ZIMBABWE AGRICULTURAL INCOME AND EMPLOYMENT DEVELOPMENT (Zim-AIED)

QUARTERLY REPORT #1 – FY2015

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January 2015
This publication was produced for review by the United States Agency for International Development (USAID). It was prepared by Fintrac Inc. under task order EDH-I-08-05-00007-00 with USAID/Zimbabwe.

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ACRONYMS

AI	Artificial Insemination
BA	Better Agriculture
BDS	Business Development Services
CABS	Central African Building Society
CESVI	Cooperazione e Sviluppo (Cooperation and Development, an Italian NGO)
CLUSA	Cooperative League of the United States of America
COSV	Coordination Committee for Voluntary Service
CSV	Creating Shared Value
EMMP	Environmental Mitigation and Monitoring Plan
EU	European Union
FTE	Full-Time Equivalent
FTF	Feed the Future
GM	Gross Margin
GAPs	Good Agricultural Practices
IMC	Irrigation Management Committee
IPM	Integrated Pest Management
IRD	International Relief and Development
MAMID	Ministry of Agriculture, Mechanization and Irrigation Development
MCC	Milk Collection Center
MFIs	Microfinance Institutions
MSME	Micro, Small, and Medium Enterprise
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PFA	Partner Fund Agreement
PMP	Performance Management Plan
PAR	Portfolio At Risk
PRIZE	Promoting Recovery In Zimbabwe Project
RBZ	Reserve Bank of Zimbabwe
SAT	Sustainable Agriculture Technology
SAZ	Standards Association of Zimbabwe
TC	Tissue Cultured
ZESA	Zimbabwe Electricity Supply Authority
Zim-AIED	Zimbabwe Agricultural Income and Employment Development
ZINWA	Zimbabwe National Water Authority

FOREWORD

The Zimbabwe Agricultural Income and Employment Development (Zim-AIED) program began in October 2010 and runs through September 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 in 2013 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:

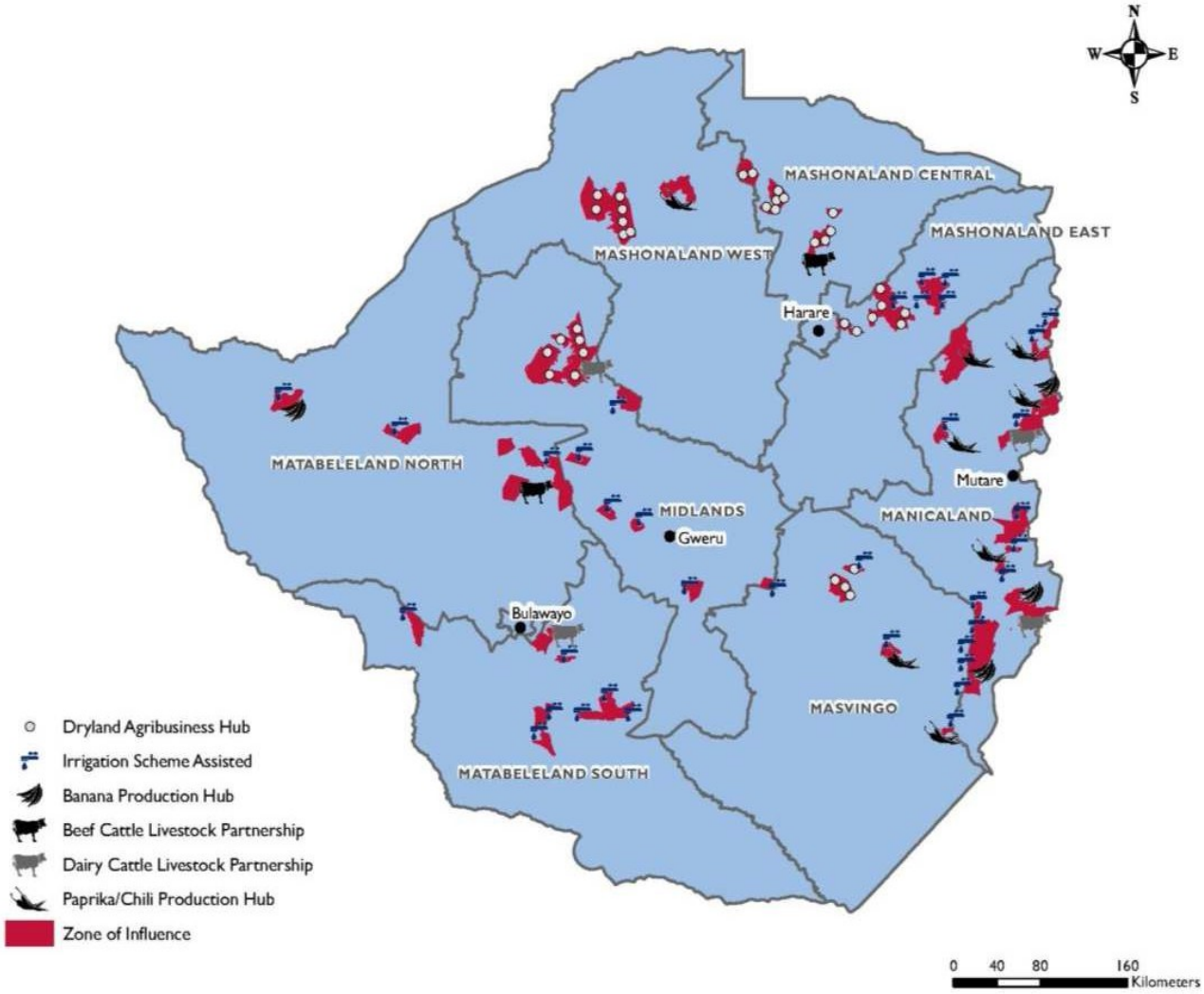
- Linking producers to local, national, regional, and international buyers.
- Providing access to credit.
- Raising efficiencies in production systems for an improved combination of livestock, cash, and food crops.
- Training farmers to adopt good agricultural and business practices.

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 Inc., a US-based consulting company, is implementing Zim-AIED in cooperation with four subcontractors: CARE; the Cooperative League of the USA (CLUSA); International Relief and Development (IRD); 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 $5 million grant facility. This 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 $2.85 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



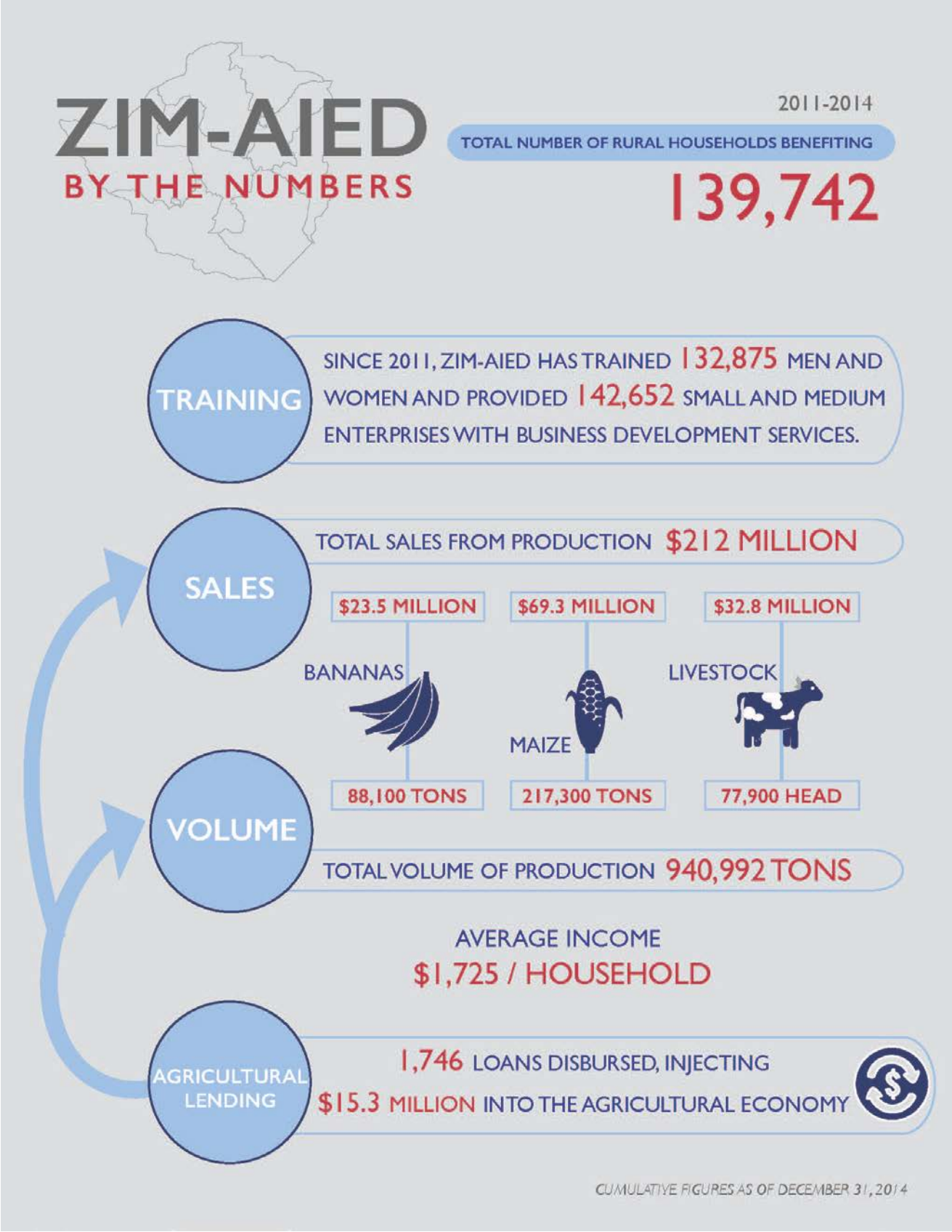
1. EXECUTIVE SUMMARY

This is the first quarterly report of FY2015 (October to December 2014), the final year of the Zim-AIED program funded under the USAID/Zimbabwe Task Order No. EDH-I-08-05-00007-00 with Fintrac Inc. Zim-AIED is providing technical assistance to improve food security and increase household incomes of 125,000 small-scale farming households throughout Zimbabwe.

Notable achievements during the quarter include:

- **$1,579,500 recovered in USAID loan capital** extended to CABS and MicroKing under the AgriTrade facility, with only a balance of $39,500 to MicroKing outstanding. The $771,516 balance with Trust Bank has remained inaccessible since the revocation of the bank's license in December 2013.
- **Three loans valued at $16,750 disbursed** by AgriTrade partner banks. Only one new borrower received a loan during the quarter through the AgriTrade facility.
- **473 loans valued at $141,526** were disbursed directly to Zim-AIED-supported farmers during the quarter by non-USAID funded AgriTrade partners. This represented an increase in both the number and value of loans (30 percent and 60 percent, respectively) compared to the previous quarter. Cumulatively, from August 2013 to December 2014, **1,603 loans valued at $419,352** have been disbursed directly to smallholder farmers by non-USAID funded AgriTrade partners.
- **2,855 rural households received technical assistance for the first time** during the quarter to raise productivity, access new markets, obtain credit, and increase incomes and employment opportunities. The program worked with a total of **6,195 rural households** this quarter, bringing the **cumulative number** of beneficiary households from program inception to date to **139,742 households**.
- Recorded **sales of targeted commodities from program beneficiaries were $1.89 million.** These were mostly carry-over sales from the previous season's crops. Sales will increase later in the year when marketing of the current planted crops commences. The program continues to be successful in linking smallholder farmers to both input and output markets.
- **7,416 farmers on 4,800 hectares in 28 irrigation schemes** strengthened their ability to function as viable commercial agribusiness hubs thanks to key linkages with input suppliers facilitated by Zim-AIED.
- **Farmers repaid $38,765 in recoverable grants** during the quarter, reducing the net disbursement to $3.45 million. These grants support a wide range of productivity-enhancing, postharvest, and marketing interventions directed at smallholders.
- The program continues to implement a **gender mainstreaming policy** whereby men, women, young people, and disadvantaged groups are specifically targeted in the planning of all program interventions. As a result, 47 percent of farmers beneficiaries during the quarter were women and 50 percent since inception.
- After 50 months of implementation, Zim-AIED is on course to **meet or exceed** nearly all of its **life-of-program targets**.

Figure 2: Zim-AIED by the Numbers



2. PROGRAM OBJECTIVES

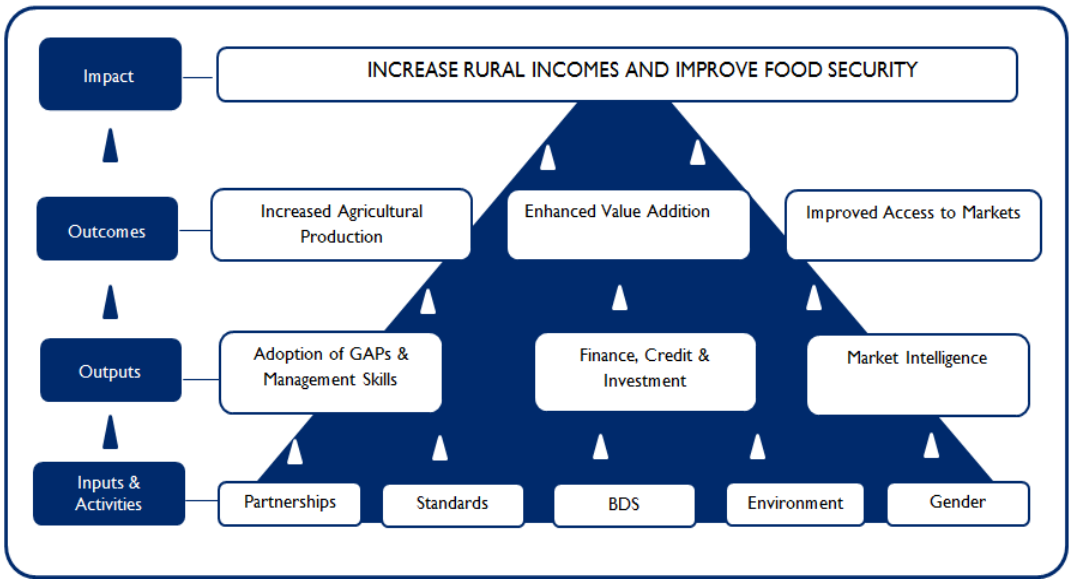
The primary objective of the Zim-AIED program is to improve food security for 150,000 Zimbabwean small- scale farmers (125,000 households) located in communal and old resettlement areas by increasing household incomes from agriculture and increasing food production among vulnerable but commercially viable farmers. This goal is being reached through the achievement of three intermediate results:

I. *Expanded Market Access*: Measured through change in volume and value of sales of targeted commodities and integration of farmers into out grower and contract farming schemes for selected cash crops.
II. *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 staple food and high-value crops.
III. *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, staple food, and high-value 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 3 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 3: Zim-AIED Results Framework Summary



The program is developing commercial partnerships to create a national network of agribusinesses that can strengthen farmers' access to markets with 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 on establishing service provision options at market rates.

In its final year, Zim-AIED is intensifying activities that prepare farmers for a post Zim-AIED world by ensuring that institutions and systems that outlast Zim-AIED are in place. Specifically activities are being streamlined to focus on:

- **Increasing farmers' access to credit** – increasing the number, volume and value of credit to smallholder farmers
- Finalizing efforts to **build up the capacities of local businesses, producer groups and other community institutions**
- **Increasing and intensifying market linkages** – bringing more market players in to engage crop and livestock farmers in both dryland and irrigated agribusiness hubs (input suppliers, output buyers and credit providers)
- **Streamlining training and technical assistance into a demand-driven process** that works to address site-specific challenges
- **Putting systems and processes in place that allow farmers to continue forward** – handing over technical assistance and training responsibilities to respective private sector partners and other stakeholders
- **Continuing to identify opportunities that increase Zim-AIED's footprint** in its areas of operation. No new geographic areas are expected but consideration will be given to any new opportunities that could provide high returns with minimal resources.

3. ACTIVITIES

Program activities included improving access to credit for both crop and livestock farmers and traders, training and technical assistance on productivity, 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

In FY2015, the program aims to work with 3,500 new households and continue its activities with 5,000 households already benefiting from the program. During the quarter under review, program activities benefitted 6,195 households of which 2,855 were new households (Table 3.1.1), receiving

at least one or more technical assistance visit or training intervention in agronomy, natural resource management, livestock husbandry, business skills, new technologies, accessing credit from micro, small, and medium enterprises (MSMEs), and creation of new linkages with input and output markets.[1] Although only 46.6 percent of the new households this quarter were female, the cumulative proportion of female households since inception is 49.8 percent. Table 3.1.1 provides an analysis of the number of rural households that have benefited from Zim-AIED's interventions since program inception in October 2010 to the end of the first quarter of FY2015.

Table 3.1.1: Geographic location of Zim-AIED beneficiaries – FY2011 to Q1, FY2015

Province	FY2011	FY2012	FY2013	FY2014	Q1, FY2015			Cumulative to date		
					M	F	Total	M	F	Total
Manicaland	8,855	11,070	6,215	3,875	363	461	824	15,143	15,696	30,839
Mashonaland Central	3,546	5,415	9,048	1,255	34	11	45	10,497	8,812	19,309
Mashonaland East	2,439	8,619	12,041	2,216	385	137	522	12,962	12,875	25,837
Mashonaland West	5,920	7,405	6,245	484	39	43	82	11,113	9,023	20,136
Masvingo	22	9,578	4,479	826	33	63	96	5,691	9,310	15,001
Matabeleland*	815	3,688	2,703	1,792	29	2	31	4,028	5,001	9,029
Midlands	441	5,018	9,261	3,616	641	614	1,255	10,725	8,866	19,591
Total	**22,038**	**50,793**	**49,992**	**14,064**	**1,524**	**1,331**	**2,855**	**70,159**	**69,583**	**139,742**

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

Manicaland and Midlands had the highest number of new beneficiaries because the program provided

Table 3.1.2: Number of individuals participating in Zim-AIED activities

Activity	FY2011	FY2012	FY2013	FY2014	Q1, FY2015			Cumulative to date		
					M	F	Total	M	F	Total
Training and technical assistance	11,896	58,055	54,851	28,832	4,194	2,349	6,543	61,931	70,944	132,875
Traders receiving loans	305	408	321	55	-	1	1	585	505	1,090
Farmers receiving loans (AgriTrade)	-	-	79	61	-	-	-	90	50	140[2]
Farmers receiving loans (other)	-	-	11	1,034	248	157	405	717	731	1,448[3]
Farmers linked to markets	-	11,194	18,529	2,252	669	73	742	20,383	10,753	31,136
Contracts issued to farmers	-	10,350	6,228	3,576	982	780	1,762	11,180	10,736	21,916

Source: Zim-AIED

more training in relatively new program areas such as Zindi, Mutasa district and Gokwe South.

This quarter 6,543 individuals received training and technical assistance from program and partner staff, of which 36 percent were women (Table 3.1.2). More focus was made on increasing direct lending to smallholder farmers, especially through microfinance institutions (MFIs) such as Virl Financial Services, Untu Financial Services, Quest Financial Services, and Agribank, since access to

[1] MSMEs include smallholder farmers, agro dealers, private commercial partners and irrigation schemes
[2] Only unique borrowers are counted here
[3] Only unique borrowers are counted here

3.2 INCREMENTAL SALES

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

A total of $1.89 million in sales were recorded by beneficiary smallholder farmers that have formal and informal marketing arrangements with commercial partners (Table 3.2.1, previous page). These sales are a partial representation of the actual total sales by all Zim-AIED beneficiaries given that only a low number of value chains assessed to provide data. Complete sales figures will be validated through a sample survey to be launched in the second and third quarters of FY2015.

3.3 GROSS MARGIN AND NET INCOME

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

The gross margin takes into account value of production retained for home consumption, barter, and sales, all of which contribute to net household income. The three crops selected for tracking changes in gross margin are maize, paprika, and banana. Table 3.3.1 provides estimated gross margins for Zim-AIED beneficiaries who received technical assistance in various forms during the quarter under review compared to what was actually achieved over the life of the program to date. Though it is too early to ascertain gross margins for these enterprises, field observations of the crops' germination rate, rainfall pattern and distribution and adoption of GAPs by farmers indicate that the set gross margin targets of $434 per hectare of maize; $7,000 per hectare of banana; and $2,385 per hectare of paprika will be achieved. Current gross margin estimates for maize and banana are marginally lower than the target due to lower prices realized by farmers in the reporting period but prices are expected to increase in the next two quarters. Banana prices were lower than expected as supply was dominated by harvests from non-tissue culture plantations from Rusitu and Honde Valley, which attracted lower prices. Maize prices remained relatively low as supply was still abundant from the harvests of the 2013/14 season.

Table 3.3.1: Estimated gross margins for maize, banana and paprika among Zim-AIED farmers

Crop	Year[8]	Number of farmers	Area (Ha)	Yield (tons/Ha)	Price ($/ton)	Value of Production ($)	Cost of Production($/Ha)	Gross Margin ($/Ha)
Maize	FY2015	97,552	107,470	2.28	303	74,244,717	315	376
	FY2014	95,605	105,325	2.28	328	78,828,150	315	433
	FY2013	86,818	68,057	1.62	313	34,422,024	293	213
	FY2012	62,309	51,760	1.47	300	22,864,100	217	225
Paprika	FY2015	1,652	535	1.66	1,870	1,661,057	716	2,388
	FY2014	1,548	680	1.66	1,870	2,108,715	716	2,385
	FY2013	2,650	689	1.07	1,235	910,855	555	767
	FY2012	2,652	700	1.41	1,290	1,272,700	583	1,235
Banana	FY2015	3,893	1,975	30.00	242	14,338,500	1,430	5,830
	FY2014	3,893	1,975	27.48	272	14,784,660	1,430	6,058
	FY2013	3,440	1,872	10.55	280	5,526,757	1,119	1,834
	FY2012	359	1,080	6.11	240	1,578,700	986	476

[8] FY2015 figures are estimates and will be validated from the results from the gross margin survey in Q2 and Q3

3.4 FINANCE AND CREDIT

Zim-AIED provided funds and technical assistance for a $2.9 million revolving credit facility, AgriTrade. Since inception, the facility has disbursed 1,746 loans worth $15.3 million to smallholder farmers and commercial players that work with smallholder farmers (Table 3.4.2). This intervention contributes toward Zim-AIED's achievements against the four Feed the Future indicators 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…*

During the period under review, the AgriTrade facility recorded three new loan disbursements valued at $16,750, all under MicroKing. This represented a significant decrease in both the number and value of new loans, as compared to 54 loans worth $271,444 disbursed in the previous quarter.

Table 3.4.1: AgriTrade Loan Portfolio as of December 31, 2014

	CABS		TRUST		MK		Current Active Portfolio	
	#	Value	#	Value	#	Value	#	Value
New Loans Disbursed	0	$0	0	$0	3	$16,750	**3**	**$16,750**
Portfolio Commitments	0	$0	28	$613,819	172	$820,151	**200**	**$1,433,970**

The reduced lending under MicroKing's AgriTrade portfolio in the quarter can be partly attributed to the liquidity challenges faced by its parent company, AfrAsia Bank, coupled with the decrease in USAID loan capital under the AgriTrade Fund. Similarly, CABS has not disbursed loans under AgriTrade since it fully repaid the USAID loan capital in September 2014. CABS is now refinancing its fully paid-up AgriTrade borrowers under the new Small to Medium Enterprises (SMEs) department. Trust Bank's AgriTrade portfolio remains inactive since the bank lost its banking license in December 2013. The bank now awaits High Court judgment on the Reserve Bank of Zimbabwe's liquidation order.

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

	CABS	TRUST	MK	Cumulative Disbursements
Value of Loans Disbursed to Date	$3,634,500	$3,854,142	$7,844,506	**$15,333,148**
Number of Loans Disbursed to Date	20	85	1,641	**1,746**
Average Loan Size	$181,725	$45,343	$4,780	**$8,782**
USAID/Zim-AIED Loan Capital-Outstanding	$0	$771,516	$39,500	**$811,016**
USAID/Zim-AIED Loan Capital – Injected	$500,000	$1,350,000	$1,079,500	**$2,929,500**

By the end of the first quarter FY2015, a total of $851,016 of the $2,929,500 of USAID capital injected into the three partner banks remains outstanding. After repaying a total of $190,000 during the quarter, MicroKing's closing balance sits at $39,500, which is scheduled to be repaid in January 2015. CABS has fully repaid its USAID loan capital and the balance with Trust Banks remains at $771,516, as noted above.

MicroKing

MicroKing disbursed its lowest number and value of loans (3 loans worth $16,750) this quarter, which can be attributed to the decrease in USAID loan capital. MicroKing has been collecting loan repayments from AgriTrade borrowers without creating new loans. All loan repayments collected were transferred to Fintrac for the repayment of $190,000 during the quarter.

New business development was also affected by liquidity challenges faced by MicroKing's parent company, AfrAsia bank, during the second half of 2014. The liquidity crisis resulted in a depositor run, as account holders could at times only access as little as $50 from their deposits with the bank. Many of its clients, including AgriTrade borrowers, closed their accounts with AfrAsia bank and moved to other banks, reducing the bank's deposit base and consequently affecting its ability to generate new loans.

To address its liquidity crisis, AfrAsia bank is seeking liquidity support from its major shareholders for the injection of new capital. The bank has also looked at two other options, including a private placement transaction or merger with a local bank. The Reserve Bank of Zimbabwe has not yet taken any drastic action against the bank as it is still optimistic that any of the three options will yield positive results. There have been suggestions in the market that AfrAsia bank could sell off MicroKing, mainly driven by the fact that the AfrAsia group has no experience in the microfinance business. This also contributed to the suspension of new business development under AgriTrade.

Despite these challenges, MicroKing managed to repay a total of $190,000 in USAID loan capital during the quarter and the balance of $39,500 is expected to be fully repaid in January 2015. Zim-AIED is confident that MicroKing will fully honor its obligation.

CABS

CABS discontinued disbursing new loans under the AgriTrade facility after fully repaying its USAID loan capital on September 30, 2014. AgriTrade borrowers requiring repeat loans are now accessing them under its SMEs department. Zim-AIED is assisting CABS in monitoring and providing technical assistance to the 441 smallholder farmers growing bananas at Mutema and Chibuwe irrigation schemes who accessed both long- and short-term capital loans through the bank in a debt takeover by Zim-AIED. CABS plans to start disbursing consumer loans to borrowers who fully pay up their capital investment loans and who also show good repayment records on their working capital loans. Repayment of the consumer loans will be done through sales proceeds from the banana enterprises.

Trust Bank

The AgriTrade portfolio has remained inactive since the bank lost its license on December 6, 2013. The bank successfully delayed the liquidation of its assets after it submitted an application to the High Court in January 2014 challenging the RBZ liquidation order. The delay in the High Court's judgment is affecting Zim-AIED's ability to collect any of the $771,516 in USAID loan capital currently with Trust Bank.

Zim-AIED made efforts to communicate with Trust Bank this quarter to make arrangements that would allow AgriTrade borrowers to repay their loans directly to Zim-AIED. This yielded no results, however, as Trust Bank's lawyers were not forthcoming. Follow ups will continue.

Non-USAID-funded AgriTrade Partners

A total of 473 new loans valued at $141,526 were disbursed during the quarter by non-USAID-funded AgriTrade partners directly to smallholder farmers supported by Zim-AIED. This represented an increase in both the number and value of loans (30 and 60 percent, respectively) compared to 363 loans worth $88,526 disbursed in the previous quarter. To date, 1,603 loans valued at $419,352 have been disbursed to smallholder farmers by non-USAID-funded AgriTrade partners (Table 3.4.3).

Table 3.4.3: Direct lending to smallholder farmers as of December 31, 2014

Disbursements	Untu		Agribank		Quest		Virl		Total	
	#	Value	#	Value	#	Value	#	Value	#	Value
Cumulative *since August 2013*	105	$16,513	432	$129,514	389	$77,544	677	$195,781	**1,603**	**$419,352**
Q1, FY2015	13	$3,281	52	$20,099	212	$55,819	196	$62,327	**473**	**$141,526**

Quest Financial Services

Quest disbursed a total of 212 input loans worth $55,819 during the quarter. Of these, 193 loans valued at $50,034 were disbursed to smallholder farmers in Mashonaland East, West and Central for the production of dryland maize. An additional 15 loans valued at $4,425 went towards dryland paprika production in Mashonaland West and four loans worth $1,360 towards horticultural production at Mbomane irrigation scheme in Mutoko district, Mashonaland East.

For the dryland crops (maize and paprika), farmers registered for weather indexed insurance against drought with ZimNat Lion Insurance at annual premiums of 5 percent for Goromonzi, 9 percent for Murewa and Guruve, and 7 percent for Hurungwe. All loans were charged a monthly interest rate of 3 percent plus a 5 percent establishment fee. Loan tenor for both dryland maize and paprika is eight months while for horticultural crops is five months.

Virl Financial Services

A total of 196 loans worth $62,327 were disbursed by Virl during the quarter, including five loans worth $5,350 for horticultural crops at Chipo irrigation scheme in Mashonaland East, 36 loans worth $13,212 for dryland paprika at Chiendambuya in Makoni district, 48 loans worth $12,909 for irrigated paprika at Nedziwa irrigation scheme in Chimanimani district, and 107 loans worth $30,855 for both dryland and irrigated paprika in Nyanga district.

The 107 paprika loans in Nyanga are in Tombo dryland (9 loans worth $2,817), Sabvure dryland (29 loans worth $6,260), Nyamaropa irrigation scheme (49 loans worth $15,474), and Nyakomba irrigation scheme (20 loans worth $6,305). All loans were charged a monthly interest rate of 4 percent, 2 percent life insurance, and 5 percent establishment fee. Paprika loans have a tenor of eight months while horticultural loans are for seven months.

Agribank

Agribank disbursed 52 loans valued at $20,099 for banana production to smallholder farmers in Honde Valley, Manicaland. The farmers accessed working capital loans for fertilizer and agrochemicals and capital investment loans for irrigation pipes and water tanks. The loans ranged from $75 to $1,807 depending on the number of banana plants and the irrigation equipment required per farmer. The loans were charged an annual interest rate of 18 percent and a 2 percent establishment fee over 12 months.

Untu Financial Services

Untu disbursed 13 loans worth $3,281 for dryland maize production in Gokwe district in the Midlands. To establish 0.5 hectares of dryland maize in Gokwe, farmers required inputs valued at $263 per farmer. Each of the 13 farmers raised $70 from their own capital resources in order to reduce cost and accessed a loan for $193 through the MFI. Interest is therefore charged on the $193 only instead of $263. The loans attracted a 2 percent monthly interest and 2.5 percent once-off establishment fee over a loan tenor of eight months.

Portfolio at Risk (PAR)

The AgriTrade Portfolio at Risk (PAR) decreased by 4.3 percent from the 14.7 percent recorded at September 30, 2014 to 10.4 percent on December 31, 2014. The decrease in PAR was largely a result of the removal of Profeeds P/L ($202,000) under CABS from the AgriTrade portfolio in the beginning of FY2015. There were no changes under Trust Bank's PAR, as the bank has been inactive since it lost its banking license in December, 2013.

The PAR under MicroKing increased from 2.9 to 12.4 percent, which is mainly attributed to the depositors' run witnessed under its parent company, AfrAsia bank. The bank's clients as well as some of its borrowers are no longer depositing their funds with the bank in fear of being unable to withdraw cash affecting loan repayment and new business development.

Table 3.4.5: Portfolio at Risk

	CABS	TRUST	MK	As of December 31, 2014
Loans Past Due: 30 to 180 days	$0	$48,034	$101,756	**$149,790**
Number of Loans Past Due	0	6	34	**40**
PAR	0%	7.8%	12.4%	**10.4%**

Commodities Purchased

There were no new commodity purchases recorded under the AgriTrade portfolio this quarter as MicroKing suspended its monitoring of AgriTrade borrowers since the start of FY2015 and CABS no longer has an AgriTrade portfolio. Cumulatively, recorded commodity purchases under AgriTrade since program inception remained stagnant at $29.65 million by December 31, 2014.

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:

- **Strengthening the organizational capacity of farmer groups-**facilitating use of group self-evaluation tool for introspection on all facets of group dynamics.
- **Collective marketing-**lowering transaction costs by linking farmer groups to input, output and financial markets.
- **Business skills-**improving planning and decision making at farm level by developing basic business skills such as enterprise budgeting, record keeping and financial management.
- **Farmer led extension system-**training lead farmers to establish a permanent knowledge/skills base in the community for sustainable adoption of good agricultural and business practices.

During the period under review, training and technical assistance was streamlined to focus on finalizing efforts to strengthen the organizational capacity of farmer groups and reinforcing input market linkages. All farmer groups were evaluated to identify weaknesses on various aspects that need strengthening such as governance, administration, production, and marketing. Specific training and technical assistance was then promptly provided to address these deficiencies. Simultaneously, a self-evaluation tool is being implemented for each farmer group that will empower their ability to effectively manage operations post Zim-AIED.

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 (Annexes 6 and 7). Some of these partners are sub-grantees or subcontractors while others are buyers, input suppliers, and lenders that work in cooperation with Zim-AIED using their own resources. In addition to the crucial role of business training, commercialization requires a range of other specific business-related interventions that are monitored through the six FTF indicators summarized below.

3.5.1 Technical Assistance and Training

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

During the quarter under review, 1,026 organizations, mainly AgriTrade borrowers, producer associations, and irrigation management committees (IMC), received training and technical assistance from Zim-AIED and its partners. A total of 41 IMC members from Tshongokwe (Lupane) and Lukosi (Hwange) irrigation schemes received leadership and management training covering issues such as duties, membership fees, and payment of utility bills. IMCs were also assisted in drafting practical action plans for clearing their debts with service providers.

In order to improve group governance, Zim-AIED assisted seven farmer groups, four irrigation schemes, and three Nucleus Breeding Centres (NBCs) to review and modify their constitutions. The self-evaluations revealed that most irrigation schemes' constitutions were outdated, making it difficult for groups to enforce their by-laws. Having traditional leaders ratify the constitutions enhances their enforcement. Reviews were conducted in Chipo and Gwiranenzara (Mutoko), Hama Mavhaire (Mvuma) and Exchange (Kwekwe) irrigation schemes, and in three NBCs at Dakamela, Ezinyangeni and Mkhalathi in Nkayi.

The commercial approach in agribusiness hubs was reinforced by loan management trainings for 208 lead farmers from Guruve, Hurungwe, Murewa, and Goromonzi this quarter. Emphasis was placed on the importance of building strong credit histories through the timely repayment of input loans. Trainings were supported by testimonies from some lead farmers that were advanced (and repaid) funds from Zim-AIED for crop demonstrations in the two previous seasons and have now graduated to being direct recipients of loans from MFIs.

FTF 4.5.2-37 Number of MSMEs receiving business development services

During the period under review, integrated training and technical assistance was provided to MSMEs in agronomy, irrigation management, natural resource management, gender mainstreaming, marketing, postharvest handling, recordkeeping, budgeting, and contract management. A total of 6,237 MSMEs, of which 3 were AgriTrade borrowers, received BDS training from Zim-AIED and its implementing partners. Table 3.5.1 shows the breakdown of beneficiaries who received trainings in various business skills during the quarter.

Table 3.5.1: Beneficiaries of business development services – Q1, FY2015

Subject	Q1, FY2015		
	Male	Female	Total
Enterprise Budgeting	157	620	777
Group Organization and Management	2,068	1,241	3,309
Loan Management	728	587	1,315
Recordkeeping	273	223	496

At the household level, farmers received training in the concept of farming as a family business that recognizes every family member as an important stakeholder. Accordingly, each member has a role to play in the family agribusiness. As an introduction to this methodology, a total of 37 cattle herders from Fanisoni (Nkayi), Zenzele and Zamalokhu (Lupane) who had inducted their cattle into feedlots were trained on recordkeeping. Emphasis was on daily cash flow, feed consumption, weight gain, and health status. Adoption has been high as each group had up-to-date records after a review in December.

The 37 beef cattle herders inducted 39 animals for an average of 62 days of pen fattening. Animals showed measurable improvements in their general body condition resulting in increased returns to farmers, with the highest net income at $870.86 compared to the local average of $300 per cow finished off the veld. In addition, herders received training on feedlot budgeting, record keeping and good animal husbandry practices.

As part of its exit strategy, Zim-AIED introduced a self-evaluation tool and assisted farmer groups to administer it using focus group discussions. A total of 17 farmer groups, 10 irrigation management committees and seven Honde banana producer groups were evaluated using the tool to gauge their capacity to self-manage. With the exception of the Exchange irrigation scheme, all IMCs evaluated were found to be average-to-strong in most facets of operations and management. The most notable common weakness was lack of a proper recordkeeping system. Zim-AIED addressed this knowledge gap with additional training on managing group demographic and economic information. A model format was presented that could be adapted to each group's

situation. Groups were also encouraged to invest in basic stationery and office equipment such as files, staplers, paper punches and receipt books.

The second common weakness diagnosed among the IMCs was their failure to produce regular authentic financial reports. This shortcoming brewed mistrust that adversely affected payment of members' fees. IMC members were therefore retrained on proper reporting and keeping cashbook records to improve transparency. Further trainings in the next two quarters will target every group member, a shift from the previous approach that focused exclusively on group leaders. Intensive training and technical assistance on financial accounting and reporting procedures is planned for the IMCs, with emphasis in Exchange, in the second quarter.

The evaluation results for the seven banana producer groups in Honde Valley were average-to-strong in most areas. The most common weakness was the groups' failure to hold general assembly meetings at regular intervals to address members' disgruntlement with the leadership's ability to address FAVCO's logistical shortcomings in the collection and payment of bananas. By the time general assembly meetings were called, an insufficient number of members to constitute a quorum attended. In order to address this logistics problem, an umbrella committee comprising representatives from the seven groups was established that will continuously coordinate with FAVCO. Evaluation of an additional six banana producer groups will be conducted in the second quarter of FY2015.

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

The reported new investment by private sector partners working with the program was $27,805 this quarter. A major investment of $20,659 was for the purchase of a tractor-trailer and banana crates and bins by FAVCO to enhance its procurement of bananas in response to increases in production from the newest tissue culture plantations in Honde Valley. Livestock partner, Inala Enterprises in Nkayi, constructed a cattle maternity paddock worth $1,000. Investments made by partners this quarter were a third of what was realized during the same period in FY2014. The liquidity crunch, high cost of borrowing, and the generally low demand in the economy remain constraints to capital investment from the private sector.

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

This is an annual indicator and will be reported at the end of FY2015.

FTF 4.5-2 Number of jobs attributed to FTF implementation

A total of 1,294 full time equivalent (FTEs) new and continuing jobs were recorded in the quarter under review. The level of employment achieved by the program to date has been maintained. Two of Zim-AIED's partners, Matanuska and Better Agriculture, added new employees during the quarter. Matanuska employed four local smallholder farmers (3 males, one female) to work on irrigated tissue culture banana plantations in Mutema and Chibuwe in Chipinge district, while Better Agriculture employed 11 smallholders (8 males and 3 females) as general field hands.

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

A total of 1,035 new and old organizations applied new technologies or management practices as a result of US government assistance. These organizations include agrodealers who received loans under the AgriTrade loan facility, IMCs, producer organizations, and milk collection centers (MCCs). Adoption of new management practices at irrigation schemes have resulted in fewer equipment breakdowns and down times, resulting in better utility payments, greater water supply and higher productivity by IMC members.

3.6 PRODUCTIVITY

In all program sites there was a late start to the season, with the rains not starting in most areas until the first two weeks of December 2014. Areas that received rains in November were given a false start that resulted in poor crop stands and required significant amounts of gap-filling or complete replanting. The December rains enabled farmers to establish most of their crops by end of the same month. However, the incessant rains during the last week of December to the first week of January resulted in weed pressure, nutrient leaching, and waterlogging in some irrigation schemes and dryland areas.

Agricultural inputs are currently abundant in the market mainly from more players at both the national and local level. However, buying power in the market is weak prompting fierce competition among the major suppliers; to the advantage of farmers (promotions and discounts have been introduced).

Demand for short-season seed varieties increased, especially for maize, with some incidences of localized stock-outs. The industry has assured the market that there are adequate supplies to meet the demand.

In many sites, farmers qualified for direct financing from partner MFIs. Other farmers accessed inputs through group procurement initiatives or from other sources such as savings or livestock sales. Promotion of direct lending to smallholder farmers is critical to Zim-AIED's strategy for the sustainable commercialization of smallholder farmers.

As the focus in the final year shifts to ensuring sustainable market linkages, technical assistance and training involved mainly strengthening input procurement groups and facilitating direct lending from partner MFIs to the existing agribusiness hubs in Manicaland, Mashonaland, Matabeleland, and Masvingo provinces.

Productivity increases are monitored by three FTF indicators, summarized below and detailed in the specific activity interventions, sections 3.6.1 to 3.6.8.

FTF 4.5.2-7 Agricultural sector training

Training and technical assistance was provided to livestock, banana, paprika, chilies, horticulture, maize, sugar bean, cowpea, groundnut, and sweet and table potato farmers on the use of seed dressing, herbicide use for weed management, correct fertilizer application techniques, correct irrigation techniques, safe use of pesticides, and other good agricultural practices.

During the quarter under review 6,543 beneficiaries received short-term specialized training and technical assistance in livestock and crop production, integrated pest management, and postharvest technology. Training focused on GAPs customized for specific crop and livestock conditions.

FTF 4.5.2-2 Area under improved technologies

Livestock farmers in Nkayi district and Gokwe have increased the area under fodder production to support their beef and dairy herds, respectively. Through Zim-AIED's partnership with Inala Enterprises, farmers in Nkayi established a total of 3.0 hectares of fodder compared to 1.5 hectares in the previous season. Twelve farmers from wards 16, 20 and 21 each established on average 0.25 hectares of velvet beans. Production from each plot is expected to be adequate to feed at least five mature cattle for two dry months. The area under fodder production is expected to continue to increase as some farmers are still preparing their lands for planting due to the rain delays and the subsequent heavy rains in late December.

Herbicide adoption has been on the rise, partly in response to the changing weather conditions but also as a result of partner MFIs' inclusion of the technology as part of farmers' overall financing package. In Gokwe, all dairy lead farmers are using herbicides on their maize silage crops for weed control and to reduce labor demand on their dairy farms.

The incessant rains as from late December to early January resulted in heavy weeds, creating a surge in demand for the herbicide Stella Star, a post-emergent selective herbicide that controls grasses and broad leaves in maize. Farmers in these areas have witnessed the efficacy of the herbicide at on-farm demonstrations run by Zim-AIED during the two previous seasons (Annex 1).

The actual area under improved technologies will be ascertained through the gross margin survey to be carried out in the second and third quarters of FY2015.

FTF 4.5.2-5 Farmers who have applied new technologies

There has been an increase in the number of farmers who have adopted planting of fodder crops, using purchased stockfeed and feedlots, and application of herbicides.

Trainings and demonstrations on fodder production, preservation and utilization in livestock target areas have assisted farmers in appreciating the use of home grown fodder as a cheaper source of supplementary feeding for their livestock.

Zim-AIED continued to monitor the performance of the WFP donated cocoons in Gokwe South and Hurungwe. All 7 cocoons completely protected the grain from storage pests up to now (6 months after installation). Farm& City in Gokwe has reported one sale of a 10 ton cocoon. This is an indication of the acceptability of this technology, even though it is expensive.

More farmers in Nkayi increased their use of commercial stockfeed as supplementary feed. This was aided by Zim-AIED trainings on farming as a business where farmers were advised to sell small livestock such as goats in order to buy stockfeed to maintain their more valuable assets, cattle, during the dry period. Accessibility was improved through the help of Zim-AIED's livestock partner, Livestock Zone, who opened a stockfeed warehouse in Nkayi. Livestock Zone sold at least 50 tons of stockfeed in the last quarter to Nkayi rural farmers, including those supported by the program. This arrangement helped support a reduction in poverty-related cattle mortality compared to the previous season (Table 3.6.1).

Table 3.6.1: Summary of poverty-related cattle deaths in Nkayi district

Year	Number of poverty related cattle deaths in the whole district
2012	927
2013	519
2014	79

Source: Department of Veterinary Services; Nkayi District

The actual number of farmers who have adopted improved technologies will be ascertained through the gross margin survey to be carried out in the second and third quarters of FY2015.

3.6.1 Staple Crops

Maize (dryland). Maize remained the most important crop for most of the dryland agribusiness hubs established over the last two seasons. The focus of the program during the last quarter was selecting suitable farmers for direct lending and linking them to microfinance institutions. As a result, 206 smallholder dryland maize farmers were obtained input loans from Quest and Untu Capital for the production of maize on 0.5-1.0 hectares. The total value of the loans extended was $73,023 which included drought insurance from Zimnat with the exception of Gokwe South.

Table 3.6.1.1 details the location and distribution of maize farmers from the dryland agribusiness hubs that benefitted from direct lending. Farmers who participated on this program began establishing crops in mid-November through mid-December 2014. However, some farmers had to replant as germination was poor due to inadequate soil moisture. The bulk of the crop is currently in very satisfactory condition except for a few areas in Murewa where top dressing with nitrogen was required (and recommended).

to 2,000 dozen per hectare in previous years. The crop is helping farmers attain high levels of profitability with some earning up to $9,000 per hectare in gross sales against a production cost of only $1,200 per hectare.

Overall maize production is expected to decline in FY2015 because of limited access to inputs and the late start of the rainy season, as projected in Table 3.6.2.4 below. In addition, the incessant rains in late December resulted in weed pressure, nutrient leaching, and waterlogging which negatively impacted yield potential.

Apart from the government's *Presidential Input Scheme*, there were no major funding programs for agricultural inputs. The government scheme is limited to 10 kilograms of maize seed per selected household with a few incidences of households also receiving one 50-kilogram bag of basal fertilizer.

Table 3.6.2.4 Summary of maize production in Zim-AIED areas since program inception

Year	#of farmers	# hectares	Total production (tons)	Yield (tons /ha)	Total cost	Total Cost/ ha	Value of production	Value of production /ha	Total sales	Total sales /ha	Gross margin /ha
2012	n/a	51,760	76,214	1.00	$11,218,100	216.73	$22,864,100	$442	$8,230,000	$159	$225
2013	86,818	68,057	110,104	1.62	$19,925,881	292.78	$34,422,022	$506	$25,086,222	$369	$213
2014	95,605	105,325	240,062	2.28	$33,222,425	315.43	$78,828,150	$748	$35,964,160	$341	$433
2015*	94,000	100,000	235,000	2.30	$32,000,000	320.00	$75,000,000	$750	$35,964,160	$360	$430

**2015 estimates will be validated through the gross margin survey in Q2/Q3* *Source: Zim-AIED*

Sugar beans (dryland). Zim-AIED continued to provide technical assistance to dryland sugar bean farmers. Planting started in late December in Hurungwe and Guruve districts, with some lead farmers planting up to 0.5 hectares of sugar beans. The early-planted crop is currently in very satisfactory condition. Farmers will plant the remaining bulk of the crop in March 2015.

Sugar beans (irrigated). Commercialization of the harvested crop was the main activity this quarter. In Matabeleland, a total of 1,000 kilograms of sugar bean were sold with the average price at $1.40 per kilogram. Buyers were mainly local traders. In Manicaland, the last sugar bean sales were in October 2014 from farmers on the Chibuwe irrigation scheme. These last sales bring Chibuwe's cumulative sales in the 2013/14 season to 60,000 kilograms and $90,000.

Groundnuts. Harvesting and marketing fresh groundnuts from irrigation schemes was the main activity during the quarter. Groundnut (fresh) production on the Mutema and Chibuwe irrigation schemes has increased significantly, from 95 hectares last season to 135 hectares this season. Farmers that plant from August to mid-September ensure an early harvest in November when the supply on the national market is low and prices are high.

Thirty hectares of the crop have been sold as fresh groundnut by the end of the reporting period and selling will continue in the second quarter of FY2015. Farmers have realized gross revenues ranging from $3,120 to $5,200 per hectare with production costs of only $650 per hectare.

Establishment of the dryland crop in the program focus areas of Murewa, Gutu, and Guruve started in late November 2014. Due to the late start of the season, the bulk of the dryland crop was still in early vegetative stages or was just emerging by the end of the reporting period. Technical assistance on gypsum use and appropriate GAPS was given to farmers around groundnut hubs in Murewa, Gutu and Guruve. No major changes in production are expected in FY2015 as compared to the previous year (Table 3.6.2.5).

Table 3.6.2.5 Summary of groundnut production in Zim-AIED areas since program inception

Year	# of farmers	# of hectares	Total production (tons)	Yield (tons/ ha)	Total cost	Total Cost/ha	Value of production	Value of producti on/ha	Total sales	Total sales/ha	Gross margin /ha
2013	18,963	2,327	2,831	1.2	$322,760	$139	$1,393,180	$599	$1,013,842	$436	$460
2014	19,883	7,819	8,326	1.1	$946,527	$121	$5,723,936	$732	$2,398,976	$307	$611
2015	19,883	7,818	8,500	1.2	$718,300	$92	$5,800,000	$742	$2,400,000	$307	$650

**2015 figures are estimates will be validated through the Gross margin survey in Q2 and Q3*

Cowpeas. Most of the crop produced in the 2014 season in Gutu was sold to Zaka Seeds, through GRM, at a price of $0.5 per kilogram. Zaka Seeds have shown willingness to buy next season as well, and some farmers have already begun planting. The number of farmers and the area grown is still to be ascertained, but technical assistance from Zim-AIED continued in Gutu, on planting methods, seed rates, and fertilizer applications.

Sweet potatoes. Activities this quarter focused on strengthening the partnership between Gutu sweet potato farmers and Simfresh. Farmers are eager to produce at the standards Simfresh requires for export. Meetings were held with Simfresh who expressed a willingness to train the farmers. Simfresh assured the farmers of a market for both national market and export products.

Table potatoes. Zim-AIED assisted 12 farmers at Chinyika irrigation scheme by linking them to Virl Microfinance for input loans and providing technical assistance on good agricultural practices. The crop, established in August 2014, was harvested in November with farmers achieving average yields of 18 tons per hectare and gross margins of $3,000 per hectare. This was lower than expected due mainly to the presence of bacterial wilt in some farmers' fields. There was a ready market at the local business center.In Matabeleland the yields from the irrigation schemes were even better (20-30 tons per hectare) with gross margins up to $10,000 per hectare. Five-star hotels, lodges and supermarkets in Bulawayo were the main buyers.

3.6.2 Paprika and Chilies

Paprika

A total of 1,273 smallholder farmers were trained in business skills, accessing input loans, farmer group organization, paprika seed bed establishment and management, herbicide use, and record keeping in preparation for the start of the paprika season.

Initiatives to increase paprika production centered on making credit accessible to smallholder farmers to fund the purchase of inputs. Following last season's successful direct lending pilot, Zim-AIED worked with MFIs to scale up this season. A total of 318 paprika farmers this season, an 89 percent increase from last season, received credit for paprika production inputs (fertilizers and chemicals) from Virl Microfinance and Quest Financial Services. Farmers received loans to produce 0.2-0.4 hectares of paprika, the tenor varying from 6 to 8 months at a monthly interest rate of 4 percent. In Headlands, where the crop is produced under rainfed conditions, the number of farmers accessing paprika input loans increased by 150 percent, from 14 farmers in 2013/14 season to 35 farmers this season.

In Hurungwe, a total of 99 farmers producing maize and paprika under rainfed conditions received input loans from Quest for both crops as part of Zim-AIED's direct lending strategy to integrated paprika/maize farmers. The farmers also registered for weather-indexed insurance against drought through a local insurance company at an annual premium of 7 percent.

In Nyanga, Nedziwa and Musikavanhu, 184 farmers accessed paprika production loans from Virl Financial Services.

In most paprika hubs, the rainfall season started after mid-December 2014 which is when the majority of farmers transplanted their paprika. Areas established ranged from 0.2 to 0.4 hectares per farmer. To date, about 1,652 smallholder farmers in hubs in Mashonaland West and Manicaland provinces have established an estimated 535 hectares of paprika (Table 3.6.2.1). Farmers, who accessed credit for inputs, are receiving adequate rainfall, and adopted GAPs are expected to attain minimum yields of 1.5 tons per hectare. Total production by smallholder farmers is estimated to exceed 737 tons (Table 3.6.2.1).

Table 3.6.2.1: Projected paprika production for 2014/2015 season

		Input Supported Farmers				Unsupported Farmers				Total Farmers			
Province	District	# of Farmers	Area (ha)	Yield/ ha (t)	Total (t)	# of Farmers	Area (ha)	Yield/ ha (t)	Total (t)	# of Farmers	Area (ha)	Ave yield/ ha (t)	Total (t)
Mashonaland West	Hurungwe	17	6.8	1.5	10.2	283	58.2	1.00	58.2	300	65	1.05	68.4
Manicaland	Makoni/ Headlands	36	18	1.5	27	175	43	1	43	211	61	1.15	70
	Nyanga (Zim-AIED)	107	39.6	1.5	59.4	**120**	24	1	24	227	63.6	1.31	83.4
	Nyanga (ADF)	802	320	1.5	480	**0**	0	0	0	802	320	1.5	480
	Chipinge	29	6.5	1.5	9.75	20	3	1	3	49	9.5	1.34	12.75
	Chimanimani	48	13	1.5	19.5	15	3	1	3	63	16	1.41	22.5
Total		**1,039**	**403.9**	**1.5**	**605.85**	**613**	**131.2**	**1.00**	**131.2**	**1,652**	**535.1**	**1.38**	**737.05**

Source: Zim-AIED

Ten paprika demonstration plots each measuring 0.1 hectares each were established in Headlands and Nyanga (Manicaland) and Karoi (Mashonaland West), where training on good agricultural practices such as transplanting methods, proper fertilizer application and correct spacing is provided by Zim-AIED technicians in conjunction with Agritex personnel. A local paprika buyer, Zimspice, provided $700 to finance agricultural inputs for the ten paprika demonstration plots. The investment by Zimspice is critical to Zim-AIED's exit strategy, as it fosters long-term sustainable buyer-farmer interactions.

Zim-AIED has supported more than 1,500 smallholder paprika farmers with training in GAPS, technical assistance, and credit and market linkage since FY2012 through formal and informal partnerships with key paprika buyers. Cumulative paprika sales to date are $3.99 million (Table 3.6.2.2). Average sales per household have doubled since FY2012.

Table 3.6.2.2: Paprika production summary from FY2012 to FY2015

FY	# of farmers	# of hectares	Average yield (t/ha)	Total production (tons)	Total sales (tons)	Average price	Total sales ($)
2012	2652	808	1.22	987	987	1.29	1,272,700
2013	2744	690	1.01	737	737	1.23	910,855
2014	1548	584	1.66	970	970	1.87	1,812,085
2015*	1652	535	1.38	737	737	1.80	1,326,600

**Projected*

Source: Zim-AIED

Tabasco and ABE Chilies

Following two seasons of Zim-AIED input support to Tabasco and African Bird's Eye (ABE) chili farmers contracted to Better Agriculture (BA), who secured a $207,000 loan from the Zimbabwe Microfinance Wholesale Facility (ZMWF) to finance inputs for chili production under both irrigated and dryland farming for the 2014/15 agricultural season. Inputs financed include fertilizer, chemicals, and seedlings. This is a pilot scheme by ZMWF who is targeting agricultural financing. In the arrangement, Better Agriculture advanced inputs to farmers on loan at a cost. Nearly 600 smallholder farmers accessed the loan facility and selection of farmers was based on their credit history over the last two seasons established through the BA partnership with Zim-AIED. Selected farmers will produce chilies on contract to BA in Manicaland, Masvingo, and Midlands province in the 2014/15 season. Each farmer will pay a total interest of 12.5 percent on their individual loan.

In Nyanga, Honde Valley, and Tombo, 386 farmers were contracted to grow 94 hectares of Tabasco chilies. Of these, 257 farmers at Nyakomba irrigation scheme in Nyanga district transplanted the crop in October 2014. The remaining farmers in Honde Valley and Tombo are producing the crop under rainfed conditions and transplanted the crop in late November. Each farmer planted approximately 0.25 hectares. Farmers continue to receive technical assistance from Zim-AIED. Yields are expected to exceed six tons per hectares 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 reach gross margins of $750 to $2,150 per hectare (Table 3.6.2.3). All the tabasco chili is destined for export to the USA for production of tabasco sauce. Better Agriculture exports the tabasco chili mash to the Chilli Pepper Company in South Africa.

A further 206 farmers were contracted by Better Agriculture to plant 50.5 hectares of African Bird's Eye (ABE) chilies in southern Manicaland and Masvingo provinces. All ABE chilies will be exported to Nando's South Africa for manufacture of Nando's sauces. In FY2015, BA has an off-take agreement to supply 100 tons of dried ABE chilies to Nando's.

Each farmer planted 0.2-0.4 hectares depending on the amount of inputs covered by the contract. Transplanting of ABE chilies at Chipendeke irrigation scheme site commenced in August 2014. The site experiences early onset of low temperatures, thus early planting intends to extend the season. Target yields for ABE at harvest are expected to range from three to eight tons per hectare, and farmers are expected to realize gross margins of $1,300 to $4,800 per hectare at an expected price of $0.70 per kilogram for the wet product (Table 3.6.2.3).

Table 3.6.2.3: Projected Tabasco and ABE chili production for 2014/15 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	257	58	8.0	464	232,000	49,300	3,150
		Honde Valley	106	30	5.5	165	82,500	22,500	2,000
		Tombo	23	6	5.5	33	16.500	4,500	2,000
Total			386	94		662	228,000		
ABE Chili	Manicaland	Mutare South	20	6.5	3.0	19.5	13,650	5,200	1,300
	Masvingo	Chiredzi	65	21	8.0	168	117,600	16,800	4,800
		Zaka	121	23	8.0	184	128,800	18,400	4,800
Total			206	50.5		371.5	260,050		

Tabasco and ABE chilies are expected to generate on farm sales of $591,000, compared to $588,000 in FY2014 (Table 3.6.2.4). Productivity has increased by more than 50 percent since Zim-AIED's involvement in FY2013, from 3.42 and 4.52 tons per hectare to the expected 7.0 and 6.3 tons per

hectare in FY2015 for tabasco and ABE chilies, respectively (Table 3.6.2.4). Increases in productivity are mainly due to farmers improved access to adequate inputs and high adoption of GAPS.

Table 3.6.2.4 Summary of tabasco and ABE chili production from FY2013 to FY2015

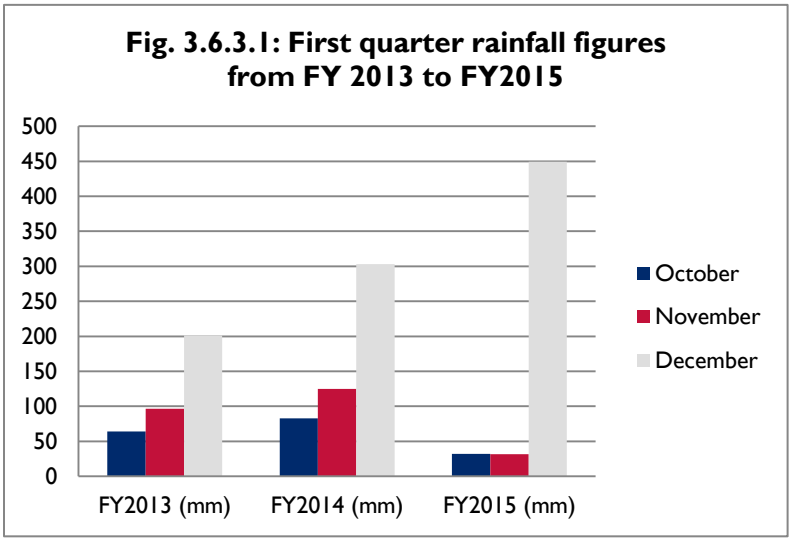
FY	Crop	No, of farmers	No of hectares	Average yield (t/ha)	Total production (tons)	Total sales (tons)	Average price	Total sales ($)
2013	Tabasco chili	331	75.2	3.42	257	257	0.50	$151,630
2014		404	88	7.49	647	647	0.50	$335,954
2015*		386	94	7.04	662	662	0.50	$331,000
2013	ABE chili	45	16	4.52	72	72	0.80	$59,930
2014		239	42	6.6	363	363	0.70	$252,570
2015*		206	50.5	6.3	371.5	371.5	0.70	$260,050

*Projected *Source: Zim-AIED*

3.6.3 Horticulture: Bananas

Honde Valley

The reporting quarter was characterized by dry weather conditions with the first effective rains not beginning until December. Cumulative rainfall was 513 millimeters. However, the late start of the rainy season impacted negatively on rainfall distribution as shown in Figure 3.6.3.1.



FY2014 and the current season's first quarters had significantly higher rainfall amounts compared to the FY2013 season although the first two seasons were better in terms of rainfall distribution. In the current season, 88 percent of the rain was received in December of which 22 percent (110mm) of it was received on one day (December 30), yet in the previous season only 59 percent of the total amount was received in December. Although this did not negatively affect the supply of bananas, it seriously affected in field operations including weed control and nutrient maintenance.

Honde Valley farmers diverted water from streams and springs to establish their crops although many of these sources dried up by November 2014 affecting nearly half of program participants. This was compensated by more than 40 percent of beneficiaries that are now drawing water from larger perennial streams and rivers further from their homesteads through targeted investments in irrigation infrastructure. When the program started in 2011, less than 350 program participants had reliable irrigation infrastructure. Today, more than 1,500 farmers have invested in increased irrigation capacity. Zim-AIED technical assistance together with finance from Virl and Agribank as well as reinvestments from increased incomes from banana sales has helped improve the situation.

Banana sales to FAVCO in the October to December period were strong (Table 3.6.3.1). Total procured quantities increased sevenfold to 786 tons in FY2015 compared to 110 tons in FY2012.

Table 3.6.3.1: FAVCO Banana purchases in Honde Valley during the Oct –Dec period

Year	October		November		December		Total	
	Qty (t)	Value $	Qty (t)	Value $	Qty (t)	Value $	Qty (t)	Value $
FY2012	33	9,377	47	13,099	30	8,287	**110**	**30,763**
FY2013	80	23,940	11	3,390	63	18,960	**154**	**46,290**
FY2014	148	45,723	247	76,434	121	37,555	**516**	**159,712**
FY2015	255	76,394	274	82,144	257	77,095	**786**	**235,633**

The notable increase in both procured quantities and value is mainly due to the contracted tissue cultured (TC) crop coming online and improved productivity from the old plantations due to the adoption of GAPs. Tissue culture seedlings were first disbursed in FY2012 and to date 600 farmers have established plantations covering 50 hectares. Harvesting of the first TC crop commenced in the first quarter of FY2013. Procured banana quantities increased by 234 percent between the first quarters of FY2013 and FY2014, a rise whose major contributor was the TC crop. A further 53 percent increase in procured banana quantities was also recorded between FY2014 and FY2015, attributable mainly to the second tranche of TC plants.

Farmers have also utilized on-farm propagation to establish an additional 50 hectares of TC-derived bananas, further increasing the capacity to supply bananas. During the reporting period, harvests of the first bunches from the second contracted crop coincided with harvests of the second and third bunches of the initial contracted crop.

FAVCO continued training farmers on pre- and postharvest handling of bananas. The ongoing trainings improved the quality of supply from most farmers and the increased uptake of improved production practices such as use of inorganic fertilizers and irrigation has helped in improving the pre-harvest quality of bananas. An indication of the improvement in quality can be seen by the increased number of competing buyers who approach Zim-AIED banana beneficiaries for produce. These beneficiaries are currently selling their bananas to FAVCO to maintain a good relationship and honor their contracts, but are facing increasing pressure from many alternative buyers waiting to procure their bananas at the same price or even better than that offered by FAVCO.

In the period under review, FAVCO and the majority of large buyers bought bananas at farm-gate prices ranging from $0.28 to $0.30 per kilogram, depending on quality. Some buyers were even paying prices as high as $0.33 per kilogram. Farmers who achieved productivity targets recommended by Zim-AIED are happy with the prevailing prices as the current breakeven price ranges from $0.04 to $0.06 per kilogram for good farmers. These prevailing prices are also much higher than the 2011 baseline price of $0.10 per kilogram. All of the seven large buyers have invested in scales and are now buying bananas based on weight, however small-scale buyers are still buying based on 'the finger.'

Farmers who have adopted recommended banana GAPs have improved their yields from baseline figures of 1.74 tons to an average of 40 tons per hectare for the contracted TC crop. Older plantations and fields grown outside the FAVCO contract which are now subjected to the same GAPs have also recorded increases in banana yields ranging from 20 to 25 tons per hectare.

When the Zim-AIED program commenced in Honde Valley in FY2012 bananas rotting in the fields or on the roadside were a common sight, in particular during the rainy season due to inaccessibility of most areas. The situation improved dramatically as soon as FAVCO invested in a four-wheel-drive tractor and trailer through a loan from Zim-AIED. The tractor enabled collection of bananas from the once inaccessible areas. During the period under review, FAVCO purchased and deployed an additional tractor and trailer, doubling its capacity to continue collecting bananas even when incessant rains are received as was the case in December 2014. The company also now hires bigger trucks that can carry up to 15 tons, thus reducing transport costs from $0.08 per kilogram to $0.06 per kilogram.

The improved crop performance and payment of viable prices has had a positive impact on loan recoveries from farmers. By the end of December 2014, 86 percent of the first loans had been repaid and the new groups had paid 44 percent of their total loan amount. The loan value to the first group was $81,733 and the second group received loans with a total value of $98,850. Initial loan values for individual farmers ranged from $97 to $1,303 and the average beneficiary received a loan value of $386.

A number of farmers in the first group have cleared their loans and Zim-AIED linked some of them to MFIs and banks during the quarter. To date, a total of 218 farmers have received loans from MFIs and banks, of which 55 received their loans during the quarter under review. The loans are for the development of irrigation infrastructure and purchase of mainly fertilizer, as farmers have witnessed the importance of fertilizer in transforming their mature, old and poorly performing plantations into profitable enterprises, thanks to the Zim-AIED technical assistance and training.

The majority of farmers are now focusing on improving productivity (use of adequate fertilizer, liming, irrigation development and GAPs) of their established plantations rather than opening up and planting new plantations. This has largely been influenced by farmers' discovery that productivity rather than additional area is critical to increased incomes and profits.

Mutema/Chibuwe

During the quarter activities focused on boosting the capacity of IMCs to ensure sustainable operation of the irrigation schemes beyond the life of Zim-AIED. In addition, technical assistance continued for the banana plantations and establishment of other summer crops.

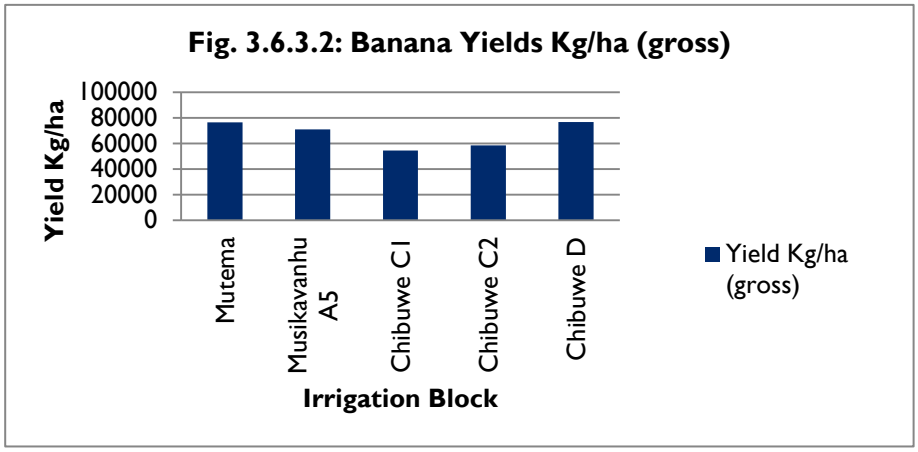
Table 3.6.2.2: Mutema/ Chibuwe Banana Production

Year	Q1 *(Oct-Dec)*		Q2 *(Jan-Mar)*		Q3 *(Apr-Jun)*		Q4 *(Jul-Sept)*		Total	
	tons	Value ($)	tons	Value ($)	Tons	Value ($)	tons	Value ($)	**tons**	**Value ($)**
2012/13			43	$14,332	1,324	$414,785	710	$210,255	**2,077**	**$639,372**
2013/14	586	$146,307	951	$265,474	2,085	$548,477	1,397	$349,736	**5,020**	**$1,309,994**
2014/15	938	$227,599								

Increases in yields from the ratoon crop and increases in total area under production contributed to the increase in volumes in the first quarter of FY2015 compared to FY2014. Production and sales increased by 60 and 56 percent, respectively. Production from Mutema farmers contributed 81 percent of the total volume and 82 percent of total sales value. This is due to consistent superior quality coming from Mutema as well as the high yield levels. Yields over the two schemes remained relatively high, averaging 67.5 tons per hectare across all blocks. Chibuwe D block achieved the highest average yields of 76.9 tons per hectare and second was Mutema with 76.4 tons per hectare (Figure 3.6.3.2). Although the Chibuwe D block has surface irrigation, it is benefitting from the high clay content in the soil which has better nutrient holding and cation exchange capacity which limits the amount of fertilizer leached out by the irrigation water. The banana crop is benefitting from this aspect in addition to the good management practices as well as enthusiastic farmers who look after their plantations.

Volume of production declined across all blocks during the quarter compared to the previous quarter most fields had fallen into their off-peak season, although quality remained very good in all blocks. Production was 938 tons in the quarter under review compared to 1,397 achieved in the preceding quarter, a decline of 32 percent.

Loan repayments remained on schedule with most farmers having completed capital loan repayments and are up to date with the current loans for inputs provided. The 441 farmers had repaid a total of $615,196 or 83 percent towards the CAPEX debt of $736,925 by December 31, 2014.



The exceptionally good yield performance of the second plantings in Chibuwe D block enabled the farmers to clear their total CAPEX debt from current crop sales, while Musikavanhu A5 farmers have also cleared their debt from sales of the first ratoon crop. Eighty-two percent ($100,581) of the outstanding CAPEX balance of $121,729 is owed by farmers in Mutema 5 and 6 blocks. These farmers harvested their first crop in April 2014.

Rusitu Valley

The major activity in Rusitu for the quarter was developing market linkages for banana farmers targeting buyers Sunspun and FAVCO. The developed farmer groups received technical assistance on marketing, group organization, quality, and general logistics to enable them to better supply these formal markets.

Two options to enable market access by the farmers have evolved, the first being the use of consolidators – individuals who consolidate product for a fee from producers with small quantities of bananas to sell to Sunspun or FAVCO. The consolidators deal with the logistics and arrange delivery of consolidated product. The second option is consolidation of product directly by larger farmers or groups coming together to fill up loads. Established groups have fared very well under this arrangement.

The linkages established have enabled farmers to broaden their market and has seen increasing quantities of product flowing to Sunspun. However, administrative issues regarding delays in payments has been one of the challenges arising, as well as high transport costs which affect returns to farmers. Sunspun management visited the area to meet with their suppliers and consolidators to discuss issues affecting their business relationship, which led to an improved appreciation by both sides of the challenges faced by the other and greater enthusiasm by Sunspun to procure bananas from Rusitu.

Matabeleland Bananas

The program continued to provide technical assistance to lead farmers hosting the banana demonstration plots at the three sites in Hwange, Bulilima and Nkayi Districts. The objective is to use the demonstration plots as sources of quality material for expanding banana plantings in the region as well as showcasing the high income potential of bananas. Farmers at Lukosi commenced harvesting bunches of bananas from the demonstration plot during the review period. Yields achieved were above 40 tons per hectare and prices paid in the local market were US$0.60 per kilogram. This translates to a gross income potential of $24,000 per hectare against establishment costs of $9,000 per hectare giving a gross margin of $15,000 per hectare. Bananas at the other sites were set back by frosts and are yet to start producing.

3.6.4 Local Horticulture

Zim-AIED's promotion of high-value horticulture on targeted irrigation agribusiness hubs has contributed to the success of the commercialization of smallholder farmers. Many of the farmers have benefited from the integrated approach promoted by the program. However, widespread sustainable commercialization of horticulture at levels that benefit smallholder farmers is possible

with reliable supplies of water. All irrigation schemes and wetland areas listed in Annex 5 are critical to the success of Zim AIED's targeted horticultural interventions.

Although technical support was provided to farmers in a wide range of horticultural crops, key focus was on the 69 farmers who received input loans from Agribank and Virl Microfinance to produce potatoes at Lukosi and Makwe irrigation schemes. Most of these farmers had previously attended training sessions on the Zim-AIED-supported potato demonstration plots but as this was their first time in growing potatoes, it was necessary to provide frequent technical assistance visits to ensure success in loan repayments and achievement of high returns.

Potato production requires both a high level of management and high input costs. The full support of the microfinance houses in providing credit was thus critical in this initial roll out. The potato plantings were scheduled to target harvests at peak price times such as the Christmas festivities in December. However, even with the best laid out plans, there were some unforeseen challenges. A prime example was at Lukosi irrigation scheme in Hwange, where 20 people received loans from Agribank. Potato seed procured by the Lukosi farmers was delivered on site with a high level of tuber moth damage and a high proportion rotten. Zim-AIED supported farmer negotiations with the seed supplier who agreed to replace the whole consignment of seed, but this effectively delayed planting by more than four weeks.

Hwange has the ideal climate for winter potato production as it has warm winter temperatures with little threats of frost. The four week delay in planting pushed the harvesting period to coincide with the hottest time of the year, resulting in heavy pest pressure and sprouting of mature tubers while still in the ground. Problems compounded for farmers who ignored Zim-AIED recommendations to irrigate more frequently. Although the grade out of good quality potatoes was low (30-60 percent), the final loan recovery was excellent (100 percent) as the farmers sold low grades to local villagers for $1 per kilogram as it is a food insecure area. The price was higher than the $0.70 per kilogram offered by the formal markets for first grade potatoes. Overall yields achieved ranged between 25 and 30 tons per hectare.

Financing an expansion and sustainability of the crop at the scheme is depended on farmers showing high levels of dedication as high levels of intervention was required by Zim-AIED to ensure success. The farmers lacked dedication in working in their fields and the Zim-AIED field extension officer had to call them several times to carry out simple tasks such as irrigation and routine weed control. During marketing, the Zim-AIED team spent considerable time in thwarting the farmers' side marketing initiatives.

Spilisiwe Ncube from Makwe irrigation scheme with her potatoes ready for market.

First grade potatoes from Lukosi were in demand by five star hotels in Victoria Falls due to their large size and good quality

The farmers at Makwe irrigation scheme on the other hand were exemplary, working together as a well-coordinated group and yielding an excellent crop. However, they were let down by a buyer based in Bulawayo who had previously agreed to purchase all their potatoes, provide transport, and pay the money into the Makwe Agribank account. The buyer was unable to make any collection and the one load of potatoes that farmers managed to send through to the Bulawayo depot before Christmas is yet to be paid due to liquidity problems.

The Makwe farmers are well-versed in marketing issues from previous Zim-AIED training events so were quickly able to make alternative arrangements and sold more than 1,000 pockets to a local mine when staff received their annual bonuses and into Gwanda where the high level of passing traffic over the holiday period moved 400-500 pockets per day. Loan recovery is still in progress.

3.6.5 Livestock

The Zim-AIED livestock program continued to deepen and expand its impact through the following activities:

- Consolidating operations of its three beef partners: Inala Enterprises and Livestock Zone 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 production areas (MPA) at Tsonzo (Mutasa district), Rusitu (Chipinge district), Gokwe (Gokwe South district) and Claremont (Umzingwane district).

3.6.5.1 Beef Production Matabeleland North

A total of 342 farmers (102 females, 240 males) received training and technical assistance on the importance of value addition, supplementary feeding, basic livestock husbandry practices, and on livestock marketing during the period under review. Among the trained were 20 local leadership and committee members from the three nucleus breeding centers (NBC) at Dakamela, Ezinyangeni, and Mkhalathi in Nkayi district. Training was on drafting their constitutions and improving group governance based on their constitutions. The training intended to assist the committees in the smooth running of the NBCs.

Three pen fattening field days were held during the quarter at Fanisoni (Nkayi district), Menyezwa and Dandanda all in Lupane district. A total of 502 farmers attended the three field days. The field days sought to educate farmers on the benefits and importance of livestock value addition through pen fattening. Private sector companies involved in the livestock industry such as Veterinary Distributors, Farm and City Centre, and Heads and Hooves Butchery participated and contributed to field day prizes. Heads and Hooves, a private abattoir, assisted the farmers by extending stock feed loans and providing technical assistance on pen fattening as well as a market for the pen fattened animals.

Training and technical assistance was concentrated on 30 farmers (24 male and 6 female) who put their 39 cattle for pen fattening in Lupane and Nkayi districts. Zim-AIED facilitated the farmers in acquiring stock feed loans valued at $5,829 for 384 bags for stock feed and also assisted them in identifying a market for the pen fed animals. Through the market linkage farmers managed to save up to $80 per animal in transport costs. The grades of the carcasses varied from super to economy. The highest gross income obtained was $1,081 compared to between $400 and $500 when cattle are sold off the grass (Table 3.6.5.1). Farmers usually get about $250 to $350 when their cattle are not pen fed and when they are selling live ungraded cattle through the middlemen.

system as farmers reserve their cattle during this period for draught power. In addition the poor condition of cattle discourages buyers from participating. The veld, the main feed source for most herds, will be in a poor state. Zim-AIED under its partnership with Inala Enterprises availed on loan 83 heifers to smallholder farmers in Nkayi district as part of its strategy to improve the genetics of the cattle herd. Thirty-eight calves had been born from the heifers by the end of this quarter. Forty-five heifers were in calf. Five of the first phase heifers are on their second calving. The exercise has transformed recipients' asset ownership; one such is Sydney Msimanga who now is a proud owner of 10 head of cattle from an initial of five cattle in 2012.

The three bulls that were launched last have recently started servicing community cattle. No progeny has been born from the bulls yet. No births have been recorded from the heifers distributed under similar arrangements under the partnership with Livestock Zone. From the 60 heifers distributed under Livestock Zone, one heifer died, and 22 are reportedly in-calf due to calf down in Q2 of FY2015.

One of the animals that was inducted into the pens at Fanisoni – Day one of induction.

Two weeks before going to the market.

3.6.5.2 Beef production – Mazowe District, Mashonaland Central

Zim-AIED continued to monitor progress of its investment under PFA with O'Enem Meats. Focus was on tying up loose ends and finding ways to recover outstanding debts by the partner.

The impact of the USAID investments at O'Enem is phenomenal with the abattoir registering a gross return value of $129,648 during this quarter from the low values of $76,486 during the same quarter in 2012; a 70 percent increase in total sales. The merger between O'Enem Meats and Montana Meats which has increased the market share for livestock products for the abattoir is one key driver to this increase, particularly the increases in beef toll slaughter fees. Slaughters through the abattoir have increased by 500 percent from an average of 60 cattle per month in 2013, to an average of 300 cattle per month in 2014.

Table 3.6.5.3 Total sales value (USD) for beef, slaughter fees, processed products, and hides at O'Enem Meats (2012-2014).

Year	Beef ($)	Slaughter fees-cattle($)	Total processed product	Hides	Total Sales
2012	56,954.00	8,512.00	2,321.00	1,459.00	76,485.90
2013	62,756.20	14,420.00	9,255.36	5,756.20	104,660.54
2014	74,249.50	29,740.00	11,070.00	5,249.00	129,647.50

The abattoir is providing a ready market for livestock farmers in Chiweshe and as far afield as Muzarabani district. An average of 345 farmers sold 948 cattle to the abattoir during the quarter compared to 90 farmers with 345 cattle in the same quarter in 2012. Seventy percent of the cattle were from Mazowe district, 18 percent from Muzarabani district, 7 percent, from Rushinga district, 3 percent from Guruve district, and 2 percent from Mount Darwin district.

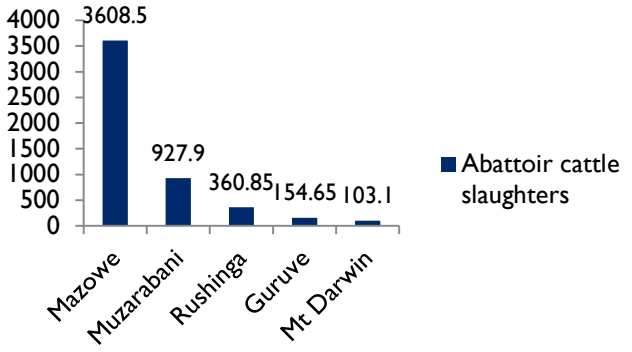
Abattoir manager, Chiwashira Leyman inspecting carcass in the cold room at O'Enem abattoir.

Seven of the 12 cows belonging to four farmers that were inseminated with semen from Artificial Insemination Company calved down in November 2014 and five are expected to calve down by end of February 2015. Improvement of cattle breeds is important as most of the cattle in Mashonaland Central are small-framed Mashona cattle characterized by low growth rates and low meat yielding percentages at slaughter. Zim-AIED will continue to link farmers to Animal Breeders Services; a more proficient service provider in terms of semen quality and AI services.

Eight smallholder farmers around O'Enem abattoir have established 0.32 hectares of velvet beans to provide fodder for their livestock during the dry season.

No success has been achieved in terms of loan repayment by the partner despite all the growth in the abattoir. Zim-AIED will continue monitoring the growth and following up on the partner to start the repayments. To enable this, the PFA has been extended to the 30th of April 2015.

Fig 3.5.6.3 Abattoir cattle slaughters



3.6.5.3 Dairy

Progress continued to be made in improving the genetics of the dairy herd among the smallholder farmers targeted by the program. Farmers at Tsonzo, Rusitu, Claremont and Gokwe milk production centers were linked to ABS-TCM, a company proficient in providing AI services and world class semen and embryos from Animal Breeders Services USA.

Farmers from Tsonzo, Rusitu, Gokwe, and Claremont are now buying semen from ABS-TCM while farmers at Gokwe have gone a step further by engaging the company to provide pregnancy diagnosis, synchronization and artificial insemination services for their cows. During the review period 61, 40, 20, and 42 semen straws were bought from ABS-TCM by Gokwe, Tsonzo, Claremont, and Rusitu United farmers respectively. Farmers at Rusitu and Tsonzo engaged resident AI technicians; trained under the ended USAID funded Dairy Development Program, to carry out the AI services. Farmers at Claremont engaged AI technicians from Matopos Research Station. It has become apparent that resident AI technicians have low proficiency rates compared to Matopos and ABS-TCM technicians. Success rates of the AI activities carried out in Q1 FY2015 at the different milk production centers will be reported in Q2 of FY2015. Table 3.6.5.3.1 summarizes the AI activities at the reported four centers.

Table 3.6.5.3.1 Summary of AI services provision in the Milk Production Centers during Q1 FY2015

Milk Production Center	Total No. of semen straws bought	Source of Semen	No. of cows serviced	A-I service provider
Gokwe	61	ABS	25	ABS-TCM
Tsonzo	40	ABS and a donation from an Agricultural college	11	Resident AI technicians
Claremont	20	ABS	10	Matopos Research Station, Bulawayo
Rusitu- United	42	ABS	12	Resident AI technicians

Source: Zim-AIED

In Tsonzo, one of the Zim-AIED facilitated inputs groups procured 1.4 tons of basal fertilizer for silage production worth $850.00 from Windmill fertilizer during the reporting period. The group, with 8 members, has been mobilizing monthly savings from its members since June 2014. Two input groups are also operational in Rusitu though at a reduced level compared to the Tsonzo groups. With 60 percent of the membership being women the two groups are saving a minimum of $10 per member per month.

Dairy farmers at the Gokwe Milk Production Center we linked to Precision Grinders, a local engineering company, which supplies fodder chopping machines. The fodder machines are made locally and can be custom designed to suit the farmers' needs. Two lead farmers in Gokwe joined hands and ordered a fodder chopper and the MCC is also working on purchasing another chopper using the USADF grant. The purchases of fodder choppers by the center will enhance timely silage making as the area under silage production has increased following the farmers' adoption and implementation of trainings by Zim-AIED fodder flow plans.

Leveraging on USADF grants extended to the farmers, to create revolving funds at the MCCs for the purchase of inputs, Zim-AIED is working with some lead farmers who received the USADF loans to implement their fodder flow production requirements for their dairy herds. Table 3.6.5.3.2 summarizes fodder production at the different milk production centers using USADF grants.

Table 3.6.5.3.2: Summary of Fodder production using inputs from USADF grants

Center	Number of Lead farmers	Total Loan Values	Inputs accessed	Area of planted fodder	Types* of fodder
Gokwe	9	$1,500	2.5 tons Compound D, 2.5 tons Ammonium nitrate, 780 kg yellow maize seed, 10 liters herbicides	20.6 ha	Giant Rhodes grass, maize silage, velvet bean, Bana grass
Claremont**	2	0.00		5ha	Maize for silage, Giant Rhodes grass, sunhemp and velvet bean
Tsonzo	4	$3,556	2.2 tons Ammonium nitrate 1.9 tons Compound D 50 kg maize seed	7 ha	Maize, sugar graze and velvet bean

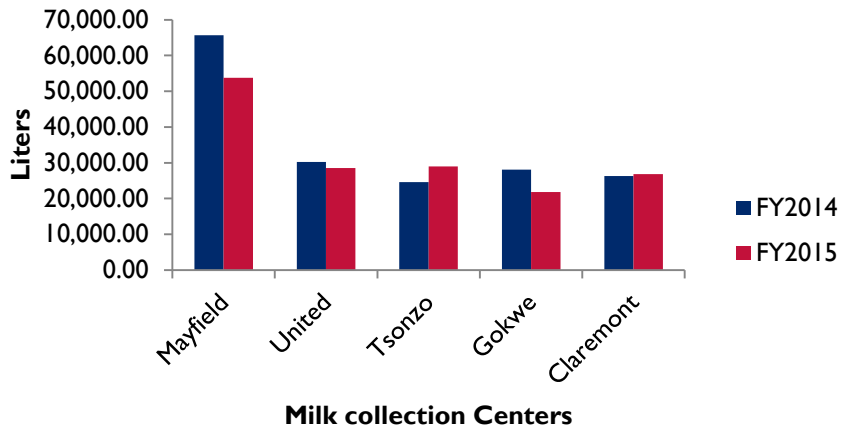
*Input loan was used on Maize silage only
** Farmer own contribution of about $250 per farmer in maize seed and land preparation *Source: Zim-AIED*

In Gokwe, herbicide training was also done to improve fodder yields as well as reduce labour costs on weeding. Initially farmers were pessimistic on herbicides use. All the lead farmers in Gokwe are using herbicides on their fodder crops for weed control.

Milk production in the targeted milk production centers is not consistent due to different ways farmers are managing the key productivity indices of their dairy herds. Drying periods and calving intervals are very long and variable among the farmers. These two determine the number of milking cows and amount of milk produced. Long dry periods and calving intervals reduce the number of cows in milking and hence the volume of the milk. Calving intervals should be between 12 and 13 months. Use of AI can help maintain the calving interval within the recommended range. Feed is also a key factor, most of the farmers have adopted fodder planning, production and conservation technologies but due to poor access to credit and inputs they are failing to implement their fodder plans and hence failing to feed their animals adequately throughout the year to maintain body condition scores that allow conception and longer milking periods.

Figure 3.6.5.3.1 compares milk production over the same periods for FY2014 and FY2015. At Tsonzo milk volumes delivered increased from 20,958 liters in the same quarter in FY2014 to 26,814 liters in FY2015, a 27 percent increase. Farmers at the production center widely adopted the Zim-AIED trainings on fodder planning and feed formulation. Two lead farmers grew adequate maize silage to feed their dairy cows for 9 months and prepared adequate hay from the Giant Rhodes grass they grew on their farms.

Figure 3.6.5.3.1 Quartely Milk Yields Q1 FY 2015 vs FY2014



At Claremont production has remained static. Farmers in Claremont are in small-scale commercial farms and their cows do not have ready access to bulls. Zim-AIED has trained farmers on AI and has linked the farmers to ABS-TCM for the provision of semen and to Matopos Research Station for the provision of the AI technicians. These moves intend to reduce calving intervals, improve herd productivity. All the 26,809 liters of milk produced in the review period were sold to Den Dairy in Bulawayo at $0.56 per liter.

Volumes at Gokwe have decline from 28,050 liters to 21,818 liters. Gokwe center had an old bull that they eventually sold. A lot of their cows were experiencing long calving intervals due to the inefficiency of the bull. Low conception rates were also attributable to poor cattle nutrition. Zim-AIED is training farmers on fodder planning and fodder production and has linked the farmers to ABS-TCM for both the provision of semen and the AI technicians. The hub resumed raw milk sales to Den Dairy in Kwekwe on 20 December 2014. Approximately 2,000 liters of raw milk are being delivered on a weekly basis at $0.56 per liter.

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 develop opportunities for value addition of commodities purchased from beneficiary farmers. Farmer participation in value addition 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 Dairy

Of the 26,814 liters produced at Tsonzo milk production center during the quarter under review, 16,078 liters were delivered to DZL at $0.56 per liter; 7,319 liters were sold locally as fresh milk;

and 3,416 liters were processed into cultured milk; Amasi. Tsonzo MCC deliberately increased the volumes of Amasi production from 644 liters in the same quarter in FY2014. This is a move to increase their incomes hence farmer pay-outs. One liter of Amasi is sold locally for $1.00 while one liter of fresh milk is sold at $0.70.

At Gokwe milk production center 6,112 liters of the total 21,800 liters of milk produced in the quarter were processed into cultured milk and 5,217 into natural sour milk. An additional 261 liters were processed into yoghurt. All the processed products were sold locally. About 5,170 liters of whey from the fermentation processes was also sold at $0.20 per liter.

3.6.6.2 Beef

Thirty-nine cattle belonging to 30 farmers (24 male and 6 females) were pen fattened in Lupane and Nkayi. Zim-AIED facilitated the farmers in acquiring stock feed loan valued at $5,829 for 384 bags for stock feed. Farmers were further assisted in identifying good markets for their pen fattened animals. The grades of the carcasses varied from super to economy with farmers getting good returns from their animals with gross returns per animal ranging from 396 to $1,081. Farmers usually get about $250 to $350 when their cattle are not pen fed and when they are selling live ungraded cattle through the middlemen.

3.6.6.3 Meat Products

In Nkayi 36 farmers sold 40 cattle at the Meat Market. This translated to a total of 6,527kg of meat sold during the quarter. The impact of the USAID investments at O'Enem Meats has been phenomenal with the abattoir registering a gross return value of $129,647 during the quarter from the low values of $76,486 during the same quarter in 2012. Of the total quarterly sales, beef sales continue to dominate the sales, contributing 57 percent of sales. Value added products, in particular sausages, contributed 11 percent of sales income during the quarter.

3.6.6.4 Grains, staples, and other crops

Mr. Ezekiel Dhitima from Arcturus, an AgriTrade beneficiary, is now running a 20,000 broiler operation that relies on purchases of maize from the Zim-AIED assisted smallholder farmers in Ward 16 of Goromonzi district. During the 2013/14 crop marketing season, he bought 25 tons of maize at $350 per ton when other competitors were offering as low as $200 per ton. In addition, he also bought 15 tons of soy beans from the same farmers at $550per ton. Mr. Dhitima's turnover has since increased by more 100 percent from a monthly turnover of $7,000 to more than $15,000 offering a ready market for smallholder grain farmers in the Arcturus area.

3.6.7 Irrigation

Zim-AIED's agribusiness hub approach on 28 irrigation schemes is serving more than 7,400 smallholder farmers on 4,800 hectares and continues to yield tangible and sizable returns for its participants (Annex 5).

During Q1 FY2015, Zim-AIED facilitated 27 training events within the targeted irrigation hubs with 593 participants (55 percent women) covering practical aspects of water management, drainage, operations and maintenance, pump service and maintenance, utility bill payments, negotiations, natural resource management (soil and water conservation), and leadership. These training events were buttressed by strong technical assistance, and support in coordinating various stakeholder meetings.

In addition, more than 1,200 farmers received technical assistance and training in targeted irrigation schemes in Matabeleland, Midlands and Mashonaland East during the first quarter FY2015 and 619 farmers attended four input supplier and market days which continue to be well supported by private sector partners with eight input suppliers and five buyers in attendance. Sixty-three demonstration plots facilitated by Zim-AIED continued to showcase new technologies using lead farmer inputs from MFI loans and Agritex officers are being encouraged to take a more direct technical responsibility for their day to day running and farmer support.

Despite the months of October and November being very hot and dry, all targeted irrigation schemes had sufficient water to support the farmers' operations. On schemes where equipment repairs were required, as in Makwe and Fanisoni, the farmers were able to draw down on their established maintenance funds resulting in minimal down times. Non-availability of pump spares in the country delayed repairs for the pump at Fanisoni for two weeks. The spare parts had to be imported from SA. The pump is very old and the engineering companies in Bulawayo did not have the correct spare parts. Zim-AIED technicians have advised the IMC to keep in stock at the scheme some of the most moving parts to minimize down times.

In the last month of the quarter under review, the irrigation team embarked on training farmers on drainage issues. Drainage is a major problem on many schemes during the rainy season, resulting in crop losses due to water logging from the poor drainage systems. The following have been identified as reasons why farmers are failing to implement proper drainage regimes:

- Lack of labor. Maintenance of drains involves difficult digging, especially for the women farmers who already have time constrains due to the several other household chores. Lack of labor also impacts farmers' ability to remove stover from their fields and it is often left in the waterways while more important tasks such as field preparation and planting take place.
- On some schemes age and the AIDS pandemic has reduced the productivity of labor.
- The need to access more land has forced some farmers to cultivate on waterways as these are viewed as "wasted" land. So farmers intentionally and consistently plough in the drains to extend their cropping area.
- The communal approach in all irrigation schemes often devolves to the lowest common denominator and those that are proactive are often at the mercy of those who refuse to go the extra mile. Unless all the plot holders fix up their drains, one individual doing his/her own drain will not make any difference so their hard work provides no immediate returns which is a major disincentive to the good farmers.
- Many farmers who are in regions IV and V are overly dependent on donor subsidies and are resistant to adopting Zim-AIED promoted practices.

Unfortunately, there is no quick solution to resolving the drainage issues on irrigation schemes. The long-term solution is for farmers to view the schemes as businesses and linking to profitable markets. Zim-AIED continues to work with the various IMCs and farmers providing training and technical support not only focusing on practical aspects but also on strengthening their leadership and organizational capacities using the business approach. This includes putting in place systems that reward compliance and penalize errant behavior. One such system is denying access to water where such violations are evident.

4. CLIMATE CHANGE AND ENVIRONMENT

Zimbabwe already experiences the impacts of climate variability and change such as increasing water scarcity, declining agricultural productivity, and environmental degradation. Most smallholder farmers are particularly vulnerable because of their over-dependence on rain-fed agriculture, limited adaptive capacity, and an inherently variable climate. Zim-AIED places environmental concerns at the core of its agricultural development interventions because sustainable farming practices are critical to long-term profitability. In the following sections are highlights of activities the program undertook among beneficiaries to safe guard their environments.

Table 4.1.1.Farmers trained in natural resource management Q1 FY2015

Subject	Male	Female	Total	% female
Water Management	299	237	536	44%
Integrated Pest Management	1,293	1,451	2,744	53%
Conservation Agriculture	85	36	121	30%

Source: Zim-AIED

During the period under review October to December, 2014 Zim-AIED technicians trained 2,744 farmers, of which 53 percent were women, in Natural Resource Management (NRM). Even though the farmers received trainings in different subject areas (Table 4.1.1), or trained on multiple of times during the reference period, they are only counted once. Integrated Pest Management Training (IPM) covers the safe use of chemicals; safe handling; disposal of pesticides and containers; preferential use of Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) compliant chemicals; and the importance of using appropriate protective equipment when handling chemicals.

Chemicals

Forty paprika farmers in Headlands area received training in herbicide application of Dual Magnum (S Metolachlor) that can be used in a wide range of crops. Increased use of herbicides minimizes top soil disturbance and limit water run-off and soil erosion. Thirty-six farmers acquired the herbicide for use in the current season.

Two training events on knapsack calibration and Safe Use of Chemicals were conducted for 60 paprika farmers in Headlands. The focus was on applying the right amount of chemicals when spraying to avoid over application; using the appropriate nozzle size for the different chemical classes and proper disposal of empty chemical containers. PERSUAP compliant chemicals were promoted and emphasized. Farmers were encouraged to buy all the relevant PPE.

Safe disposal of empty pesticide containers remains integral to all Zim-AIED safe use trainings. In all Matabeleland production sites the team conducted trainings on safe use and disposal of pesticides during the quarter under review. Farmers obtaining finance from the MFIs and the input procurement groups around the dryland hubs, in particular those sourcing chemicals from Windmill were also the primary target. In Gokwe South 76 farmers participated, these were mainly beneficiaries of the Untu Finance direct lending on dryland maize. In Goromonzi 124 farmers from the input procurement groups attended the trainings.

Livestock

Zim-AIED has supported the establishment of three feedlots, one in Nkayi and two in Lupane district. The construction and operation of a feedlot has environmental consequences and hence the need to observe fundamentals of environmental management. Pursuant to this need, Zim-AIED gave technical advice to farmers who were involved with operations of the three feedlots. The advice hinged mainly in emphasizing the need for the feedlot pens to observe sufficient exclusion zone distances from homesteads and water sources so as to avoid contamination. However, in the two

feedlots in Lupane district, farmers had already constructed the pens without prior consultation with Zim-AIED personnel. At one of the sites, Dandanda, in ward 27 of Lupane district the pens were sited too close to the water source. Farmers were advised that for future use the pens needed to be moved to at least 50 meters downslope from the water source.

Feedlot farmers in Lupane were also trained in the safe use of dosing remedies and broad spectrum antibiotics and the safe disposal of the chemical containers. Fifty-seven farmers, comprising the 30 feedlot farmers and 27 general community members participated in the trainings.

Land

Farmers producing popcorn on contract in Chibuwe irrigation schemes were trained on the use and safe handling of Imidacloprid seed dressing to reduce the need for spraying their crop for leaf hoppers (vector of maize streak virus).

Water planting methods were promoted during paprika training events attended by 150 farmers in Headlands area. The practice helps with early crop establishment maximizing on a potentially short rainfall season.

Good agricultural practices in paprika such as crop rotation and maintenance of weed free contour ridges were accentuated during the agronomy trainings.

The EMMP survey showed greater appreciation of environmental issues from the 9 respondents interviewed in Headlands area during the quarter.

Farmers in Headlands were advised to grow short season maize varieties such as Pioneer's P2859W (matures in 115 to 128 days) and PHB 3253 (matures in 120 to 140 days) and SeedCo varieties such as SC 403 (115 days to maturity) and SC 533 (125 days to maturity) in anticipation of a shorter rainfall season from the expected El Niño effect.

As in the last two seasons all farmers in the Headlands project area received eucalyptus seed from Nyaradzo funeral services. Many farmers will be planting tree saplings in the current season from seed received last year. Zim-AIED technicians provided technical assistance to the paprika farmers in establishing the tree nurseries and plantations.

Continuous rainfall activity in Manicaland during December 2014 has presented challenges which include excessive leaching of nutrients, erosion and waterlogging. Nhedziwa Irrigation scheme received a total of 580mm of rain within one month which has resulted in yellowing of maize and some paprika crops due to excessive leaching. Weed control has also been a challenge as hand weeding methods, on which most of the smallholder farmers depend, have been impossible. As Zim-AIED had facilitated access to input loans by paprika farmers from the scheme, the situation was addressed as farmers had ready stocks of fertilizers on hand to mitigate nutrient loss with a resultant improvement in crop vigor.

A paprika farmer on Nyakomba irrigation scheme has had part of her paprika crop ploughed under soon after transplanting as it was waterlogged and did not take off.

A dryland paprika farmer, Samuel Madziwanzira, from Sabvure area in Nyanga lost 10 percent of his 0.35 hectare paprika crop when it was washed away by sheet erosion during a heavy storm.

Tabasco chili farmers from Nyakomba irrigation scheme had challenges with stem rots in about 5 percent of their crops as a result of the incessant rains.

Zim-AIED technicians and lead farmers have given technical assistance to affected farmers on erosion control methods, repairing contour ridges and opening drains to prevent water logging. Farmers have also been advised to ridge up their paprika crops to avoid the effects of waterlogging.

Six black urea demonstrations were established in Honde Valley, one on maize and the rest on bananas. Honde Valley receives substantial amounts of rain and nitrogen leaching is a big challenge. Farmers react to the high rates of leaching by applying more nitrogenous fertilizers that ends up

being an environmental burden. The introduction of black urea is viewed as a sustainable way of addressing this problem as its unique buffered organic complex coating reduces nitrogen loss through leaching and volatilization. Black urea has a slightly lower nitrogen percentage than conventional urea, but the reduced loss of nitrogen allows farmers to use rates that are 30 percent lower.

In Honde Valley, at least 15 farmers have limed their banana fields during the quarter in response to technical assistance given on lime and its benefits. Some positive feedback has already been received from some of the farmers. The use of lime increases the response to fertilizers eliminating the desire to continue increasing fertilizer rates. Some groups of farmers have already started applying unsustainably high rates of fertilizers for banana crop maintenance and the inclusion of lime in the regime will add to the efficacy of fertilizer applications.

Water

The massive repairing of distribution canals (replacement of earth with concrete canals) by Zim-AIED collaborate, World Vision ENSURE project, on Nhedziwa irrigation scheme is now complete. This will enhance efficient water distribution and reduce losses, thus lessening depletion of water sources long enough to sustain good supply at critical periods during the season.

Incorporation of organic material such as stover and manure to improve the soil water holding capacity has continued to be encouraged in all Matabeleland irrigation schemes. This practice has also reduced erosion as it slows down applied water velocity and at the same time improves the soil nutrients and reduces leaching.

Farmers were urged and advised not to dispose used oil and grease in rivers at Fanisoni and Makwe irrigation schemes.

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.*

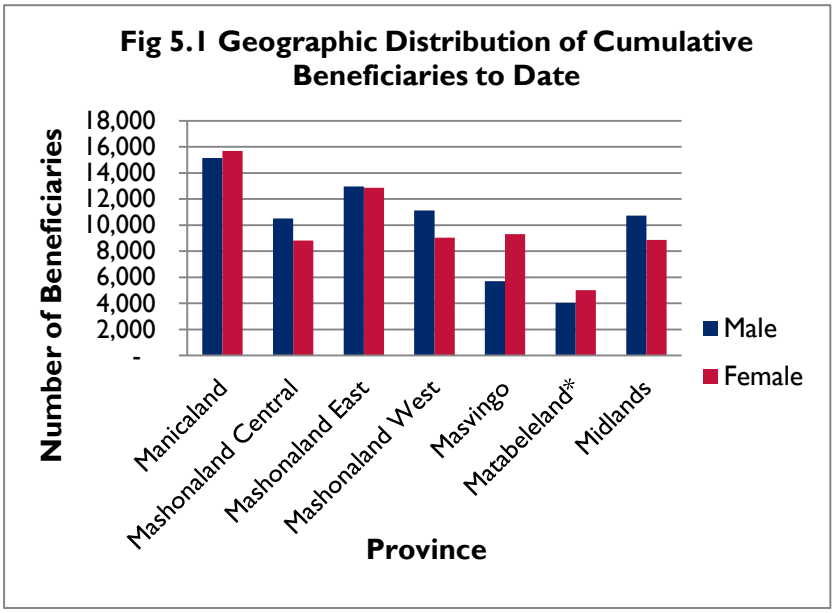
GNDR 5: *Number of farmers engaged in contract farming*

Zim-AIED has made great strides in providing innovative ways to enable women and youth in agriculture to reach their full potential which is clearly seen in the achievement of all five gender targets. The strategy is to continually raise the awareness of gender related issues with minimal adverse reaction among the communities that Zim-AIED is working in.

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. Zim-AIED takes cognizance of each community's uniqueness and culture in addressing gender disparities.

Gender Empowerment

During Q1 FY2015, Zim-AIED assisted 3,426 new farmers across the country, of which 47 percent (1,597) were women and 13 percent were youth under 29 years of age, 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. Masvingo and Manicaland recorded the highest percentages of women attending Zim-AIED training sessions during the quarter at 66 and 56 percent, respectively. Figure 5.1 provides the cumulative geographic distribution of beneficiaries to date.

The number of women involved in contract farming mechanisms during the quarter is 780 (44 percent). Female beneficiaries continue to prove their diligence in honoring their contractual obligations. The women at Exchange irrigation scheme are a case in point, out of the 56 farmers who

received inputs for sugar bean production 85 percent of the women have repaid in full but only 65 percent of the men have done the same.

It is interesting to note that an unexpected spin-off from Zim-AIED's Farming as a Family Business training sessions is that women continue to use covert strategies to question men who look down on them as well as encourage other women to stand up and become agents of economic change in their communities. By using forms of art such as poetry, song, dance and drama, these sensitive issues can be raised with impunity as they are culturally acceptable at any public gathering. An example of this was at the Batanai farmer's group meeting at Nyanhunzi in Guruve where Mrs. Ratidzo Nyemba, a prominent group leader, had this to say in a poem: "Traditionally, we always say the man is the head of the house, but in development we say, the women is the *doek* (headscarf) that covers that head and give it dignity. We challenge all responsible men to respect women and give them space to run family businesses. Men who dictate everything in the house are like an old man's head without a hat – it is shameful!"

During the period under review, six women in Matabeleland made inroads into the male-dominated livestock value chain by including their cattle in pen fattening schemes. Although these women only represented 19 percent of the farmers who benefitted from this Zim-AIED facilitated opportunity, this figure is worth acknowledging as women rarely own cattle or have any say in their disposal. Notable among these women is Mrs. Nomusa Ndlovu of Tshongokwe irrigation scheme in Lupane District of Matabeleland North. She was one of the original farmers to participate in the pilot pen fattening program at the irrigation scheme in FY2014. Mrs. Ndlovu bought 10 cattle for pen fattening incurring $3,685 in total costs after feeding the animals for 60 days and earned a profit of $4,810, with which she intends to expand her pen fattening to 30 beasts next season.

Leadership

The number of lead farmers registered in all Zim-AIED operational areas is 113, of which 50 percent is 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 program participants in relevant leadership positions is 498, with 34 percent of these being female.

Women are usually less educated than men due to entrenched cultural considerations within rural areas therefore their understanding of legal issues such as group constitutions is generally weak. A poor understanding of a group's constitution denies women the opportunity to assert their rights such as election to positions of authority. To that end, during the period under review, Zim-AIED facilitated the translation of constitutions at Hama Mavhaire and Chipo Irrigation Schemes into the local dialect. Every member in the Scheme will also be provided with a copy of the bylaws in their local language. To a great extent, the increase noted in women assuming influential positions in farmer groups is a result of sustained trainings on women rights during Zim AIED group trainings.

Gwiranenzara Irrigation scheme in Mashonaland East Province held IMC elections in October 2014 and 42 percent of the IMC committee members elected are women, up from 28 percent. At the same time a similar increase in leadership position was noted among the youth who now constitute 42 percent of the members, up from a paltry 14 percent. At Musikavanhu B3, Chipinge, elections of new IMC committee saw the number of women in the committee increasing from 28 to 42 percent.

In particular, Zim-AIED has noted that in most farmer groups, the post of treasurer which is open to the most abuse is now being occupied by women. In Guruve and Goromonzi, for example, out of the 5 Input procurement groups linked to Windmill, 4 of the groups have women treasurers and to date, no incidences of financial mismanagement have been recorded.

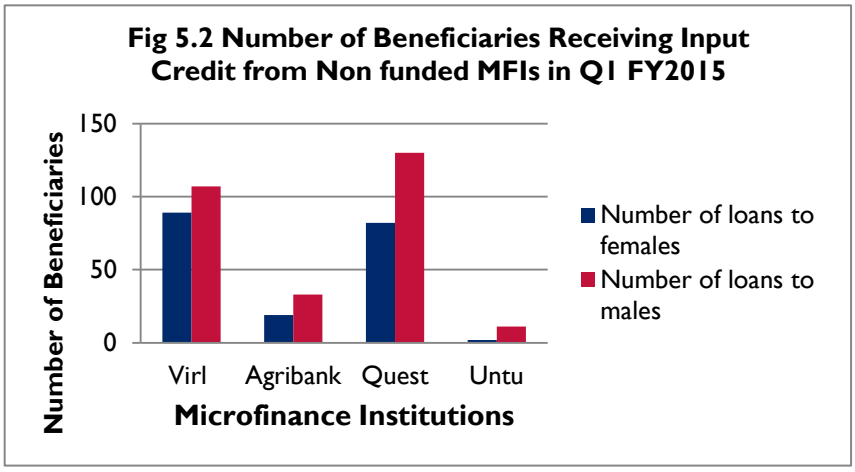
Access to social, economic, and political opportunities

Zim-AIED has noted that there have been some significant changes in men's perceptions on women's role in rural agricultural enterprises. The men, who are the traditional gate keepers of family customs, are starting to create space for women to engage in all aspects of agricultural operations. Interesting cases encountered during the quarter include;

- Accounts of women buying assets and registering the same in their names have been recorded. The earlier highlighted case of women in Matabeleland taking up pen fattening. Cattle ownership and disposal decisions have largely been a preserve of males. In Guruve, Mrs. Fadzai Choruma, the treasurer for Nzarayapera Farmers group in ward 7 is diversifying into poultry production after a successful 2013/2014 cropping season in which she was a lead farmer. She is keeping 40 layers which lay an average of 3 dozen eggs per day. She sells the eggs at $5 per crate of 30. Thus she is realizing gross sales of $40 per week.
- In Goromonzi two female farmers from Takunda farmers' group have completed constructing fowl runs to embark on commercial broiler production. Both farmers expect bumper maize crops during the current season as they are part of the pilot group of dryland farmers to receive input loans from Quest. They will use income from their maize sales and other possible lines of credit from MFIs to support their broiler production projects.
- Women are starting to take charge of financial management within homesteads and as already alluded to, in farmer groups. Increasingly, youth are also playing central roles in record keeping and data analysis. That way, they are able to offer farm management suggestions based on the results of the data analyzed. In a way, the youth are significantly contributing to the decision making process within households. "In all our farm operations we decide as a family. In particular my son who recently finished his "A" levels helps us with ideas on technical issues. Modern farming requires one to understand modern farming techniques," remarked Mr. Rupende of ward 7 Guruve.

Access to finance and credit

Significant strides have been made not only in direct lending to smallholder farmers, but also in increasing female farmers' access to credit. In Honde Valley, the initial percentage of women receiving loans from Virl was 19 percent, however disbursements from both Agribank and Virl during the quarter under review has increased the proportion to 26 percent. In Guruve district, of the 119 group members who purchased inputs through Windmill's bulk procurement initiative during the review period, 55 percent were women. The value of inputs purchased by women was $7,010, 33.5 percent of the total purchase value by the group.



In Q1 FY2015, a total of 193 (41 percent) loans to women worth $54,165 (34 percent) were disbursed by both the USAID-funded and non-funded AgriTrade partners compared to 283 loans to men valued at $104,111. Virl disbursed the highest number and value of women loans in the quarter (89 women loans worth $25,755), followed by Quest with 82 women loans worth $21,505, Agribank (19 women loans worth $5,433), Untu (2 women loans worth $722) and lastly MicroKing (1 loan worth $750). Zim-AIED has facilitated this process by providing historical information on farmers, ensuring secure markets and providing strong technical support.

The cumulative percentage by number of women (agro-dealers and farmers) loans disbursed remained unchanged at 41 percent as of December 31, 2014, the same figure that was recorded as of September 30, 2014. However, women accounted for 50 percent of both the cumulative total number and value of loans. Figure 5.2 shows the distribution of borrowers by gender that received direct input credit from non-USAID funded partner financial institutions during the quarter.

As a result of Zim-AIED's initiatives to economically empower women through the formation of input procurement groups and partnering with microfinance institutions, women are now able to purchase

did not register for weather indexed insurance with ZimNat Lion Insurance Company citing an annual premium of 14 per cent on the loan value as being inhibitive. There is need to continually train the farmers on the importance of insurance cover against drought as it will, in the event of a drought, protect them against loan defaulting.

- Agrodealers remain unconvinced of the importance of stocking basic protective clothing. Their line of business is mainly selling chemicals and fertilizers. Farmers are willing and able to buy basic protective clothing but this is not readily available.
- Farmers lack technical knowledge on herbicide application techniques and choices and this has reduced the adoption rate of the herbicides in some parts of the country.
- Late and erratic rains in Manicaland and other areas delayed paprika and maize planting and have lengthened the tenure of the direct lending loans by a month.

9. CONCLUSIONS

After 50 months of implementation, Zim-AIED is on course to meet its main objectives. A summary of performance indicators against PMP indicators is shown in Annex 2 and a detailed FTFMS report is submitted separately to this descriptive report. The results against the 14 Feed the Future indicators employed to track Zim-AIED are described below.

- **FTF 4.5.2-13** The FY2015 target is to reach out to 3,500 new households and continue working with 5,000 households previously benefiting from the US government assistance. During the review period the program worked with 6,195 households of which 2,855 households were new. The program is optimistic that the targets set will be achieved by project close out in July 2015.
- **FTF 4.5.2-23** Incremental sales data will only be available after results of the gross margin survey in Q2 and Q3 of FY2015. The program is optimistic that the sales momentum gained through the established market linkages and improvement in the production of bananas, maize, paprika, sweet potato, and cattle will result in the target of $59.3 million being achieved.
- **FTF 4.5 (16) – Gross margin per unit of land, kilogram, or animal of selected product (crops/animals selected vary by country)**
    - **Maize –**The gross margin target per hectare is $434. The late start to the season and the limited access of farmers to adequate inputs point towards reduced productivity compared to the exceptionally good maize season in FY2014 in all dryland areas. Even though inputs are available liquidity challenges have limited farmers' ability to acquire adequate inputs. In addition except for the Presidential Input Scheme, of which the scale has been greatly reduced compared to FY2014, there are no major input schemes available to maize farmers to boast productivity.
    - **Paprika –** The target gross margin per hectare is $2,385. The program is optimistic that better market prices, increased adoption of GAPs, and increased input financing by MFIs will ensure the target is achieved. The adopted industrial approach will maintain the competition among the six regular buyers. Increased adoption of GAPs on paprika in all program areas will maintain the levels of productivity and quality attained over the years. The broad engagement of microfinance institutions has facilitated improved access to quality inputs, which is critical to achieving high yields.
    - **Banana –** The target gross margin is $7,000 per hectare. The target is achievable as all tissue-cultured banana plantations in Mutema, Chibuwe, Musikavanhu, and Honde Valley will be in their second/third year of full production; production from old plantations in Rusitu and Honde Valley has significantly improved due to farmers adopting GAPs through training and technical assistance offered by Zim-AIED; farmers in all program areas will achieve higher yields and consistently supply

quality bananas as they have access to adequate inputs, technical assistance and reliable and lucrative markets paying market prices.

- **FTF 4.5.2-11** The FY2015 target for the number of enterprises and organizations receiving assistance both new and continuing is 957. During the quarter under review the program worked with 1026 organizations. These organizations were IMCs, milk collection center committees, buyers, and traders.
- **FTF 4.5.2-38** Businesses working in collaboration with Zim-AIED through formal agreements invested $27,805 against a target of $250,000 for FY2015. The current political economy; existing investment policies and the general macroeconomic environment are not conducive for investment. High sovereign risk, liquidity constraints, high cost of production, and the generally low demand in the economy are not conducive to private sector investment.
- **FTF 4.5.2-43** This is an annual target, however Zim-AIED partners continued to face liquidity challenges. Obsolete production infrastructure coupled with rising operating costs has rendered local products less competitive than imports from regional and international sources. Low demand is affecting capacity utilization; hence unit costs, further making local products uncompetitive. In addition, unreliable infrastructure (erratic supply of power and water) continue to disrupt business and production adding to the cost of doing business and undermining profitability. The target for FY2015 is 5, the program is hopeful in meeting the target.
- **FTF 4.5-2** The target for FY2015 for the number of jobs created is 1,110 FTEs. During the quarter 1,294 FTEs, were attributed to the implementation of the Zim-AIED program. The program is optimistic that these will remain in place up to the end of the program.
- **FTF 4.5.2-2** The target is 97,000 hectares for FY2015. The program expects a high retention of adopted technologies around the program sites. Zim-AIED introduced technology has been proven through on farm demonstrations and has contributed to putting money in the pockets of farmers. In addition, Zim-AIED has been implementing the agribusiness concept for three or more consecutive seasons in many of the hubs, which will help in retention of the high uptake of GAPs. Values will be reported after the Q2 and Q3 gross margin surveys.
- **FTF 4.5.2-5** The target is 105,000 farmers for FY2015. Introduced practices by Zim-AIED have added income to farmers. Zim-AIED is optimistic that with increased input lending to farmers by MFIs in FY2015, more farmers will adopt the recommended technologies. Adoption of technology is largely a function of the financial resource base of the beneficiary. Values will be reported after the Q2 and Q3 gross margin surveys.
- **FTF 4.5.2-7** The target is 10,000 unique individuals for FY2015. During Q1 FY2015, the program had trained 6,543 farmers in the various training modules offered by the program. The program is thus set to achieve the target in the course of FY2015.
- **FTF 4.5.2-42** The FY2015 target for the number of enterprises and organizations receiving assistance that apply new technologies or management practices as a result of US government assistance is 957. The result in the reporting period is 1035 new and old enterprises.
- **FTF 4.5.2 (29)** The FY2015 target is $500,000. During the period under review $158,271 loans were distributed, mainly from non-USAID funded AgriTrade partners.
- **FTF 4.5.2 (37)** The target for FY2015 is 8,697 MSMEs. During the reporting period the program worked with 6,237 MSMEs. The program is thus on course to achieve the target.
- **FTF 01** The target for FY2014 is 92 percent of smallholder farmers under the Zim-AIED program to fall within the FTF definition of smallholders; During the reporting period, 83 percent (5,142 households) of the total 6,195 households benefiting from the program were smallholder farmers according to the definition.

By the end of December 2014, Zim-AIED recovered $1,030,717 in recoverable grants from both the beneficiary farmers and partner fund and technology fund partners. During the reporting period, $29,103 was recovered by companies from farmers for inputs advanced. Cumulative recoveries for the year under the Smallholder Technology Fund were at $9,662.

Table 9.3: Zim-AIED Sub Grant 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 Recoverables Expected
	(a)	(b)	(c)	(d)	(b- d)	(f)	(c-f)	US$ (a- c+f)	%	%
PF01 Mercy Corps	$99,996	0	$99,233		$0	-	$99,233	$763	1%	N/A
PF02 IRD	$99,990	0	$99,737		$0	-	$99,737	$253	0.3%	N/A
PF03 O'Enem Meat	$720,360	$562,829	$655,598	$342,417	$220,412	$220,412	$435,186	$285,174	40%	100%
PF04 Matanuska	$1,592,942	$787,181	$983,674		$787,181	$283,154	$698,920	$892,422	56%	36%
PF05 SAT	$969,595	$0	$956,048		$0	$1,260	$954,788	$14,807	2%	N/A
PF06 FAVCO	$255,000	$216,553	$267,228		$216,553	$132,514	$134,414	$254,787	65%	61%
PF07 Better Agriculture	$142,968	$141,129	$148,019		$141,129	$ 74,470	$71,549	$69,419	49%	53%
PF08 Capsicum	$722,650	$387,292	$637,108	$276,098	$107,891	$107,891	$529,216	$193,434	27%	100%
PF09 Prime Seed	$368,250	$261,288	$347,749	$210,026	$51,262	$51,262	$296,487	$71,763	19%	100%
PF10 Agriseeds	$569,800	$36,010	$38,085		$36,010	$36,010	$2,075	$567,725	100%	100%
PF11 Inala Enterprises	$146,053	$105,479	$166,613		$105,479	$79,459	$81,089	$58,899	40%	75%
PF12 Technology Fund	$150,000	$81,443	$98,326		$81,268	$44,285	$54,041	$105,715	70%	54%
Total	**$ 5,873,604**	**$ 2,579,204**	**$4,497,418**	**$828,541**	**$ 1,747,185**	**$1,030,717**	**$3,456,735**	**$2,515,161**	**43%**	**59%**

ANNEX 1: SNAPSHOTS

Input loans unlock smallholder production potential

Access to input loans through credit is critical to improve production and productivity for smallholder farming activities.

"My children are going to enjoy this festive season as they are going to get new clothes and good food."

Molly Nyathi
Smallholder farmer

Coupled with good agricultural practices and business development skills, access to formal credit lines for smallholder farmers is resulting in improved crop quality and quantity, which in turn translates to improved farm revenue and profit.

USAID's Zimbabwe Agricultural Income and Employment Development (Zim-AIED) program is working with financial institutions such as Untu Financial Services and Virl Financial Services to avail credit to boost smallholder agricultural production.

Douglas Mukandi and his wife Molly Nyathi are among 21 smallholder farmers at Ngondoma irrigation scheme in Kwekwe, Midlands, whose farming businesses have grown immensely through access to agricultural input loans. The couple accessed their first input loan worth $394 from Untu for the production of 0.5 hectares of sugar bean and a second one worth $463 for 0.5 hectares of green mealies production.

After putting 0.5 hectares under sugar bean with adequate inputs, Mukandi generated $1,260 as his good quality produce fetched better prices compared to previous seasons when he had inadequate resources. "Before Zim-AIED introduced us to Untu, we could only manage to utilize 0.2 hectares of our 0.5 hectare plot," he said.

Untu disbursed a second loan to Mukandi after he successfully paid off his first loan. With his second loan, he realized a gross margin of $3,210 from 0.5 hectares of green mealies. With his increased income, Mukandi purchased two bicycles for his children to get to and from school, and made renovations to his home.

To date, Untu has disbursed 45 input loans (including repeat borrowers) worth $6,210 to 21 farmers at Ngondoma irrigation scheme for sugar bean and green mealies production.

At Chinyika irrigation scheme in Goromonzi, Mashonaland East, Virl Financial Services disbursed $5,880 worth of input loans to 12 farmers for horticultural production. Agricultural production at Chinyika is mainly centered on potatoes, peas, carrots, tomatoes, green mealies, garlic, and leafy vegetables.

"The input loan from Virl valued at $490 came at the right time as I established 0.1 hectares of table potatoes on time with adequate inputs," said Dennis Mutero. From his potato venture, Mutero harvested 2.5 tons and realized $1,000 in gross margin. This is a 67 percent increase from last season's net income of $600.

Collectively, Untu and Virl have disbursed more than $200,000 worth of input loans to Zim-AIED assisted smallholder farmers for high-value horticulture and food crops since August 2013. Direct lending initiatives are essential for unlocking the productive potential of smallholder farmers, thus ensuring household food security and increased incomes.

Farmers increase productivity thanks to herbicide use

The adoption of herbicide technology increases smallholder farmers' productivity while saving on production costs and time.

Photo by Fintrac Inc.

James Ngwabi is happy in his weed-free plot thanks to adoption of good agricultural practices such as herbicide use.

Retired septuagenarian James Ngwabi and his family have always dreaded the summer season as it is characteristic of exhausting work from repeated hand weeding. Thanks to USAID's Zimbabwe Agricultural Income and Employment Development (Zim-AIED) program, Ngwabi and 60 other plot holders at Tshongokwe irrigation scheme in Lupane, Matabeleland North received training in good agricultural practices focusing on the importance of using new technologies for weed-free crops and increased yields.

Under traditional farming practices, many smallholders were fighting a constant battle against stubborn weeds in their maize crop. Even after weeding three times in one season, their crop would still be choked by weeds, inevitably resulting in low yields.

Zim-AIED introduced the use of herbicide technology in partnership with international agrochemical producer BASF (Baden Aniline and Soda Factory), to help reduce drudgery for smallholder farmers, for whom labor shortage is a major constraint.

Using farmer-hosted demonstration plots, Zim-AIED introduced BASF's latest herbicide, Stella Star®, through an input loan package distributed to 40 farmers by Quest Financial Services. Each farmer received an input package including fertilizers and herbicides for the production of 0.2 hectares of green mealies.

Ngwabi and his fellow farmers were impressed by the performance of Stellar Star on their green mealies crop. After seeing the excellent weed control on the demo plots and receiving training and technical assistance, farmers at the irrigation scheme applied the herbicide to 8 hectares of green mealies.

"My tired old body could never cope with weeding, I am happy that Zim-AIED has shown us this new herbicide to save us time and energy," said Ngwabi. With the herbicide, he reduced his cost of weeding from $180 per hectare using hired labor and traditional weeding practices to less than $65 per hectare.

Thanks to the introduction of herbicide technology, farmers at Tschongokwe achieved yields between 2,500 and 3,000 dozen of green mealies per hectare compared to less than 2,000 dozen per hectare in the previous season. The increase in yield translated to increased gross margins from less than $5,000 per hectare up to a range between $6,500 and $8,000 per hectare. All 40 farmers were able to fully repay their loans well before the due date.

"My tired old body could never cope with weeding, I am happy that Zim-AIED has shown us this new herbicide to save us time and energy."

James Ngwabi, smallholder farmer

Notably, herbicide use has a ripple effect outcome as evidenced by smallholder green mealies producers at Tschongokwe – farmers have cleaner crops, less drudgery, better productivity, and higher incomes.

Through good agricultural practices and productivity-enhancing technologies such as herbicides, Zim-AIED is promoting the production of high-value crops to significantly increase smallholder farmers' incomes.

ANNEX 2: PERFORMANCE INDICATOR SUMMARY TABLE

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
1	# of rural households benefiting from USG assistance	HH	8,500	6,195				6,195
2	Net income per household from target agricultural products	US$	1,800	1,725				1,725
3	Value of incremental sales attributed to FTF implementation	**Value of incremental sales**	**59,312,403**	**(24,364,122)**				**(24,364,122)**
		Total Number of direct Beneficiaries	90,359,263.92	139,742.00				**139,742**
		Total Baseline sales (US$)	4,137,569.31	4,137,569.31				**4,137,569**
		Total Reporting year sales (US$)	94,496,833.23	1,820,540.80				**1,820,541**
		Total Reporting Year Volume of sales (mt)	209,693.47	60,274.65				**60,275**
		Bananas	14,169,610.60	737,013.40				**737,013**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Baseline sales (US$)	28,249.00	28,249.00				**28,249**
		Reporting year sales (US$)	14,527,829.53	1,095,232.80				**1,095,233**
		Reporting Year Volume of sales (mt)	53,322.81	59,250.00				**59,250**
		Number of Direct Beneficiaries	3,893.00	3,893.00				**3,893**
		Maize	20,558,540.15	(16,944,342.28)				**(16,944,342)**
		Baseline sales (US$)	2,742,980.00	2,742,980.00				**2,742,980**
		Reporting year sales (US$)	37,194,077.17	29,978.00				**29,978**
		Reporting Year Volume of sales (mt)	113,270.40	99.00				**99**
		Number of Direct Beneficiaries	95,605.00	97,552.00				**97,552**
		Paprika	1,369,357.00	(472,472.00)				**(472,472)**
		Baseline sales (US$)	757,900.00	757,900.00				**757,900**
		Reporting year sales (US$)	1,812,085.11	-				**-**
		Reporting year Volume of sales (mt)	969.53	-				**-**
		Number of Direct Beneficiaries	1,548.00	1,652.00				**1,652**
		Beans and pulses	8,062,429.53	(3,489,152.82)				**(3,489,153)**
		Baseline sales	63,195.00	63,195.00				**63,195**
		Reporting year sales	11,301,577.87	287,820.00				**287,820**
		Volume of sales (mt)	10,243.45	257.10				**257**
		Number of Direct Beneficiaries	33,596.00	34,366.00				**34,366**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Beans, fresh	30,562.00	8,543.00				**8,543**
		Baseline sales	9.00	9.00				**9**
		Reporting year sales	30,733.00	8,750.00				**8,750**
		Volume of sales (mt)	49.50	12.50				**13**
		Number of Direct Beneficiaries	19.00	23.00				**23**
		Bird's eye chilis	254,856.00	(8,240.00)				**(8,240)**
		Baseline sales	40.00	40.00				**40**
		Reporting year sales	264,416.06	-				**-**
		Volume of sales (mt)	380.18	-				**-**
		Number of Direct Beneficiaries	239.00	206.00				**206**
		Cabbage	143,930.44	(3,266.56)				**(3,267)**
		Baseline sales	1,392.00	1,392.00				**1,392**
		Reporting year sales	158,797.36	11,600.00				**11,600**
		Volume of sales (mt)	453.71	99.20				**99**
		Number of Direct Beneficiaries	267.00	267.00				**267**
		Chili Pepper	328,316.00	(28,950.00)				**(28,950)**
		Baseline sales	750.00	750.00				**750**
		Reporting year sales	358,615.60	-				**-**
		Volume of sales (mt)	690.47	-				**-**
		Number of Direct Beneficiaries	404.00	386.00				**386**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Cowpeas	209,183.54	(40,157.62)				**(40,158)**
		Baseline sales	6,265.00	6,265.00				**6,265**
		Reporting year sales	249,259.04	-				**-**
		Volume of sales (mt)	498.52	-				**-**
		Number of Direct Beneficiaries	1,951.00	1,955.00				**1,955**
		Groundnuts	(1,525,265.43)	(4,081,608.43)				**(4,081,608)**
		Baseline sales	28,420.80	28,420.80				**28,421**
		Reporting year sales	2,398,976.12	2,500.00				**2,500**
		Volume of sales (mt)	3,489.68	5.00				**5**
		Number of Direct Beneficiaries	19,883.00	20,693.00				**20,693**
		Butternuts – Other	115,611.50	23,527.50				**23,528**
		Baseline sales	2,025.00	2,025.00				**2,025**
		Reporting year sales	131,923.91	39,840.00				**39,840**
		Volume of sales (mt)	495.32	111.80				**112**
		Number of Direct Beneficiaries	145.00	145.00				**145**
		Peppers	10,368.00	-				**-**
		Baseline sales	12.00	12.00				**12**
		Reporting year sales	11,520.00	-				**-**
		Volume of sales (mt)	29.60	-				**-**
		Number of Direct Beneficiaries	96.00	-				**-**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Potatoes	14,209.04	15,667.29				**15,667**
		Baseline sales	5,441.51	5,441.51				**5,442**
		Reporting year sales	36,882.00	85,500.00				**85,500**
		Volume of sales (mt)	48.06	153.00				**153**
		Number of Direct Beneficiaries	25.00	77.00				**77**
		Soybeans	1,591,186.99	(46,054.30)				**(46,054)**
		Baseline sales	2,888.00	2,888.00				**2,888**
		Reporting year sales	1,637,305.71	-				**-**
		Volume of sales (mt)	3,520.95	-				**-**
		Number of Direct Beneficiaries	5,701.00	5,693.00				**5,693**
		Sweet potatoes	6,482,302.70	(60,717.74)				**(60,718)**
		Baseline sales	809.00	809.00				**809**
		Reporting year sales	6,046,646.00	5,200.00				**5,200**
		Volume of sales (mt)	18,508.78	9.00				**9**
		Number of Direct Beneficiaries	6,206.00	6,274.00				**6,274**
		Tomatoes	1,552,524.91	(14,824.95)				**(14,825)**
		Baseline sales	423,705.00	423,705.00				**423,705**
		Reporting year sales	1,704,996.11	138,920.00				**138,920**
		Volume of sales (mt)	3,722.52	278.05				**278**
		Number of Direct Beneficiaries	1,556.00	1,569.00				**1,569**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Cattle	5,944,679.87	40,913.22				**40,913**
		Baseline sales	73,488.00	73,488.00				**73,488**
		Reporting year sales	16,631,192.64	115,200.00				**115,200**
		Number of animals	37,539.00	260.00				**260**
		Number of Direct Beneficiaries	26,757.00	186.00				**186**
4	Volume of production by program beneficiaries	**Total volume of production (Tons)**	**361,734**	**361,120**				**361,120**
		Banana (Tons)	59,248	59,250				**59,250**
		Paprika (Tons)	1,128	737				**737**
		Maize (Tons)	246,240	245,032				**245,032**
		Beans (Tons)	15,220	15,569				**15,569**
		Bird's eye (Tons)	380	372				**372**
		Cabbage (Tons)	638	638				**638**
		Chillie Pepper (Tons)	690	662				**662**
		Cow Peas (Tons)	664	669				**669**
		Groundnuts (Tons)	8,601	8,952				**8,952**
		Butternuts (Tons)	278	278				**278**
		Fine Beans (Tons)	18	56				**56**
		Peppers (Cherry) (Tons)	37	-				**-**
		Potatoes (Tons)	53	114				**114**
		Soybeans (Tons)	4,577	4,570				**4,570**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Sweet Potatoes (Tons)	22,269	22,515				**22,515**
		Tomatoes (Tons)	1,692	1,706				**1,706**
5	Value of production by program beneficiaries	**Total Value of production (US$)**	**133,310,255**	**126,004,885**				**126,004,885**
		Banana (US$)	16,142,033	14,338,500.00				**14,338,500**
		Paprika (US$)	2,108,715	1,378,283.12				**1,378,283**
		Maize (US$)	80,856,690	74,244,716.63				**74,244,717**
		Beans (US$)	16,792,538	17,429,761.24				**17,429,761**
		Bird's eye (US$)	264,416	-				**-**
		Cabbage (US$)	223,209	74,573.85				**74,574**
		Chillie Pepper (US$)	358,616	-				**-**
		Cow Peas (US$)	331,894	-				**-**
		Groundnuts (US$)	5,912,997	4,475,883.50				**4,475,884**
		Butternuts (US$)	74,067	99,035.54				**99,036**
		Fine Beans (US$)	11,332	39,060.00				**39,060**
		Peppers (Cherry) (US$)	14,400	-				**-**
		Potatoes (US$)	40,980	63,929.41				**63,929**
		Soybeans(US$)	2,128,365	-				**-**
		Sweet Potatoes (US$)	7,275,006	13,008,736.00				**13,008,736**
		Tomatoes (US$)	774,998	852,405.73				**852,406**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
6	Area grown per target product	**Total Area Grown**	**140,077**	**140,064**				**140,064**
		Banana (Ha)	1,975	1,975.00				**1,975**
		Paprika (Ha)	680	535.10				**535**
		Maize (Ha)	108,000	107,470.21				**107,470**
		Beans (Tons)	12,684	12,974.52				**12,975**
		Bird's eye (Ha)	45	50.50				**51**
		Cabbage (Ha)	18	18.20				**18**
		Chillie Pepper (Ha)	86	94.00				**94**
		Cow Peas (Ha)	759	760.45				**760**
		Groundnuts (Ha)	7,819	8,137.97				**8,138**
		Butternuts (Ha)	28	27.79				**28**
		Fine Beans (Ha)	3	9.00				**9**
		Peppers (Cherry) (Ha)	10	-				**-**
		Potatoes (Ha)	4	8.00				**8**
		Soybeans(Ha)	4,087	4,080.18				**4,080**
		Sweet Potatoes (Ha)	3,711	3,752.52				**3,753**
		Tomatoes (Ha)	169	170.61				**171**
7	Average yields per target product	Banana (tons/ha)	30.00	30.00				**30**
		Paprika (tons/ha)	1.66	1.38				**1**
		Maize (tons/ha)	2.28	2.28				**2**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Beans (tons)	1.20	1.20				**1**
		Bird's eye (tons/ha)	8.50	7.36				**7**
		Cabbage (tons/ha)	35.00	35.03				**35**
		Chillie Pepper (tons/ha)	8.00	7.04				**7**
		Cow Peas (tons/ha)	0.88	0.88				**1**
		Groundnuts (tons/ha)	1.10	1.10				**1**
		Butternuts (tons/ha)	10.00	10.00				**10**
		Fine Beans (tons/ha)	6.20	6.20				**6**
		Peppers (Cherry) (tons/ha)	3.85	-				**-**
		Potatoes (tons/ha)	14.24	14.30				**14**
		Soybeans(tons/ha)	1.12	1.12				**1**
		Sweet Potatoes (tons/ha)	6.00	6.00				**6**
		Tomatoes (tons/ha)	10.00	10.00				**10**
8	Gross margin per unit of land, kilogram, or animal of selected product	Maize (US$/ha)	434	376				**376**
		Paprika(US$/ha)	2,385	-				**-**
		Banana(US$/ha)	7,000	5,830				**5,830**
		Beans (US$/ha)	775	842				**842**
		Bird's eye (US$/ha)	4,570	-				**-**
		Cabbage ((US$/ha)	11,199	3,053				**3,053**
		Chillie Pepper (US$/ha)	3,058	-				**-**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Cow Peas (US$/ha)	240	-				-
		Groundnuts (US$/ha)	635	429				**429**
		Butternuts (US$/ha)	1,828	2,727				**2,727**
		Fine Beans (US$/ha)	1,797	2,294				**2,294**
		Peppers (Cherry)(US$/ha)	823	-				-
		Potatoes (US$/ha)	6,568	3,631				**3,631**
		Soybeans(US$/ha)	368	-				-
		Sweet Potatoes (US$/ha)	1,457	3,098				**3,098**
		Tomatoes (US$/ha)	3,570	3,986				**3,986**
9	# of food security private enterprises (for profit), producers organizations, water users' associations, women's groups, trade and business associations, CBOs receiving USG assistance	Enterprises Organizations Groups Associations	957	1,026				**1,026**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
10	# of buyer and market-related firms benefiting directly from interventions	Buyers/ Firms	30	2		-		**2**
11	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	US$	250,000	27,805				**27,805**
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	Firms/CSOs	5	0				**-**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
13	# of jobs attributed to FTF implementation	FTE	1,110	1,294				**1,294**
14	# of hectares under improved technologies or management practices as a result of USG assistance	New Ha	3,000	19,074				**19,074**
		Continuing Ha	94,000	74,066				**74,066**
		Total	97,000	93,140				**93,140**
15	# of farmers and others who have applied new technologies or management practices as a result of USG assistance	Total	105,000	98,534				**98,534**
		New	0	0				**-**
		Continuing	0	0				**-**
16	# of individuals who have received USG supported short term agricultural sector productivity or	Individuals	10,000	6,543				**6,543**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	food security training							
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	Enterprises/ Organizations/ Groups/ Associations	957	1,035				**1,035**
18	Value of agricultural and rural loans	$ US	500,000	158,271				**158,271**
19	# of beneficiaries receiving credit	Individuals	2,020	2,225				**2,225**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
20	Value of cost-sharing with alliance partners	$ million	0	0.10				**0.10**
21	# of individuals receiving training in business skills	Farmers/ Borrowers	2,500	4,847				**4,847**
22	# of MSMEs receiving business development services from USG assisted sources	MSMEs	8,697	6,237				**6,237**
23	# of individuals receiving training in (NRM)	Individuals	3,000	2,744				**2,744**
24	Number of lead farmers in assisted programs	Individuals	700	519				**519**
		Females	350	231				**231**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
		Males	350	288				**288**
25	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources	Percent	55%	32%				**32%**
		Numerator		2,032				**2,032**
		Denominator		6,198				**6,198**
26	Number of project beneficiaries in relevant leadership positions	Participants	483	498				**498**
		Females	182	165				**170**
		Males	273	305				**328**
27	Proportion of target populations reporting increased agreement with the concept that males and females should have access to social,	Proportion / Percent	89.00%	86%				**86%**

#	Indicator	Unit	FY2015					
			Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	economic, and political opportunities							
28	Number of farmers engaged in Contract farming	Farmers	1,000	1,762				**1,762**
		Female	500	780				**780**
		Male	500	982				**982**
29	Estimated number and percentage of FTF beneficiaries holding 5 hectares or less of arable land or equivalent units of livestock	Number	3,450	5,142				**5,142**
		Percent	92	83				**83**