat products**

O'Enem Meats Products continued to produce sausages, minced beef, and biltong during the quarter. From a total turnover of \$100,739, processed meats contributed 11.9 percent of the sales. A total of 48 cattle were slaughtered by Inala Enterprises at the Meat Market in Nkayi, and 7,034 kilograms of meat were sold bringing a total of \$24,968 in income.

### **3.6.6.6 Dairy**

A total of 3,000 liters of fresh milk was processed into fermented milk at Tsonzo Milk Collection Center in Manicaland and sold at \$1.00 per liter, compared to the sales price of \$0.56 per liter for fresh milk.

### *3.6.7 Irrigation*

Zim-AIED's agribusiness hub approach on 36 irrigation schemes is serving more than 8,500 farmers on 5,080 hectares, and demonstrated real traction during the last quarter. The program has been training farmers and other stakeholders since January 2013; now, after nearly two complete agricultural seasons, program interventions are yielding tangible and sizable returns for its participants. Recently the Councilor in Ward 19 of Kwekwe district, Cletus Chifana, stepped out of a meeting just to thank Zim-AIED for their work with farmers on the Exchange irrigation scheme. He said, "The coordination effort has helped the farmers so much especially in saving money," referring to Zim-AIED's role in facilitating a meeting with ZINWA to resolve an outstanding bill of \$20,000 and technical assistance to repair the gate valve and motor.

This season has seen above average rainfall in all areas, which resulted in 100 percent of the irrigation schemes' dams overflowing. Water security is therefore assured for the next cropping season – critical for schemes like Masholomoshe and Siwaze in Matabeleland South, which will be planting again for the first time in many months. The negative impact of the high rainfall was the associated high level of siltation and waterlogging as the drains on most schemes could not handle the heavy runoff, leaving many of the early planted crops struggling to survive and causing delays in land preparation. Swift Zim-AIED intervention

mobilized the farmers to attend to their drains and implement simple strategies such as removal of maize stover from the ends of the fields, allowing water to drain in a reasonable time.

Zim-AIED held 30 training events with 909 participants (42 percent female) covering the practical aspects of water management, drainage, land leveling, utility bill negotiations, scheme operations, sprinkler layout for correct scheduling, and implementation of maintenance funds. These training events were buttressed by strong technical assistance and support in coordinating various stakeholder meetings.

The cumulative success experienced on the schemes is a result of ongoing initiatives taken to ensure long-term sustainability is achieved by incorporating all aspects of productivity in an integrated approach.

- ZINWA – When farmers are well advised, they are able to confront stakeholders on their own terms ensuring better services.
- Makwe – Farmers’ diligence in paying utility bills and interacting closely with ZINWA resulted in head works being serviced by ZINWA with all four pumps now operational.
- Silalabuhwa – Farmers will now pay for water abstracted from the night storage sub-dams and not from the main dam resulting in major savings as there are many leakages and illegal tapping along the main conveyance canal that feeds into the night storage sub-dams.
- Exchange – ZINWA agreed to deduct past interest charged and reduce the bill to account for the period that the scheme was not operational.
- Insukamini – A review of the water bill by ZINWA reduced the scheme’s arrears by \$5,064 and monthly charges were reduced from \$769 to \$336.
- All schemes – Support in application of annual water permits has resulted in farmers reducing their water bills by paying only for water they intend to use. Calculations for water demand are no longer based on the total hectares of the scheme as absentee plot holders unnecessarily increase the bill.
- Zimbabwe Electricity Supply Authority (ZESA) – Successful meetings were facilitated in Mashonaland East after the installation of prepaid electricity meters in several schemes. Having settled their arrears, farmers can now appreciate lower pumping costs.
- Operations and maintenance (O&M) funds – \$11,568 was raised by farmers through their O&M funds in order to repair priority equipment. Farmers have also cleared storm drains, de-silted canals, repaired embankments, cleared grass and shrubs along the canals, and patched cracks and joints with Bitumen putty. Although farmers still avoid depositing O&M funds into a bank account they have started experimenting with EcoCash, a mobile money transfer service, to reduce their transport costs for collections from scheme members and payments of bills.
- Improved irrigation management committee leadership skills – The IMCs have instituted a strict policy that ensures farmers pay their monthly bills. If these are not paid on time the farmers do not receive any water. This has rapidly reduced bill arrears and given the farmers a platform to negotiate from a position of strength as well as putting them in a positive light with microfinance institutions that are assessing the risk of direct lending to farmers on these schemes.



*Photo by Fintrac Inc.*

Members of the Exchange irrigation management committee work with an official to repair their scheme’s gate valve, ensuring correct water flow. Zim-AIED is forging relationships between smallholder farmers on irrigation schemes and various government officials to improve maintenance and operation.

## 4. CLIMATE CHANGE AND ENVIRONMENT

Zimbabwe already experiences impacts of climate variability and change such as increasing water scarcity, declining agricultural productivity, and environmental degradation. Smallholder farmers are particularly vulnerable because of their overdependence on rainfed agriculture, limited adaptive capacity, and an inherently variable climate.

Zim-AIED puts environmental concerns at the core of its agricultural development interventions because sustainable farming practices are critical to long-term profitability. This section briefly reports on the achievements and challenges of the Zim-AIED program during the period under review.

**Table 4.1.1. Natural Resources Management Trainings Q2, FY2014**

Subject Area	Male	Female	Total
Water Management	49	132	181
Integrated pest management & safe use of pesticides	831	713	1,544
Conservation Agriculture	39	82	121

### Chemicals

- The cultural practice of leaf pruning of bananas is averting the need for chemical control of leaf diseases such as Sigatoka.
- Herbicide use in banana fields is providing a cost effective way of weed control replacing the traditional hoeing approach in Rusitu and Honde, thereby reducing erosion on steep terrain.
- Minimum tillage in banana establishment during the rainy season reduces the extent to which the soil is loosened thereby predisposing it to elements of erosion.
- The use of minimum tillage in banana establishment provides a cultural control measure for nematodes by maintaining stable balance of the nematode ecosystems, eliminating the need for application of toxic nematicides in the process.

To raise awareness on the need to protect and conserve the environment, farmers in all areas received training and technical assistance on integrated pest and disease management and on safe handling and use of pesticides, focusing on use of personal protective equipment, storage of chemicals, and disposal of empty containers. Farmers were encouraged to use the services of trained agro-service providers and local Agritex officers to ensure effective and efficient use of chemicals. Farmers also learned to track and take corrective action using Environmental Mitigation and Monitoring Plan (EMMP) monitoring and reporting forms.

Farmers at Tshongokwe irrigation scheme in Matabeleland North have increased the use of protective clothing while at Moza (Matabeleland South) and Lukosi (Matabeleland North) further training is required to obtain a sufficient mindset change on the use of protective clothing. Farmers on some schemes now have designated chemical storage with proper separation of materials. The program provided protective clothing as part of the prizes for farmer competitions associated with field days.

The safe use of chemicals and proper disposal of empty chemical containers mitigates negative impact on the environment at all three paprika hubs (Hurungwe, Headlands and Nyanga) as well as the sites growing ABE chilies, Tabasco chilies, and cherry peppers throughout Manicaland and Masvingo provinces.

## Livestock

Zim-AIED strives to demonstrate ways by which livestock production can be increased without causing further damage to the environment. To strengthen environmental management in the livestock sector, Zim-AIED focused on dairy production on dryland and livestock production and marketing on irrigation schemes.

During the review period, environmental management training focused on the disposal of veterinary chemicals, empty containers, siting of water sources for animal and human consumption, soil erosion control, managing land carrying capacity to avoid overgrazing, and compost production. Farmers in Gokwe South used environmentally-friendly practices such as incinerators for disposal of empty chemical containers.

There is still a challenge for some farmers at Claremont in Umzingwane district (Matabeleland South) as evidenced by some cattle deaths from eating discarded plastic waste. Farmers received

advice in proper disposal of unwanted plastic waste in closed pits. Environmental assessments were done at Claremont and Madigan wetlands (Midlands) and it revealed that improvements were urgently needed in the disposal of empty veterinary chemical containers as well as recordkeeping on animal health. Table 4.1.2 lists the environmental challenges faced and the mitigation measures that were put in place.



*Photo by Fintrac Inc.*

Tendai Mandimutsira of Tsonzo, Manicaland shows the gully mouth forming as a result of animal movement. The farmer was advised to plant vetiver grass to stop the gully from forming and also reduce stock movement through the area by moving the gate to another site.

**Table 4.1.2: Environmental challenges and mitigation measures**

Environmental concerns observed	Mitigation plan	Trainings Completed	Outcome
Erosion from cattle movement and sheet erosion in field	Change gates to reduce excess traffic through stressed point; use contours	Farmer to use vetiver grass to heal affected areas; use of contour ridges	Farmer agreed to source vetiver and also change gates; contour repairs to be carried out in winter
Safe use of pesticides	Use of safe storage facilities and protective clothing when using agrochemicals	Safe use of agro chemicals	Farmers understood the safe use of agrochemicals

## Water

The program provided training and technical assistance to smallholders on irrigation schemes on proper drainage construction using water management techniques to flush out salts that had accumulated in the wake of incessant rains. The farmers were also trained to protect and efficiently use water resources as part of good irrigation management. The training also focused on water conservation through surface runoff prevention. Salient issues include the following:

- An incident of poor drainage at Hama-Mavhaire irrigation scheme and Madigani Wetlands (Midlands) on fodder demonstration plots where there was uncontrolled runoff into the fields and advice was given to make drainage contours to divert runoff away from the fields.
- In Honde Valley, 173 farmers (108 males and 65 females) were trained in sprinkler selection and proper irrigation scheduling in order to reduce over-irrigation.
- During the rainy season, some fields were inundated as drainage channels were blocked by unmaintained storm water drains and maize stover left in the drains to rot. Farmers were urged to cut grass and tree shrubs along drainage channels to allow water to drain out of the fields.

- Farmers at Ngondoma, Exchange (Midlands), Taona (Manicaland) and Tshovane (Masvingo) irrigation schemes were trained on use of bitumen putty to plug leaking joints and cracks in canals as a way of saving water and preventing waterlogging in adjacent plots.
- Drainage and salinity are two related challenges for surface irrigation systems. Most drains on schemes could not handle the runoff caused by the incessant rains. Drain repair work was laborious as the soils were waterlogged and extremely heavy for the hand tools used by the farmers, thus progress was slow.
- Salinity is a major issue at Moza irrigation scheme and farmers were trained on the importance of maintaining drains at the end of their fields to ensure salts are flushed away and do not accumulate.
- Efforts are increasing to improve the soil water holding capacity by incorporating organic material as farmers take advantage of the abundant grass available to make composts.

## Land

- An increasing number of farmers on irrigation schemes were persuaded to switch from staking of individual tomato plants with sticks to trellising using poles and wire or string. This will reduce the pressure on indigenous timber resources.
- Following the heavy rains at all production sites, farmers were given technical assistance on ridging of their paprika and chili crops, opening drains at the end of crop rows to prevent waterlogging damage on crops and making contours to prevent soil erosion.
- Most areas in the agribusiness hubs received good rains in January and February. However, there were some dry spells in Murewa, Goromonzi, and Hurungwe, in which cases farmers were trained to use mulch as a measure to mitigate moisture stress. In some cases, farmers were also advised to implement pot holing.
- In Hurungwe, there were a few periods of excessive rains which resulted in the bursting of contour ridges; farmers promptly repaired them.
- Farmers also learned about drought-tolerant seed varieties as shown on central demo plots and adjacent International Maize and Wheat Improvements Center (CIMMYT) demo plots.

Deforestation was a significant problem on agribusiness hubs where tobacco production took place (Mazowe and Hurungwe). During all trainings, farmers were educated on the dangers of this practice and encouraged to plant gum trees to mitigate the problem

## 5. GENDER

- GNDR 1: Number of lead farmers in assisted programs*
- GNDR 2: Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources.*
- GNDR 3: Number of project participants in relevant leadership positions*
- GNDR 4: Proportion of target populations reporting increased agreement with the concept that males and females should have access to social, economic, and political opportunities.*
- GNDR 5: Number of farmers engaged in contract farming*

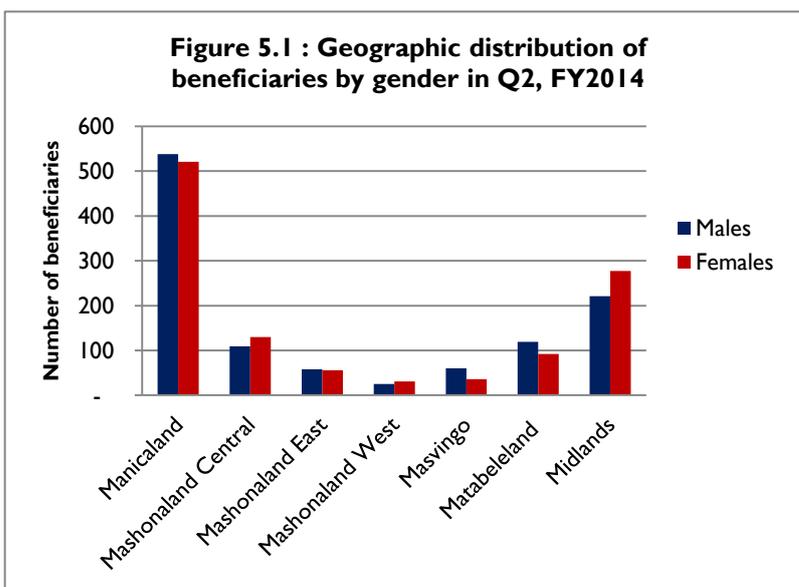
Zim-AIED continued to explore innovative ways to enable women and youth in agriculture to reach their full potential in increasing household incomes to meet their basic needs and those of their extended families. The strategy is to continually improve the impact of the program with minimal adverse reactions. Zim-AIED takes cognizance of each community’s uniqueness and culture in addressing gender disparities.

The program has actively engaged farmers through its farming as a family business training, which promotes female and youth participation in leadership; fosters gender dialogue that increases women’s access to finance and credit; and encourages female farmers to adopt new labor-saving agricultural technologies that increase productivity. Not only does this training address many of the gender related topics in a format that is acceptable to the whole community but also addresses inefficiencies in the smallholder sector through the commercialization of farms.

### Gender Empowerment

This quarter Zim-AIED assisted 2,728 new farmers across the country, of which 50 percent (1,372) were women who were exposed to new labor-saving technologies and gained increased knowledge in all aspects of farming including good agricultural practices, water management, safe use of pesticides, market trends, household budgeting, and leadership skills.

The overall proportion of women who have participated in Zim-AIED trainings to date remained at 50 percent. Midlands, Mashonaland Central, and Mashonaland West recorded the highest percentages of women attending Zim-AIED training sessions during the quarter (Figure 5.1).



The cumulative number of women that have adopted at least one new technology including crop genetics, improved pest and disease management, correct fertilization and water management is 15,233 or 23 percent.

Although cultural change is often slow, Zim-AIED has started to observe some significant changes in attitude even among the most conservative communities and farmer groups where the program is operating.

There has been overall acceptance of farming as a family business with increased attendance of women and youth especially during the school holidays. An example is the increased attendance by families to program trainings in Honde Valley. The program is now recording more than 20 percent of the participants as families. The whole family is therefore being empowered with technical and business skills. Women have started seeing themselves as active participants in meetings and realize they have a role to play toward the economic development of their families. During the quarter at a contract farming meeting with Agribank, at

Taona and Chibuwe Irrigation schemes in Chipinge district, in Manicaland province, women asked most (87 percent) of the questions. This goes to show that women participating in Zim-AIED trainings are now actively engaging themselves in debate and discourse. Zim-AIED’s business approach to farming has seen significant increases in household income resulting in young adults returning to the family business as has now become profitable.

**Migrant youths return home.** Thanks to a vibrant banana project in the area fuelling an economic revolution, over 300 youths have returned home from neighbouring countries and urban centres to resettle on their plantations. Through Zim-AIED interventions farmers’ incomes in Honde Valley have improved by more than 1000 percent from an average baseline income of \$220 per farmer in 2011. These young farmers are excited about the prospects for their future. “Although over 70 percent of my banana plantation is still in the vegetative stage, I am already earning a gross margin of \$105 a month from a harvest of 500 kilograms,” said an ecstatic Moses Mabvuwo.

**Leadership**

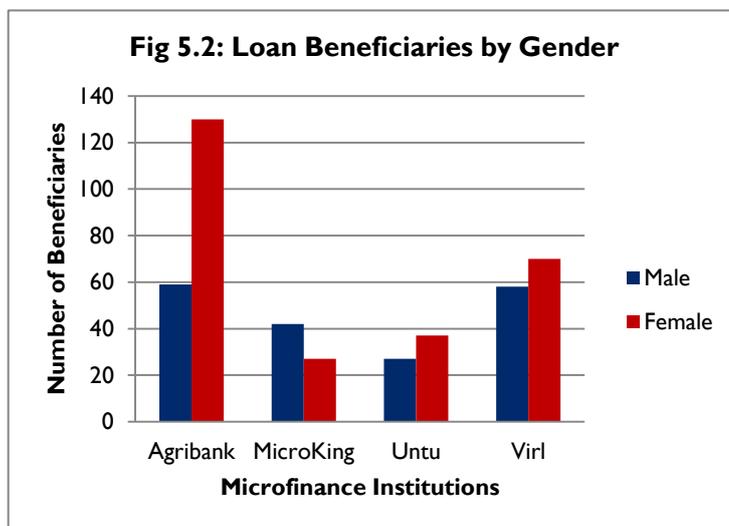
The number of lead farmers registered on all agribusiness hubs is 839 of which 41 percent are women. The impact of women in leadership combined with support through gender training is critical to spearheading Zim-AIED’s gender initiatives in the rural areas. The total number of project participants in relevant leadership positions is 470, with 35 percent of these being female.

More women are taking up influential positions in farmers’ groups and IMCs. During the quarter, in Matabeleland North and South, the proportion of women in leadership positions increased to 60 percent. Notable female leaders are the chairpersons for Tuli, Lushongwe, and Moza irrigation schemes. In Kapfunde, Hurungwe district, one of the five input procurement groups is led by a woman. Some Zim-AIED groups have adopted quota systems to address gender imbalances in leadership positions. At Fanisoni irrigation scheme in Matabeleland North, a quota system has been adopted to have equal representation of males and females on the scheme’s four sub committees.

In Honde Valley, the banana producer groups have revised their constitutions to give an equal leadership quota for men and women, implemented for the first time by four groups this quarter. Prior to Zim AIED interventions, because of religious beliefs in the area, women were not allowed to hold leadership positions.

**Access to finance and credit**

Significant strides have been made during this last quarter not only in direct lending to smallholder farmers (440 beneficiaries) but through increased access to credit to women. This has been spearheaded by three new AgriTrade partners namely Agribank, Untu, and Viril. These microfinance institutions are promoting group liability through co-guaranteeing instead of the



**Table 5.1: Gender Representation in Banana Groups – Honde Valley**

Farmer Group	Old Committee		New Committee		
	Men	Women	Men	Women	Youth
Murara	9	0	5	4	1
Chipote	7	2	6	3	2
Nyamatoronje	Murara splinter group		5	4	2
Zindi	8	1	5	4	4
<b>TOTAL</b>	<b>24</b>	<b>3</b>	<b>21</b>	<b>15</b>	<b>9</b>

*Gender representation: Men = 47%; Women = 33%; Youth = 20%*

traditional restrictive requirements for collateral. Sixty percent of the loans disbursed by MFIs during this quarter were made to women with a value of \$93,130. Zim-AIED has facilitated this process by providing historical information on farmers, ensuring secure markets and providing strong technical support. All these factors have served to reduce the perceived risk by the MFIs.

Since project inception, the percentage of approved loans from all AgriTrade partners disbursed to women increased from 33 percent to 39 percent this quarter. However, the value of these loans to women borrowers only accounts for 13 percent of the cumulative value of loans from all AgriTrade partners.

The number of women involved in new contract farming mechanisms during the quarter was 55 percent and women continued to prove their diligence in honoring their contractual obligations. A prime example is the Saruwaka group, an all-women's group in the Honde Valley, who have already repaid 80 percent of their loans for tissue-cultured bananas received from Zim-AIED partner FAVCO. These payments are being made from non-banana income as the tissue-cultured plantations are still maturing. The willingness to mobilize funds from non-banana activities exhibits an exceptionally high level of commitment.

When they get the opportunity, women are excelling in Zim-AIED promoted value chains. At a field day held in Chibuwe, block C, 60 percent of the best adjudged banana farmers were women. In Honde Valley, one widow female banana farmer, Jane Mukupe, is so successful that she is now regarded as an epitome of successful women in her community. She is now an employer and an investor as she is investing in real estate by building a residential house at Hauna, the local growth point. And above all, she is a leader after she was elected to be the chairperson of Murara farmers' group, one of the biggest and most productive banana groups in the Valley.

## 6. LESSONS LEARNED

- Positive reinforcement comes from perseverance and consistency in conveying key messages to farmers and other stakeholders. Some Agritex supervisors in Matabeleland have accepted that food security is not production of wheat on irrigation schemes and have for the first time excluded it from their annual crop production schedules.
- Facilitating the direct engagement of farmers with key decision makers at higher levels is critical in resolving conflicts with service providers. In the Midlands and Matabeleland provinces, Zim-AIED facilitated direct meetings between the IMC representatives and key ZINWA and ZESA personnel at the provincial level which has helped in resolving conflicts that have built up over the years.
- Regular and consistent implementation of proper drainage systems should be an integral part of the good agricultural practices package for irrigation schemes. Farmers pay little attention to drains in most irrigation schemes yet they play an important role in overall functionality of the schemes.
- In marginal areas such as Gutu, cowpea is a valuable crop that can be grown easily by smallholder farmers compared to maize which has a high probability of failure.
- Maize remains the most important staple crop, which the average smallholder farmer prioritizes over other crops such as soy beans, groundnuts, and sweet potatoes, even though gross margins may not be as good.
- Private sector partners are willing to participate and contribute to field days and the establishment and management of demo plots within the Zim-AIED agribusiness hub structures because they see potential in the commercial opportunities that the program has developed for them.
- Farmers in natural region five on irrigation schemes have realized that maize can be a profitable crop when the right variety is planted at the correct time with adequate levels of water and fertilizer. Farmers traditionally grew low-yielding short-season open pollinated varieties for food security purposes only. However, the introduction of longer season hybrids has led to a grain surplus of over

300 tons in Taona and Chibuwe irrigation schemes in Chipinge. Farmers have sold off this surplus to purchase inputs for their sugar bean crop.

- Lead farmers who are also involved in cash crop production have shown generally better performance in producing a strong maize crop and in repaying their loans. This suggests that a whole farm approach which includes a cash crop is important in the commercialization of maize.
- Opportunities remain buoyant in the local horticulture market despite pressure from South African imports and the ongoing liquidity crunch. Zim-AIED continues to work with buyers from formal and informal markets and will host additional input suppliers and marketing days during the next quarter.
- Farmer group constitutions should include contract farming and banking requirements as these are key prerequisites for commercializing communal agriculture.
- A good selection of loan beneficiaries by microfinance organizations as well as clustering farmers into groups help to ensure full loan repayment as it encourages cohesion and internalized monitoring within the membership. In Honde Valley, carefully selected farmers were clustered in groups of four to six members and made collectively responsible for the group's repayment performance. This strategy implemented by Virl Microfinance has resulted in 100 percent repayment of loans to date.

## 7. CHALLENGES

- High interest rates charged by MFIs reduce the potential number of smallholder borrowers. MFIs need to access cheap funding for on-lending to smallholder farmers to reach large numbers.
- A significant amount of training on proper use of PPEs has been conducted by program technicians; however, not many farmers are able to acquire the necessary equipment. This is due to unavailability of these materials in the hubs where the program is operating. More effort should be made to encourage the agrodealers to stock these materials in their shops.
- Although private sector participation has improved at events around the agribusiness hubs compared to last season, their contributions in terms of farmer prizes at field days is still low. To date, only Windmill and Nico Orgo have made significant contributions.
- High rainfall and humidity from January to March created conditions that resulted in high disease pressure in crops. Instead of the standard number of sprays for foliar diseases and pest control, farmers sprayed at least six times for foliar diseases. This was an unbudgeted cost which farmers struggled to finance.
- The wet conditions experienced in the 2013/14 season caused delayed weeding, nutrient leaching, and water logging in portions of some farmers' fields and resulted in yield reduction.
- Smallholder dairy farmers are failing to access adequate funding to grow enough fodder to sustain their dairy herds throughout the year. Accessing reputable materials for artificial insemination to service smallholder dairy herds is difficult.

## 8. CONCLUSIONS

After 42 months of implementation, Zim-AIED is on course to meet its life of project targets. A summary of performance against performance management plan (PMP) indicators is shown in Annex 2 and results of the 14 Feed the Future indicators tracked by Zim-AIED are described below.

**FTF 4.5.2-13** The FY2014 target for the indicator is to reach out to 15,000 new rural households by offering technical assistance in agronomy, livestock and irrigation; providing credit through the AgriTrade facility; and linking farmers to both input and profitable output markets. This quarter 2,273 new households benefited from at least one of the program's interventions, bringing the cumulative total in FY2014 to 7,044

new households. Since inception, the program has reached a total of 129,867 households. There was increased activity on agribusiness hubs this quarter as each hub hosted a market fair where farmers had the opportunity to interact with interested input suppliers, buyers, and microfinance institutions.

**FTF 4.5.2-23** The FY2014 target for incremental sales is \$60.93 million. To date for FY2014, \$7.3 million have been recorded from all crops and livestock, mainly from bananas and cattle.

**FTF 4.5 (16) – Gross margin per unit of land, kilogram, or animal of selected product (crops / animals selected vary by country)**

- **Maize** is grown by approximately 88 percent of the farmers in areas where Zim-AIED is promoting maize production, which include both dryland and irrigated crops, although the majority is grown under rainfed (dryland) conditions. Estimates from data collected through the first round of the gross margin survey indicate an average gross margin of \$291 per hectare against a target of \$250, mainly due to increases in yield.
- **Paprika** interventions impact a total of 1,548 smallholder farmers. These farmers can sell the crop to the buyer of their choice. Current field estimates indicate yields of around 1,350 kilograms per hectare with a gross margin of \$1,407 per hectare against a target of \$1,125. Farmers will benefit from higher prices as buyers compete for the product. Initial prices have been as high as \$1.80 per kilogram compared to last season's initial price of \$1.30 per kilogram.
- **Banana** harvesting is perennial and the figures recorded to date are only partial. Output and yields are expected to increase from second harvests and from more tissue-cultured plantations reaching maturity.

**FTF 4.5.2-11** The FY2014 target for the number of enterprises and organizations receiving assistance is 100 new organizations. This quarter, a total of nine organizations received assistance: one irrigation management committee and eight agrodealer traders who received loans from the AgriTrade facility. The cumulative total since inception is now 990 organizations receiving US government assistance.

**FTF 4.5.2-38** The FY2014 target for the value of new private sector investment in agriculture is \$1 million. The cumulative amount for FY2014 to date is \$81,660 from the different partners under Zim-AIED, with Better Agriculture contributing the most toward the chilies value chain.

**FTF 4.5-2** This quarter, two partners (SAT and O'Enem) created three new full-time employment opportunities. Cumulative jobs created to date are 1,219 with more jobs likely to be created during the harvest and selling period.

**FTF 4.5.2-2** The FY2014 target for number of new hectares under improved technologies is 39,945 hectares. Information collected from the gross margin survey show a total of 52,448 hectares under improved technologies with 18,151 hectares under new and 34,297 hectares under continuing. This will further be verified at the end of fiscal year through the gross margin survey.

**FTF 4.5.2-5** A total of 66,229 farmers are applying improved technologies promoted by Zim-AIED. Farmers are continuing to apply technologies adopted in the last season, with new farmers coming on board.

**FTF 4.5.2-7** The FY2014 target for the number of farmers receiving short-term agricultural productivity training is 60,000. This quarter 7,505 individual farmers were trained bringing the cumulative total for FY2014 to 13,869. Women constitute 51 percent of the total trainees.

**FTF 4.5.2-42** A total of nine new organizations adopted new management practices as a result of US government assistance this quarter: eight agrodealers who received loans for the first time under AgriTrade facility and one irrigation management committee.

**FTF 4.5.2-29** With a target of \$6 million for FY2014, \$549,337 was disbursed during the first and second quarter. Direct lending to smallholder farmers is likely to intensify in quarter three through input loans disbursed to sugar bean farmers.

**FTF 4.5.2-43** The FY2014 target for the number of firms operating more profitably due to program assistance is 15. This indicator will be reported in September 2014.

By the end of March 2014, Zim-AIED recovered \$807,791 in recoverable grants from both the beneficiary farmers and subgrant partners (Table 9.3). During the quarter, \$54,651 was recovered by companies from farmers for inputs advanced. Recoveries for the year under the Smallholder Technology Fund were \$4,707.

**Table 9.3: Zim-AIED Subgrant Disbursement Summary**

Partner	ZIM-AIED Budget (Grant + Recoverable)	Recoverable Amount Disbursed to date	Spent to date	Amount likely to be written off	Amount likely to be recovered	Recovered to date	Net Expenditure to date	Balance Remaining		Recovered Percentage of Recoverable Expected
								US\$ (a- c+f)	%	
	(a)	(b)	(c)	(d)	(b- d)	(f)	(c-f)			%
PF01 Mercy Corps	\$99,996	0	\$99,233		\$0	-	\$0	\$0	0%	0%
F02 IRD	\$99,990	0	\$99,737		\$0	-	\$0	\$0	0%	0%
PF03 O'Enem Meat	\$656,760	\$562,829	\$652,632	\$211,004	\$351,825	\$220,412	\$432,220	\$224,540	34%	63%
PF04 Matanuska	\$1,589,942	\$785,118	\$973,515		\$785,118	\$207,148	\$766,367	\$823,575	52%	26%
PF05 SAT	\$969,595	\$0	\$956,048		\$0	0	\$956,048	\$13,547	1%	0%
PF06 FAVCO	\$389,500	\$208,573	\$252,170		\$208,573	\$78,368	\$173,801	\$215,699	55%	38%
PF07 Better Agriculture	\$142,968	\$149,009	\$153,607		\$149,009	\$41,140.00	\$112,467	\$30,501	21%	28%
PF08 Capsicum	\$606,024	\$382,596	\$637,108	\$197,276	\$185,320	\$103,886	\$533,222	\$72,802	12%	56%
PF09 Prime Seed	\$368,250	\$261,288	\$347,749	\$168,145	\$93,143	\$51,262	\$296,487	\$71,763	19%	55%
PF10 Agriseeds	\$569,800	\$36,010	\$38,085		\$36,010	\$36,010	\$2,075	\$567,725	100%	100%
PF11 Inala Enterprises	\$146,053	\$105,460	\$149,858		\$105,460	\$64,859	\$85,000	\$61,053	42%	62%
PF12 Technology Fund	\$150,000	\$24,739	\$44,287		\$24,739	4707.07	\$39,580	\$110,420	74%	0%
<b>Total</b>	<b>\$ 5,788,878</b>	<b>\$ 2,515,621</b>	<b>\$4,404,028</b>	<b>\$576,425</b>	<b>\$ 1,939,196</b>	<b>\$ 807,791</b>	<b>\$3,397,267</b>	<b>\$2,191,625</b>	<b>38%</b>	<b>42%</b>
SUB04-SAT	\$1,261,976	\$0	\$1,007,916		\$0	\$0	\$1,007,916	\$254,060	20%	0

# ANNEX I: SNAPSHOTS

## Transforming Agriculture through the Lead Farmer Model

**Thanks to the lead farmer model, Zimbabwean smallholders are more than doubling yields, far surpassing national production averages.**



*Photo by Fintrac Inc.*

After attending Zim-AIED trainings and displaying exceptional motivation, Beatrice Mapuranga signed up as a lead farmer. She is teaching other farmers in her area the good agricultural practices she learned from the program and more than doubling her own yields.

**“I used to produce 3.5 tons of maize per hectare...I now produce up to 8 tons per hectare.”**

*Beatrice Mapuranga*

*Lead farmer, Mashonaland East province*

Lack of effective extension services is a major challenge to smallholder agriculture commercialization in Zimbabwe. The existing state-run extension services are poorly resourced and key messages do not filter down to the rural smallholder farmers who need them most. Without a basic understanding of good agricultural practices, most smallholder farmers cannot grow sufficient crops to move past subsistence farming.

USAID's Zimbabwe Agricultural Income and Employment Development program (Zim-AIED) is promoting a lead farmer approach that trains farmers to adopt good agricultural and business practices that they are then able to share with their communities, thereby extending the program's reach beyond just the farmers receiving direct training.

Lead farmers, selected by the program based on previous exceptional performance and proven leadership skills, teach other farmers using their own land as demonstration plots. Lead farmers are centrally located around agribusiness hubs, which promote smallholder agriculture by linking farmers with buyers, input suppliers, credit, and access to training and technical assistance.

The lead farmers receive training and technical assistance from program extension officers on their demonstration plots. Key practices include soil and water conservation, weed control, crop nutrition, and better postharvest handling techniques. In turn, the lead farmers provide training to at least five other farmers around their demonstration plots.

Zim-AIED currently works with 839 lead farmers operating around agribusiness hubs across the country, 41 percent of which are women. These farmers, on average, are more than doubling their previous maize yields from 2 tons per hectare to 4.5 tons per hectare today.

In Mashonaland East, lead farmer Beatrice Mapuranga is applying good agricultural practices on her farm, resulting in dramatic increases in maize yields. “I used to produce 3.5 tons of maize per hectare. As a lead farmer, I now produce up to 8 tons per hectare,” she said. Other non-Zim-AIED supported farmers are producing 0.7 tons of maize per hectare.

Last season, Kopiwe Pimbirimani, a lead farmer in Mashonaland West, harvested 4 tons of maize on her 0.5 hectare plot and 0.9 tons of sugar beans on another 0.5 hectare plot. After selling her crops, she calculated she had received \$919 for her maize and \$1,019 for her sugar beans after accounting for production costs. Pimbirimani's yields were significantly higher than the national averages of around 1 ton of maize per hectare and 0.3 tons of sugar beans per hectare.

By providing a group of dedicated farmers with the skills they need to both improve their own productivity and teach others to do the same, Zim-AIED extends its reach, ultimately benefitting more than 125,000 households throughout the life of the program.

## Direct Lending Opens Doors, Builds Relationships

**Access to credit enables smallholder farmers to grow commercially viable cash crops that increase their income and stimulate sector-wide production.**



*Photo by Fintrac Inc.*

Moses Chimbwanda of Mashonaland East shows off his pea crop. Moses received a loan from Viri Microfinance to establish a 0.40 hectare plot of this high-value crop, which he is selling to local markets.

**“Since accessing the loan, my yield has increased by more than 50 percent, mainly because I’m applying fertilizer on time.”**

*Noah Goora,  
Banana farmer, Manicaland*

The majority of Zimbabwe’s smallholder farmers have challenges accessing credit because they lack the collateral required by financial institutions to guarantee a loan. Often, a farmer’s only guarantee is his or her crops, but banks are reluctant to guarantee crops as these have a credit risk in times of drought, disease outbreaks or drastic changes in market prices.

To facilitate access to credit for smallholders, USAID’s Zimbabwe Agricultural Income and Employment Development program (Zim-AIED) links smallholder farmers to financial institutions including Viri Microfinance, Untu Capital, and Agribank through affordable input loans to boost their crop and livestock production. Through direct lending, farmers are not required to pay steep fees or put up extensive collateral.

Moses Chimbwanda is one of 11 farmers at Chipso irrigation scheme in Mashonaland East who received an input loan of \$350 from Viri Microfinance. He purchased seeds and fertilizer to plant 0.40 hectares of peas. After only three months of the loan tenure, Chimbwanda became the first farmer at the scheme to fully repay his input loan, two months before it was due.

“Planting my crop early enabled me to harvest the peas earlier than the majority of farmers in my area, making it easy for me to sell 50 kilograms right away,” said Chimbwanda.

Noah Goora, of Honde Valley in Manicaland, was one of 48 smallholder farmers in the area that received a loan for fertilizer and chemicals from Viri Microfinance for a 0.2 hectare banana plot.

“Before being linked to Viri, I produced 22 kilograms of bananas per bunch; since accessing the loan, my yield has increased by more than 50 percent, mainly because I’m applying adequate fertilizer and chemicals on time,” said Goora.

Apart from the 48 banana farmers in Honde Valley, Viri Microfinance also financed an additional 300 input loans valued at \$75,000 for program paprika, sugar bean, and horticultural farmers in Manicaland, Matabeleland, Mashonaland, and Midlands provinces.

“We have confidence in these smallholders because they receive training and technical assistance from Zim-AIED. This way, we are assured they are treating farming as a business,” said Lynn Gwenzi, operations manager of Viri Microfinance.

Cumulatively, nearly 600 loans worth \$134,200 have been disbursed by Viri Microfinance, Untu Capital, and Agribank to Zim-AIED beneficiary farmers since August 2013.

Direct lending to farmers builds sustainable relationships between financial institutions and rural smallholders. Zim-AIED beneficiary farmers’ proven record of repayment and thoughtful investment ensures these relationships continue to deepen and expand, paving the way for widespread growth across the sector.

## Good Animal Husbandry Increases Farmer Incomes

**More than 4,000 farmers have received training in livestock breeding and feeding practices, leading to widespread improvements in herd and meat quality.**



*Photo by Fintrac Inc.*

Sydney Msimanga traded in his old cattle for improved breeds through a loan and lease program designed by Zim-AIED. The size quality of his herd has increased dramatically, which will help him earn more income for his family.

**“Thanks to the heifer loan scheme, I have added four improved-breed cattle to my herd in just two years.”**

*Sydney Msimanga*

*Smallholder livestock producer*

Previously faced with major challenges in commercializing activities, Zimbabwean smallholder farmers in Matabeleland and Mashonaland provinces are improving their livestock production with support from USAID’s Zimbabwe Agricultural Income and Employment Development program (Zim-AIED).

Zim-AIED provides training and technical assistance to improve livestock herd sizes, and integrate crop production and livestock activities. More than 4,000 farmers have received training in livestock castration, dehorning, supplementary feeding, and routine vaccine dosing application.

To improve the quality of cattle, Zim-AIED introduced pen fattening to farmers at Tshongokwe in Matabeleland North. By more closely controlling and monitoring animals’ food intake, the cattle quickly achieve healthier weights, making them more valuable. Nine farmers pen fed 14 cattle over a two-month period. Each farmer then sold their cattle for around \$1,000 per carcass, netting approximately 50 percent more than before.

One of Zim-AIED’s key interventions is linking farmers with commercial suppliers and buyers. In Mashonaland Central, Zim-AIED is partnering with O’Enem Meats to help smallholder livestock farmers earn more money from their cattle sales. O’Enem set up an abattoir and feedlot in Chiweshe, one of Zim-AIED’s agribusiness hubs. Farmers are selling their cattle to the O’Enem abattoir at \$525 per animal, a 50 percent increase over previous sales. Cattle in Mashonaland are smaller than those in Matabeleland.

Over in Matabeleland, Zim-AIED and Inala Enterprises introduced a heifer and bull loan and lease scheme for smallholders in Nkayi district. Under the loan scheme, farmers can trade in their poor breeds for those with better genetics. Nearly 100 heifers have been provided to 48 farmers over the past 18 months.

The lease program allocates Inala-owned cattle to select farmers to keep and manage for more than a year in return for benefits such as milk, manure, and draught power. As payment for looking after the leased animals, the farmer receives a heifer after two years. Currently, 38 farmers have benefitted from this lease program.

Sydney Msimanga of Nkayi has vastly improved the quality of his herd after trading in his old cattle for two improved breed heifers from Inala.

The two heifers have produced a calf each. “Thanks to the heifer loan scheme, I have added four improved-breed cattle to my herd in just two years,” he said. This leads to more income as quality animals fetch more money compared to poor, indigenous breeds.

Zimbabwe’s cattle population is roughly 5.3 million, 90 percent of which is managed by the smallholder communal livestock production sector. Therefore, improving management and breeding practices within this sector stands to dramatically increase potential sales and incomes for millions of small-scale livestock farmers.

## Irrigation Management Committees Build Local Capacity

**Smallholder irrigation schemes are critical to increasing incomes and productivity. With proper irrigation management, farmers increase group buy-in and involvement.**



*Photo by Fintrac Inc.*

Thanks to Zim-AIED trainings on proper irrigation management practices, farmers like Busani Khumalo, of Matabeleland North, are able to grow cash crops like green mealies year round.

**“This is the best way for us as we will not pay for water which we have not used.”**

*Joel Ndlovu*

*Chairman of the Silalabuhwa Irrigation Management Committee*

One of the major challenges faced on most Zimbabwean irrigation schemes is lack of community engagement. Irrigation schemes often do not progress because many farmers associate new technologies with sources of conflict.

To address these challenges, USAID’s Zimbabwe Agricultural Income and Employment Development program (Zim-AIED) is training smallholder farmers on irrigation schemes in committee management, basic business skills, and good agricultural practices to improve both their productivity and group cohesiveness.

Previously, smallholder farmers were not actively involved in the management of their irrigation schemes. With support from Zim-AIED, farmers are learning to form irrigation management committees (IMC), which oversee day-to-day operation and maintenance of the scheme. Even this basic organizational training is helping farmers make rapid advancements, especially in the planning and sharing of tasks. Farmers are now planting and harvesting year round, ensuring food security and income-earning potential for thousands of farm families.

The program views all irrigation schemes as economic agribusiness hubs whose success and long-term sustainability hinges on all aspects of productivity in an integrated approach. Nationally, Zim-AIED is working on 36 irrigation schemes with more than 8,000 farmers on 4,664 hectares.

Zim-AIED is also training smallholders on irrigation schemes in the practical aspects of water management, drainage, land levelling, utility bill negotiations, sprinkler layout for correct scheduling, and setting up operation and maintenance funds.

The IMCs have instituted a strict policy that ensures farmers pay their monthly bills. If these are not paid on time, the farmers do not receive any water. By keeping their bills paid up, the IMCs have better negotiating power with key stakeholders.

For example, at the Silalabuhwa irrigation scheme in Matabeleland South, farmers successfully applied for water permits for five sections of the scheme from ZINWA, the national water authority.

The chairperson of the IMC, Joel Ndlovu welcomed the new approach: “This is the best way for us as we will not pay for water which we have not used.”

Busani Khumalo, secretary of Tshongokwe Irrigation Management Committee in Matabeleland North, attended a leadership training led by Zim-AIED and used knowledge and skills pulled from the training to increase community involvement. Now, his IMC manages water distribution and scheme infrastructure and is also responsible for operation and maintenance.

## ANNEX 2: PERFORMANCE INDICATOR SUMMARY TABLE

#	Indicator	Source	Unit	Baseline	FY2013	FY2014			
					Actuals	Target	Quarter 1	Quarter 2	Total
1	# of rural households benefiting from USG assistance	FTF 4.5.2-13	HH	0	56,869	55,000	7,071	6,254	13,325
2	Net income per household from target agricultural products	Custom (AIED 1)	US\$	483	1,062	1,300	0	1,322	1,322
3	Value of incremental sales attributed to FTF implementation	FTF 4.5.2-23	<b>Value of incremental sales</b>	<b>(3,379,669.31)</b>	<b>47,058,701</b>	<b>60,930,431</b>	<b>0</b>	<b>11,081,623</b>	<b>11,081,623</b>
			Total Number of Direct Beneficiaries	22,038.00	122,823.00	55,000.00	-	129,867	129,867
			Total baseline sales (US\$)	4,137,569.31	4,137,569.31	4,137,569.31	-	4,137,569	4,137,569
			Total reporting year sales (US\$)	757,900.00	51,196,270.25	65,068,000.00	-	15,219,192	15,219,192
			Total Reporting Year Volume of sales (mt)	16,318.43	116,908.06	169,303.00	-	33,925	48,072
			Bananas	(28,249.00)	5,498,508.00	8,971,751.00	-	7,610,143	7,610,143
			Baseline sales (US\$)	28,249.00	28,249.00	28,249.00	-	28,249	28,249
			Reporting year sales (US\$)	-	5,526,757.00	9,000,000.00	-	7,638,392	7,638,392
			Reporting Year Volume of sales (mt)	282.49	19,742.25	30,000.00	-	27,280	27,280
			Number of Direct Beneficiaries	-	3,440.00	4,140.00	-	3,893	3,893
			Maize	(2,742,980.00)	22,343,242.00	27,257,020.00	-	(2,445,047)	(2,445,047)
			Baseline sales (US\$)	2,742,980.00	2,742,980.00	2,742,980.00	-	2,742,980	2,742,980
			Reporting year sales (US\$)	-	25,086,222.00	30,000,000.00	-	297,933	297,933

#	Indicator	Source	Unit	Baseline	FY2013	FY2014			
					Actuals	Target	Quarter 1	Quarter 2	Total
			Reporting Year Volume of sales (mt)	13,715.00	80,242.08	100,000.00	-	1,192	1,192
			Number of Direct Beneficiaries	-	86,818.00	98,778.00	-	94,290	94,290
			Paprika	-	152,955.00	367,700.00	-	1,095,830	1,095,830
			Baseline sales (US\$)	757,900.00	757,900.00	757,900.00	-	757,900	757,900
			Reporting year sales (US\$)	757,900.00	910,855.00	1,125,600.00	-	1,853,730	1,853,730
			Reporting year Volume of sales (mt)	757.90	737.37	804.00	-	1,236	1,236
			Number of Direct Beneficiaries	2,650.00	2,650.00	1,750.00	-	1,548	1,548
			Beans and pulses	-	2,870,967.00	3,602,805.00	-	19,074	19,074
			Baseline sales	63,195.00	63,195.00	63,195.00	-	63,195	63,195
			Reporting year sales	-	2,934,162.00	3,666,000.00	-	82,269	82,269
			Volume of sales (mt)	63.20	2,425.16	3,055.00	-	69	69
			Number of Direct Beneficiaries	-	25,076.00	28,576.00	-	23,880	23,880
			Beans, fresh	-	5,406.00	204,791.00	-	25,911	25,911
			Baseline sales	9.00	9.00	9.00	-	9	9
			Reporting year sales	-	5,415.00	204,800.00	-	25,920	25,920
			Volume of sales (mt)	0.03	10.00	160.00	-	37	37
			Number of Direct Beneficiaries	-	20.00	250.00	-	104	104
			Bird's eye chilis	-	59,890.00	207,960.00	-	140,660	140,660
			Baseline sales	40.00	40.00	40.00	-	40	40
			Reporting year sales	-	59,930.00	208,000.00	-	140,700	140,700
			Volume of sales (mt)	0.05	72.33	220.00	-	201	201
			Number of Direct Beneficiaries	-	102.00	179.00	-	239	239
			Cabbage	-	337,665.00	598,608.00	-	5,363	5,363

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
			Baseline sales	1,392.00	1,392.00	1,392.00	-	1,392	1,392
			Reporting year sales	-	339,057.00	600,000.00	-	6,755	6,755
			Volume of sales (mt)	4.64	1,785.51	8,000.00	-	36	36
			Number of Direct Beneficiaries	-	1,291.00	1,720.00	-	225	225
			Chili Pepper	-	150,880.00	239,250.00	-	175,250	175,250
			Baseline sales	750.00	750.00	750.00	-	750	750
			Reporting year sales	-	151,630.00	240,000.00	-	176,000	176,000
			Volume of sales (mt)	1.50	257.00	480.00	-	352	352
			Number of Direct Beneficiaries	-	331.00	550.00	-	404	404
			Cowpeas	-	87,251.00	21,735.00	-	(2,082)	(2,082)
			Baseline sales	6,265.00	6,265.00	6,265.00	-	6,265	6,265
			Reporting year sales	-	93,516.00	28,000.00	-	4,183	4,183
			Volume of sales (mt)	7.83	194.25	80.00	-	8	8
			Number of Direct Beneficiaries	-	4,183.00	4,633.00	-	1,523	1,523
			Groundnuts	-	985,421.20	1,518,579.20	-	(5,343)	(5,343)
			Baseline sales	28,420.80	28,420.80	28,420.80	-	28,421	28,421
			Reporting year sales	-	1,013,842.00	1,547,000.00	-	23,078	23,078
			Volume of sales (mt)	47.37	2,060.50	3,094.00	-	46	46
			Number of Direct Beneficiaries	-	18,963.00	22,713.00	-	14,355	14,355
			Butternuts - Other	-	255,065.00	321,975.00	-	39,765	39,765
			Baseline sales	2,025.00	2,025.00	2,025.00	-	2,025	2,025
			Reporting year sales	-	257,090.00	324,000.00	-	41,790	41,790
			Volume of sales (mt)	4.05	547.00	720.00	-	102	102

#	Indicator	Source	Unit	Baseline	FY2013	FY2014			
					Actuals	Target	Quarter 1	Quarter 2	Total
			Number of Direct Beneficiaries	-	861.00	900.00	-	377	377
			Peppers	-	16,988.00	43,988.00	-	31,988	31,988
			Baseline sales	12.00	12.00	12.00	-	12	12
			Reporting year sales	-	17,000.00	44,000.00	-	32,000	32,000
			Volume of sales (mt)	0.03	34.00	80.00	-	80	80
			Number of Direct Beneficiaries	-	55.00	80.00	-	100	100
			Potatoes	-	597,558.49	529,158.49	-	13,322	13,322
			Baseline sales	5,441.51	5,441.51	5,441.51	-	5,442	5,442
			Reporting year sales	-	603,000.00	534,600.00	-	18,764	18,764
			Volume of sales (mt)	10.27	900.00	972.00	-	23	23
			Number of Direct Beneficiaries	-	120.00	150.00	-	22	22
			Soybeans	-	62,476.00	151,112.00	-	1,338,708	1,338,708
			Baseline sales	2,888.00	2,888.00	2,888.00	-	2,888	2,888
			Reporting year sales	-	65,364.00	154,000.00	-	1,341,596	1,341,596
			Volume of sales (mt)	7.22	131.73	308.00	-	2,683	2,683
			Number of Direct Beneficiaries	-	8,035.00	8,435.00	-	8,181	8,181
			Sweet potatoes	-	1,028,204.00	1,889,191.00	-	8,537	8,537
			Baseline sales	809.00	809.00	809.00	-	809	809
			Reporting year sales	-	1,029,013.00	1,890,000.00	-	9,346	9,346
			Volume of sales (mt)	4.50	3,040.00	3,780.00	-	14	14,160
			Number of Direct Beneficiaries	-	21,558.00	22,058.00	-	6,851	6,851
			Tomatoes	-	2,246,448.00	3,078,295.00	-	(111,770)	(111,770)
			Baseline sales	423,705.00	423,705.00	423,705.00	-	423,705	423,705

#	Indicator	Source	Unit	Baseline	FY2013	FY2014			
					Actuals	Target	Quarter 1	Quarter 2	Total
			Reporting year sales	-	2,670,153.00	3,502,000.00	-	311,935	311,935
			Volume of sales (mt)	1,412.35	4,728.88	17,550.00	-	567	567
			Number of Direct Beneficiaries	-	22,873.00	25,000.00	-	3,088	3,088
			Cattle	-	10,359,776.25	11,926,512.00	-	3,141,312	3,141,312
			Baseline sales	73,488.00	73,488.00	73,488.00	-	73,488	73,488
			Reporting year sales	-	10,433,264.25	12,000,000.00	-	3,214,800	3,214,800
			Number of animals	-	26,083.00	30,000.00	-	8,037	8,037
			Number of Direct Beneficiaries	-	17,441.00	20,000.00	-	5,358	5,358
			<b>Total volume of production (Tons)</b>	<b>22,369</b>	<b>148,125</b>	<b>217,204</b>	<b>0</b>	<b>335,153</b>	<b>335,153</b>
			Banana (Tons)	174.00	19,742	30,000	-	27,280	27,280
			Paprika (Tons)	72.00	737	804	-	1,236	1,236
			Maize (Tons)	21,600.00	110,104	144,000	-	238,301	238,301
			Beans (Tons)	97.3	2,653	3,055	-	12,624	12,624
			Bird's eye (Tons)	0.05	72	220	-	201	201
			Cabbage (Tons)	4.64	1,950	8,000	-	380	380
			Chillie Pepper (Tons)	1.50	257	480	-	352	352
			Cow Peas (Tons)	21.07	235	100	-	837	837
			Groundnuts (Tons)	256.19	2,831	4,420	-	4,616	4,616
			Butternuts (Tons)	10.97	547	720	-	245	245
			Fine Beans (Tons)	0.03	10	160	-	57	57
			Peppers (Cherry) (Tons)	0.03	34	80	-	80	80
			Potatoes (Tons)	9.52	900	1,080	-	165	165
			Soybeans (Tons)	16.50	163	385	-	8,716	8,716
4	Volume of production by program beneficiaries	Custom (AIED 2)							

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
			Sweet Potatoes (Tons)	202.07	3,091	4,200	-	36,781	<b>36,781</b>
			Tomatoes (Tons)	1, 623	4,799	19,500	-	3,284	<b>3,284</b>
			<b>Total Value of production (US\$ )</b>	<b>4,810,622</b>	<b>50,878,811</b>	<b>64,756,400</b>	<b>0</b>	<b>118,110,185</b>	<b>118,110,185</b>
5	Value of production by program beneficiaries	Custom (AIED 3)	Banana (US\$ )	40,000	5,526,757	9,000,000	-	7,638,392	<b>7,638,392</b>
			Paprika (US\$ )	80,000	910,855	1,125,600	-	1,853,730	<b>1,853,730</b>
			Maize (US\$ )	3,880,000	34,422,024	43,200,000	-	59,575,134	<b>59,575,134</b>
			Beans (US\$)	97,309	3,210,372	3,666,000	-	15,148,596	<b>15,148,596</b>
			Bird's eye (US\$)	40	59,930	208,000	-	140,700	<b>140,700</b>
			Cabbage (US\$)	1,392	370,500	600,000	-	72,219	<b>72,219</b>
			Chillie Pepper (US\$)	750	151,630	240,000	-	176,000	<b>176,000</b>
			Cow Peas (US\$)	16,857	113,235	35,000	-	418,300	<b>418,300</b>
			Groundnuts (US\$)	153,714	1,393,180	2,210,000	-	2,307,797	<b>2,307,797</b>
			Butternuts (US\$)	5,487	257,090	324,000	-	100,263	<b>100,263</b>
			Fine Beans (US\$)	9	5,415	204,800	-	75,600	<b>75,600</b>
			Peppers (Cherry) (US\$)	12	17,000	44,000	-	32,000	<b>32,000</b>
			Potatoes (US\$)	5,045	603,000	594,000	-	132,000	<b>132,000</b>
			Soybeans(US\$)	6,601	81,307	192,500	-	4,357,919	<b>4,357,919</b>
			Sweet Potatoes (US\$)	36,372	1,046,541	2,100,000	-	24,275,596	<b>24,275,596</b>
			Tomatoes (US\$)	487,034	2,709,975	1,012,500	-	1,805,939	<b>1,805,939</b>
			6	Area grown per target product	Custom (AIED 4)	<b>Total Area Grown</b>	<b>16,950</b>	<b>77,180</b>	<b>82,514</b>
Banana (Ha)	100.00	1,872				2,000	-	2,966	<b>2,966</b>
Paprika (Ha)	100.00	689				536	-	916	<b>916</b>

#	Indicator	Source	Unit	Baseline	FY2013	FY2014			
					Actuals	Target	Quarter 1	Quarter 2	Total
			Maize (Ha)	16,000.00	68,057	72,000	-	103,981	<b>103,981</b>
			Beans (Tons)	97.30	2,312	2,350	-	10,911	<b>10,911</b>
			Bird's eye (Ha)	0.10	16	55	-	42	<b>42</b>
			Cabbage (Ha)	2.55	75	100	-	20	<b>20</b>
			Chillie Pepper (Ha)	1.00	75	120	-	88	<b>88</b>
			Cow Peas (Ha)	30.50	227	100	-	837	<b>837</b>
			Groundnuts (Ha)	246.30	2,327	3,400	-	3,793	<b>3,793</b>
			Butternuts (Ha)	2.30	60	60	-	30	<b>30</b>
			Fine Beans (Ha)	0.01	2	25	-	12	<b>12</b>
			Peppers (Cherry) (Ha)	0.01	6	8	-	10	<b>10</b>
			Potatoes (Ha)	3.60	60	60	-	11	<b>11</b>
			Soybeans(Ha)	20.37	159	350	-	4,663	<b>4,663</b>
			Sweet Potatoes (Ha)	121.00	655	700	-	4,238	<b>4,238</b>
			Tomatoes (Ha)	225.17	588	650	-	422	<b>422</b>
7	Average yields per target product	Custom (AIED 5)	Banana (tons/ha)	1.74	10.55	15.00	-	9.20	9.20
			Paprika (tons/ha)	0.72	1.07	1.50	-	1.35	1.35
			Maize (tons/ha)	1.35	1.62	2.00	-	2.29	2.29
			Beans (tons)	1.00	1.15	1.30	-	1.16	1.16
			Bird's eye (tons/ha)	0.50	4.52	4.00	-	4.79	4.79
			Cabbage (tons/ha)	1.82	26.00	80.00	-	19.47	19.47
			Chillie Pepper (tons/ha)	1.50	3.42	4.00	-	4.00	4.00
			Cow Peas (tons/ha)	0.69	1.04	1.00	-	1.00	1.00
			Groundnuts (tons/ha)	1.04	1.22	1.30	-	1.22	1.22

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
			Butternuts (tons/ha)	4.65	9.12	12.00	-	8.21	8.21
			Fine Beans (tons/ha)	3.00	5.00	6.40	-	4.75	4.75
			Peppers (Cherry) (tons/ha)	3.00	5.67	10.00	-	8.00	8.00
			Potatoes (tons/ha)	2.63	15.00	18.00	-	15.00	15.00
			Soybeans(tons/ha)	0.81	1.03	1.10	-	1.87	1.87
			Sweet Potatoes (tons/ha)	1.67	4.72	6.00	-	8.68	8.68
			Tomatoes (tons/ha)	7.20	8.16	30.00	-	7.78	7.78
8	Gross margin per unit of land, kilogram, or animal of selected product	FTF 4.5-16	Maize (US\$/ha)	37	213	250	-	291	291
			Paprika(US\$/ha)	416	767	1,125	-	1,407	1,407
			Banana(US\$/ha)	220	1,834	3,500	-	2,093	2,093
			Beans (US\$/ha)	690	1,046	1,130	-	1,075	1,075
			Bird's eye (US\$/ha)	50	2,946	2,220	-	2,550	2,550
			Cabbage ((US\$/ha)	173	3,956	4,300	-	2,752	2,752
			Chillie Pepper (US\$/ha)	120	1,303	1,300	-	1,200	1,200
			Cow Peas (US\$/ha)	502	397	250	-	210	210
			Groundnuts (US\$/ha)	362	460	500	-	409	409
			Butternuts (US\$/ha)	1,172	3,778	4,400	-	2,537	2,537
			Fine Beans (US\$/ha)	-50	2,439	5,792	-	5,650	5,650
			Peppers (Cherry)(US\$/ha)	100	880	3,500	-	1,980	1,980
			Potatoes (US\$/ha)	502	3,135	3,900	-	6,200	6,200
			Soybeans(US\$/ha)	36	415	450	-	718	718
			Sweet Potatoes (US\$/ha)	271	1,387	2,750	-	5,478	5,478
Tomatoes (US\$/ha)	541	3,844	4,500	-	3,874	3,874			

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
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	976	1,042	0	990	990
10	# of buyer and market-related firms benefiting directly from interventions	Custom (AIED 9)	Buyers/ Firms	0	420	120	34	26	60
11	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	FTF 4.5.2-38	US\$	0	1,362,366	1,000,000	38,317	43,343	81,660

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
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	15	0	-	0
13	# of jobs attributed to FTF implementation	FTF 4.5-2	FTE	0	1,224	1,224	0	1,219	1,219
14	# of hectares under improved technologies or management practices as a result of USG assistance	FTF 4.5.2-2	New Ha	0	25,379	39,945	0	18,151	18,151
			Continuing Ha	0	25,379	43,144	0	34,297	34,297
			Total	0	50,758	83,089	0	52,448	52,448
15	# of farmers and others who have applied new technologies or management practices as a result of USG assistance	FTF 4.5.2-5	Total	0	75,178	80,327	0	66,229	66,229
			New farmers	0	39,744	47,393			
			New	0	39,744	25,500	0	29,141	29,141
			Continuing	0	35,434	32,934	0	37,088	37,088

#	Indicator	Source	Unit	Baseline	FY2013	FY2014			
					Actuals	Target	Quarter 1	Quarter 2	Total
16	# of individuals who have received USG supported short term agricultural sector productivity or food security training	FTF 4.5.2-7	Individuals	0	54,851	60,000	6,364	7,505	13,869
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 4.5.2-42	Enterprises/ Organizations/ Groups/ Associations	0	942	1,042	0	990	990
18	Value of agricultural and rural loans	FTF 4.5.2-29	\$ US	790,000	6,023,493	6,460,000	77,582	471,755	549,337
19	# of beneficiaries receiving credit	Custom (AIED 6)	Individuals	1,002	6,580	3,780	3,389	380	3,769
20	Value of cost-sharing with alliance partners	Custom (AIED 7)	\$ million	0	0	0	0.11	0.05	0.16

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
21	# of individuals receiving training in business skills	Custom (AIED 10)	Farmers/ Borrowers	0	13,245	15,000	6,341	2,797	9,138
22	# of MSMEs receiving business development services from USG assisted sources	FTF 4.5.2-37	MSMEs	0	57,190	55,610	7,126	6,342	13,468
23	# of individuals receiving training in (NRM)	Custom (AIED 11)	Individuals	0	16,062	20,000	364	1,687	2,051
24	Number of lead farmers in assisted programs	GNDR 1	Individuals	538	538	850	0	839	839
			Females	216	216	383	0	346	346
			Males	322	322	467	0	493	493
25	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources	GNDR 2	Percent	48%	0	55%	-	50%	50%
			Numerator	23,951	23,954		0	3,127	3,127
			Denominator	50,315	50,313		0	6,306	6,306
26	Number of project beneficiaries in relevant leadership positions	GNDR 3	Participants	455	455	455	0	470	470
			Females	159	159	182	0	165	165
			Males	296	296	273	0	305	305

#	Indicator	Source	Unit	Baseline	FY2013 Actuals	FY2014			
						Target	Quarter 1	Quarter 2	Total
27	Proportion of target populations reporting increased agreement with the concept that males and females should have access to social, economic, and political opportunities	GNDR 4	Proportion / Percent	79%	79%	84.00%	0%	79%	79%
28	Number of farmers engaged in Contract farming	GNDR 5	Farmers	0	6,228	3,000	3,135	472	3,607
			Female	0	2,989	1,500	1,323	278	1,601
			Male	0	3,239	1,500	1,812	194	2,006