参考資料　3

Minutes of Meetings Held on 3rd and 6th August 1998 for Following up of the Sub-Committee on Institutional Building

参考資料 3

" MINUTES OF MEETINGS HELD ON 3RD AND 6TH AUGUST 1998 FOR FOLLOWING UP OF THE SUB-COMMITTEE ON INSTITUTIONAL BUILDING."

1. PRESENT

Mr. Miura —JICA Study Team

Mrs S.M.Nyagweta — Ministry of Industry and Commerce

Mr Chigovanyika — Ministtry of Industry and Commmerce

Mr Muchada — SEDCO

Mrs Mugwara — Technical Advisor EPP

Mr Mashingaidze — High Education

2. Objectives for the Sub-Committee Meeting on Institutional Building

a) To present to the meeting,Mrmiura's ideas on instiutional building which will be incorporated in the in Master Plan Study.

b) To give an opportunity to the sub-committee for the Zimbabwean input towards the Master Plan, as they debate on the presented paper by Mr Miura.
For easy of reference,thePresented is attached to these minutes.

3. PROCECEEDINGS

a) The committee unanimously agreed that a dicision on the policy making decision of promotion of SME's has tobe set up within the Ministry of Industry and Commerce.

b) The Ministry of Finance should continue to responsible for the macro economic coordination, fiscal policy and to be the foreign aid institution including IMF. These coordination function should be much more strengthened.

c) The Reserve Bank in conjunction with Ministry of Finance should coordinate the monetary policies for SME's.

d) There should be a lot of transparency and coordination between the Ministrys of Finance and Industry and Commerce, especially the SEM's division.

e) The Ministry of Industry and Commerce would the coordinate with the private and public sector, including monetary institutions.

f) The SME's division would also implement Adiministration Measures, Financial Measures and Budgetary Measures as shown on the attaached diagrame.

4. ADMINISTRATION MEASURES

a) The meeting agreed with Mr Miura's proposal but suggested that marketing should be left ZimTrade alone.Other channels of marketing will have to be found.

b) Under Institutional Building,a lot of capacity building will have to be carried out and sound coodination among the concerned stakeholders will have to be greatly promoted. Coordination between the Ministry and its extension services could not be over emphasized.

c) In the second column it was recommended that quality standards will have to be introduced and asystem will have to be put in place in order to maintain quality standards.

A wareness compaign will have to be vigorously implemented.

d) Grouping of Organization

The meeting agreed with the idea of grouping, but went on to add that grouping Could be looked at in two ways.

(i) Group lending schemes,which SEDCO is already implementing, Could be encoutaged and this would erase the need for collatral for individuals.

Group lending could also encourage business discussions and sharing of ideas, among the froup members.

On the other hand the MOIC would be encouraged to look at the Possibility of clustering of SME's. The grouping shoule be streamlined and structured so tha there is no duplication of efforts. Most importantly the organizatons should remain focused.

e) Indivdual Consultations

This concerns the full utilization of extension services such as we already have with organizatons like BESA and SEDCO.

f) Group Training

(i) Would involve upgrading of skills though exchange programmes.

(ii) It was recommended that the MOIC shoul have standards pertaining to the types of training which can be offered to the SME's in order to make them more viable. Enhancement, of attachemnts to factories and membership programmes should be introduced.

g) Financial and Technical Guidance

(i) For the technical part, it was advised that Foreign Aid Agency including JICA normally dispatches technical experts support as

requested. This has to be implemented after the study and as a follow up to the action plan.

5. FINANCIAL MEASURE

a) The balance of Payment support which is afforded to Zimbabwe sometimes though JICA could be channelled for the use of promoting SME's using existing banking schemes.

b) The credit system i.e.CGC. Should be exoanded so that SME's coule be covered adequetly.

c) SEDCO shoul be beefed up so that they can more.

d) Group lendeing should be considered as a future idea that can accommodate SME's and cut down on colletral. Guarantees would be raised as groups. Peer pressure in such groups will help the group to succeed in such endeavours.

6. BUDGETARY MEASURE

a) The committee agreed with Mr miura but changed Tax exemption to tax incentives.

b) Under Training the committee recommended the following area:-

(i) Management skills

(ii) Technical skillss

(iii) Entrepreneurship development

7. RECOMMENDATIONS

a) It was agreede that facilities and equipment at Vocational Training Centers should be upgraded.

b) It was recommended that SME's Industrial Parks such as SEDCO is involved in, should be built near big companies which would encourage linkaging and subcontracting.

c) Grouping of SME's in Industrial Park by sectors would be to an advantage as clustering can be encouraged in such places and leasing of machineries.

It was commented that when encouraging linkaging there would be a need to sought ways and means of stabilizing the currency so that contracts are not abolished once there is an uncertainty in the currency matket.

The meeting recommended that Legal and regulatory framework should be added to Mr Miura's diagram as the sisth box.

SIGNED

S.M.NYAGWETA(MRS)

SME's WOOD AND FURNITURE SECTION

MINISTRY OF INDUSTRY AND COMMERCE

10 August 1998

参考資料　4

職業訓練・マネジメント教育の参考事例

参考資料4　職業訓練・マネジメント教育の参考事例

1. 日本の中小企業大学校でのマネジメント教育

日本の中小企業事業団(Japan Small Business Corporation)に所属する中小企業大学校(The Institute for Small Business Management and Technology)は、各県その他公共機関で中小企業を指導する人たちの研修を担当するとともに、中小企業経営者・管理者のマネジメントスキルや技術力向上のための長期・中期・短期の多様な講座を提供している。

それらの概要は Table 1 のとおりであるが、毎年、年間の具体的なスケジュールが発表され、希望する企業に対してはポスター型の一覧表も配布されるので、企業の教育訓練計画にも利用されている。

表中の "Entrepreneur Course" は、事業開始後 5 年以内の起業家を対象とするもので 4 ヵ月にわたって毎月 3 日連続開催、計 12 日で完結する。

このコースの毎回のテーマは Table2 のとおりであるが、講義に偏ることなく、グループ討議とその発表、事例研究、課題研究、自社の経営戦略と実行計画立案、個別指導などを織り込んで進められる。毎回適度の間隔をあけて訓練が進められるので，実務に照らして理解をさらに深めることも可能となる。

また、"Business Successor Course"の場合は、実務経験 3 年以上の次期経営候補者を対象とするもので、12 ヵ月間に約 200 日をかけて講義、事例研究、演習、外国企業調査なども含めながら進められる。

Table 1. Trainees and Course Content of Institute for Small Business Management and Technology

TRAINEE	COURESE CONTENT (Example)
Those in Charge of guidance for SMEs	Management Training – SME Diagnostician Training Program Technical Training – SME Technical Advisor Training Program
Personnel of SME Consultative Organizations	– Management Advisor Training Program – Federation Advisor Training Program
Management of SMEs	Management Training – Business Successor Course – Entrepreneur Course – Business Management Course – Special Course on the Role of the Manager and Development of Ability Technical Training – Automation of Manufacturing Process – Industrial Design

Table 2. Subjects of "Entrepreneurs' Course"

Term	Duration	Subject
First Term	Three Days	Establishment of Management Basis
Second Term	〃	Globalization, Multi-Media
Third Term	〃	Consumer Satisfaction
Fourth Term	〃	Brushing Up of Business Plan

2. 日本の商業高校でのビジネス実践教育

学校教育でのビジネスに関する科目は、技術教育などとは異なってとかく抽象的な内容に陥りがちである。そのため、実務経験のない学生を対象にとって、応用力の乏しい単なる知識の習得に終わってしまう恐れがあり、授業の工夫が特に求められる。

日本の商業高校におけるカリキュラムの一例を Table3 に示した。この中で、最終の3学年に「総合実践」という、年間を通じて週3時間の科目がある。

この授業では、生徒たちが複数の市場で複数の卸売商、小売商をはじめ、銀行、運送、保険、倉庫、通信、証券、官庁、消費者その他経済活動に必要な種々の立場の役割を分担しながら、模擬取引を行う。その過程で、取引に必要な仕様書、注文書、納品書などを発行し、商品の輸送手配をし、代金の送金をし、内部管理のための日報、月報、試算表を作成したうえで、期末には決算書を書き、税金申告をする。

つまり、各人がいろいろな役割を交代で担当する中で、商業活動に伴う種々の数値の処理と書類の作成を含む活動を経験する。この過程で、これまで講義を通じて学習した内容を確実に体得することができる。

経営者教育においてもこのような実践的な方法を工夫し、とりいれる必要があろう。

Table3　商業高校のカリキュラムの一例

教科	科目	1学年	2学年	3学年
国語		4	3	3
社会	地理	3		
	世界史		3	
	現代社会			3
数学		3	2	2
理科	生物	3		
	化学		3	
保健体育	体育	2	2	3
	保健	1	1	
英語		3	4	
家庭			2	2
芸術	音楽,美術,書道		2	
商業	流通経済	3		
	簿記	5	3	
	情報処理	3		
	文書処理		2	
	ｺﾐｭﾆｹｰｼｮﾝ			3
	総合実践			4
	課題研究			2
自由選択 *)				2
商業選択 **)			3	6
特別教育活動		3	3	3
合　計		33	33	33

(注) 数字は1週間の時間数を表す

*) 自由選択科目

現代語	家庭
日本史	情報処理
生物	英語実務
体育	国際経済
実用書	工業簿記
英語	

**) 商業選択科目

2年次	3年次
情報処理	マーケティング
計算事務	商業経済
工業簿記	商業法規
	会計
	情報管理
	原価計算

3. ペルーの職業訓練

ペルーの国土はジンバブエの約 3 倍、人口は約 2 倍であるから、人口密度の平均値はジンバブエよりも低い。同国の職業訓練機関 SENATI は、130 万 km^3 の国土に約 40 ヵ所の訓練学校を持っており、2～4 年の基礎コースに 25,000 人、3～4 ヵ月の短期コースに 100,000 人の学生が学んでいる。

その運営費用は、かつては全額を産業の拠出する Levy でまかなわれていたものが、数年前にそれが半額に削減された。

しかしスタッフの削減などをはかり、1 人で数役を兼ねながらビデオ教材やマニュアルなども職員自身が制作し、さらに有料で請け負う新しい教育コースも開発した。職員自身が工夫した身近な教えやすい教材を使用することによって、教育の効果も上がっている。

また 40 の学校があっても広い国土を十分にカバーしているとはいえないので、バスやトラックを改造し、専用の器材を考案して積載し，要請があればアンデスの山中までも出掛けて移動教室を開催している。このような積極性と創意工夫に富んだ教育システムが周辺諸国の注目するところとなり，一部科目をパッケージとして隣接国に移転する話も進んでいる。

厳しい経済情勢の中、スタッフが多様な業務をこなしながら、手作りで身近なわかりやすい教材を作成していること、広い国土の隅々まで職業訓練を普及する努力を重ねていること、お金を払ってでも受講者が集まる魅力ある訓練コースを開発していることなど学ぶべき点が多い。

Fig. Production of Video Teaching Material by Staffs of SENATI in Peru *)

*) Brochure published by SENATI, Peru

参考資料　5

食品加工のための資源調査

（野菜及び果物）

参考資料5　食品加工のための資源調査（野菜及び果物）

－A Study on Food Processing by SMEs－

本調査は、第3回ステアリングコミッティ（1998年8月14日開催）の議決に従って、ローカルコンサルタントに委託した調査の報告書（次頁以降参照）である。

調査の目的は次のとおり。

－本調査団としては、重点4業種の一つとして取り上げられた食品加工の振興策の具体案として、乾燥野菜及び果物の乾燥加工をそのアクションプランとして取り上げる計画であった。（選定の理由等については本文5.8.2(2)参照）

－食品乾燥加工（特に乾燥野菜・果物）を工場規模で実施する場合、原材料の安定供給は必須条件となる。

－しかしながら、第3次までの現地調査では、野菜・果物の生産地図及び生産高に関しては皆無であった。

－このため、提案を予定している乾燥野菜及び果物加工工場が果たして実現可能か全く不明であったので、この分野の資料調査が必要と判断された。

このため、第3回ステアリングコミッティにおいて、ローカルコンサルタントへの調査委託が定められ、商工省の手によって、複数のコンサルタントにより、Business Innovations Ltd. (BIL)が選定され、調達レポートが取りまとめられた。

この調査の結果、ジ国東部地区（MANICALAND、MASHONALAND）は産地立地型の食品乾燥加工の適地と判断され、また黒人を主体とする小農家の協業化を通じて、原材料の安定供給が可能と判断されている。

従って本報告書第6章にて提案したプロジェクト4“食品加工（多目的真空凍結乾燥方式）パイロット工場建設”案は、実現性の高いプロジェクトと判断される。

A STUDY ON FOOD PROCESSING BY SMALL AND MEDIUM SCALE ENTERPRISES IN ZIMBABWE

BY

BUSINESS INNOVATIONS LIMITED (BIL)

30 September 1998

A STUDY OF FOOD PROCESSING BY SMALL AND MEDIUM SCALE ENTERPRISES (SME,S

TABLE OF CONTENTS

1.0. EXECUTIVE SUMMARY

This study seeks to review and identify potential areas by indigenous farmers to meet minimal quantities for food processing. It also explores the major constraints facing SME's in terms of production, marketing and financing of their produce. It also examines broader issues, concerning policy framework, land question and institutional setting. These factors do not only impinge on the operations of SME's but constitute the cornerstone of sustained output and viability by the sector, and a crucial aspect of the industrialisation of the economy.

The statistics on the production and marketing of SME's has been regarded as an informal activity, hence documentation of activities has been scanty, fragmented and isolated to producers, buyers and extension advisers. This has not assisted in identifying gaps, potential and the formulation of a coherent policy framework for the sector, despite Governments pronouncement to assist indigenous people under the blanket, all embracing indigenisation policy. This policy has been too open, general and unspecific as to fail to give guidance on broad sectoral development such as metals, mining and clothing. There has not been a clear demarcation of formal from informal activities by small to enable a clear definition of operations and hence, the nature of constraints to enable targeting of intervention measures. Such an approach would also enable government to stimulate the participation of different stakeholders and the private sector in the context of its economic liberalisation policy.

The study concentrated on irrigation schemes, which demonstrate tangible output levels for most horticultural products. Figure 1 shows the main small scale irrigation schemes in communal lands. The Appendix tables show the detailed irrigation schemes.

Clearly the concentration of these schemes is in Manicaland in the belt numbered 2, 7, 11, 12, 8 and 3. These areas were visited during the study. It is also note worthy mentioning that areas under dryland forming are in Mashonaland East covering the following production cites; Mudzi, Murewa, Mtoko, Mt Darwin and Nyadiri.

The crop with greatest potential and dominant in most schemes is tomato, whose yield and returns are higher and relatively more attractive compared to other crops. Other crops of importance are peas, sweet beans and vegetables.

The significance of spices such as paprika is growing within the SME's as skills in its production is mastered.

Fruits and other indigenous vegetables have not received much attention, but have great potential particularly guavas, mango, oranges, banana, pineapple and apples as well as okra and pumpkin leaf respectively. The growing of crops and fruits are affected by climate, soils and water. Although dryland farming has produced substantial output during favourable seasons, it is regarded as risky and an area that needs underpinning by irrigation to ensure sustained production, particularly if the intention is to identify potential areas for export markets.

A key weakness of small producers, apart from the underlying structural problems as it relates to land, is the absence of an institutional arrangement to address the needs of the producers and the market. It is suggested that strong private sector initiative should play a role in linking producers to markets, procuring inputs, machinery and timely provision of other services. The coming together of specialised agencies will reduce cost to the farmers, encourage higher output for identified markets. Such an arrangement will enable the construction of food processing plants, and motivate farmers to use their land optimally by producing other non traditional crops on demand.

The study shows the potential of establishing processing plants whose success will depend on other crops to enable food processing plants to operate

throughout the year and ensure viability in case of unforeseen vagaries. This is a key risk particularly under dryland farming per se. There are sites which are in a better position to set up such infrastructure, while others will need more time. Such an analysis needs to set the timings and prepare the stage for Government, private sector and other stakeholders to come together for serious discussion.

It is therefore, suggested that a pilot phase using a mobile factory could be established under two project sites, one under irrigation and the other under dryland farming. The following areas are possible areas to start off from: Manicaland - in the areas stretching from Mutambara to Chibwe as highlighted in Figure 1. The estimated number of farmers is 250-500. Under dryland farming, Mashonaland East Province offers a good basis.

The configuration of the area is as follows:

Mashonaland East	Number of Farmers	Area Under Cultivation
a) Mtoko	81	140 ha
b) Murewa	500	4000 ha
c) Nyadiri	107	2877 ha

Harvest Period for key crops is as follows:

	Crops	Season	Period
1.	Tomatoes		Dec - Feb
2.	Onion	Winter	Aug - Nov
3.	Paprika		Feb, March, April
4.	Peas	Winter	August

5.	Sweet Potatoes	All year round	
6.	Squash		April, May, June
7.	Mangoes		Oct, Nov, Dec, Feb
8.	Paw Paw	All year round	
9.	Pineapple		Oct-Feb

2.0 OBJECTIVES OF THE STUDY:

2.1 *Key Areas of Study*

I. To ***review and identify potential*** areas by indigenous producers capable of producing minimum quantities of raw material to satisfy the processing of food in the following food crops:-

Vegetables; namely carrots, cabbage, onion, cauliflower, tomatoes;

Spices and herbs; like red pepper, paprika;

Pulses like peas, sweet beans, soya beans;

Sweet potatoes, squash etc

Fruits; like mango, papaya, pineapple;

Indigenous vegetables like okra

ii. To compile statistical data on production of required crops;

iii. To identify and analyse constraints in the production, harvesting and marketing of crops;

iv. To analyse economic and agro- industrial status of potential areas;

v. Analyse post harvest usage and provide estimate of food sale, own use and wastage;

vi. To advise way to coordinate or facilitate management of small scale farmers in groups to enable the continued supply of required quantities of raw materials eg savings clubs, cooperatives.

2.2 ***Outputs and Deliverables***

The study will result in the following outputs and deliverables:-

I. Review and select potential locations to fulfil required raw material yield;

ii. To compile necessary statistic and data such as yield of different crops, its productivity;

iii. To analyse post harvest usage and estimate food for sale, own use and wastage;

iv. To furnish information on economic and agro-industrial status of the hinterland of selected potential locations;

v. To advise the co-ordination and manner of business by SME's to achieve required production thresholds, eg through farming coops, savings clubs; and

vi. Other useful information to ensure viability and sustainability of SME production.

3.0 METHODOLOGY

Review relevant study material on the sector to identify, work already done and new areas that need

further analysis, with respect to selected crops.[1] Given the specific nature of the assignment which requires a review and to identify specific locations for food processing, it required among other things verification and discussion with key stakeholders who include the buyers of the produce, producers, farming organisations, extension staff and local organisations playing intermediary role such as municipal authorities, associations/farming clubs and NGO's.[2]

3.1 Limitations

A major difficulty is the lack of official recorded data, on producers, yield levels and returns in the small scale sector whose contribution has been regarded as insignificant. This is an observation which holds true primarily during the colonial era when social, economic and political constraints where a major barrier to economic participation by small producers. Some of the key constraints where related to policy and institutional factors which re-enforced the fact that the only productive sector was the large commercial sector.

The SME's were a non existent sector, if anything, there was no rational in its development. The sector was regarded as most beneficial to its community and the nation as a source of subsistence food. The sector was geared towards subsistence production for the survival of the community whose labour force,

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1 General studies have been done on SMEs, for instance UNIDO contracted Zimconsult to prepare a study on "Support To Small-Scale Industries And The Enhancement Of Indigenous Ownership In Zimbabwe" in March 1992. Other sectoral studies have been done such as the study on Metal and Metal Products by Business Innovations for ZIC in June 1997.

2 Field visits were targeted at significant buyers, as well as production areas and respective associations. These included Mutambara and Cashel Valley in Mutare, and Mrewa/ Mtoko and players such as ICFU, CFU, and Agritex. The buyers who were visited include FAVCO, Cairns Foods, National Foods, Victoria Food, Paprika Zimbabwe and Hy-Veld Seed. See Annex 3 for key organisations and people visited and discussed with.

particularly the most productive was to serve on the commercial farms. Its labour force and resources were geared to underpin production in the commercial areas which were regarded as the natural production zones endowed with ample rains, good soil, fertility and good infrastructure. Women inevitably became the backbone of the rural economy serving as a substrate to eke out a living for the family under stressful conditions with the barest or minimal support.

The neo-colonial government has still to unravel most of these biases, particularly as it relates to land, institutional set-up, which is discussed in chapter 6 below, infrastructure and financing arrangements. Statistical data is available from buyers, farming clubs and individual farmers. Production by SMEs is done on dryland as well as under irrigation. For the purposes of this study more concentration was placed on SME's operating under irrigation conditions which offers more sustainable basis for horticulture and can sustain reasonable levels of output for food processing. The potential under dry land farming is there, but does not satisfy the core concern of this study, which is to identify areas which can provide sustained production levels and with minimal guarantee on the quality of produce.

The spatial dispersal of SME's throughout the country did not allow the opportunity for a physical check of the different production sites which have their own peculiarities. Regardless of this, insights from the areas visited provide a basis to start off from. Time and budgetary demands would have to be factored into such a study. It is also on this basis that other equally viable crops such as indigenous crops including fruits could not be adequately covered given their relative importance by farmers.

A very interesting finding is the favourable response by SME's when given the appropriate incentives and the existing potential that has been neglected over years.

Another interesting limitation is the gender perspective. The majority of people living in rural areas are women, who naturally form the backbone of economic activity in these areas. It is therefore not surprising that the majority of people, ranging from 70% to 80% of the producers of the crops in question are women. A deeper analysis of this gender perspective

has not been undertaken as the study concentrated on the primary issue of identifying viable production sites, crop yields, associated constraints and potential for food processing.

4.0 MAIN FINDINGS

A summary of the horticultural products grown by indigenous farmers, yield per tonne and production as at end of season 1997/98 is given below. It is pertinent to point out that tables used for this analysis are derived from Agritex extension staff mainly from irrigation schemes. The input supply is shown in Annex 2. Annex 1 shows the comparative schedule based on the demand by Cairns Foods, a major buyer of produce from the SME's. Annex 2, also gives an indication of the main producers, that is output from the communal and commercial producers.

Table 1 below, shows the average, potential and maximum yield when using hybrid varieties:

Table 1
Yield Factor Of Selected Crops:

Crop	Ave. t/ha	Potential t/ha	Max. t/ha
Tomato	25-30	50	100
Rape	25	50	70
Onion	5	50	70
Sugar Beans	1.5	2.0	2
Cabbages	25	50	70
Paprika - Dryland	1.5	3	3
- Irrigation	2.0	5	5+
Green beans	4	7	15+
Peas	4	7	10
Gem. Squash	25	50	-
Butternut	25	50	-

NB.The yield for citrus and other fruits are not included in the table as the levels of production by small indigenous producers is very insignificant with the exception of a few.

An outline and description of the statistics is provided below to explain the underlying nature of the problem and come up with policy options.

4.1 *Vegetables*

4.1.1 *Tomato*

This is the most popular vegetable crop with sizeable output from SME's. Its yield and return per hectare is superior to other comparable crops that are grown. It is an easily adoptable crop to most ecological zones under irrigation as shown in annex 1 and therefore out competes other popular crops such as beans, paprika, cotton, and tobacco. A relatively successful crop is beans whose average yield and return is 1.7 tonnes/ha and $17 000 compared with tomato which has 30 tonnes/ha and $34 000. Peas is also a competitive crop to tomato and has appeal to the farmers but also falls behind tomato by the same reasons of return and yield.

The main producing areas of tomatoes are wide spread in the lowveld stretching from Nyanyadzi to Chibuwe. Areas of specific note with critical mass of production include Nyanyadzi, Deure, Mutema, Taona, Middle Sabi and Chibuwe.[3] The following table gives an indication of yield and
output of some of these places.

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[3] The list of large tomato growers by SME's are Mutambara, Chakowa, Nyanyadzi, Gudhlanga, Tanhorai, Maunganidze, Deure, Bonda, Taona, Matema, Musikavanhu, Murambinda, Nyamaropa and Nyakomba. All these areas are under irrigation scheme of some sort hence the sustained production levels over the years.

Table 2

Main Tomato Growing Areas

Scheme	Yield /t/ha	Total Production
Mutema	35	4 130*
Musikavanhu	25	1 388*
Murambinda	45	900
Rupike	30	600
Tshongokwe	30	167
Mundotwe	20	95
Deure/Bonda	45	7 200*

NB.* The key producers of tomato are in Manicaland. This is partly due to the climate and soil conditions that are suitable for the crop.

In terms of output, the small producers have demonstrated skill and ability to produce tomato which has tended to out strip market demand. It is estimated that of the total crop the SME's produce in excess of 80% with commercial farmers producing the balance. The main purchasers of tomato are located in Mutare, with the biggest tomato processing plant, under Cairns Foods. The market for tomatoes is currently split between Cairns and market dealers who account for 70% and 30% respectively. Although the demand and market for tomatoes is narrow, the yield and return has been sufficiently high to attract many farmers throughout the country to the crop.

The key factors in favour of tomato producers include the contractual obligations with buyers who provide a guaranteed market. The open market buyers who buy on wholesale terms for Mbare market in Harare, the main green market in the country, offers far better prices than Cairns Food. The market dealers are more selective of the crop they buy than Cairns who are contracted to the farmers to buy all their crop.

On the basis of contractual obligations, Cairns offers lower prices based on negotiated price levels stipulated in contracts that are signed before production. These contracts give Cairns the right of first refusal to buy all the produce for those farmers

who are contracted to produce on their behalf and are provided seedlings and extension assistance, only. Farmers have accrued knowledge about tomato growing which has in part been supported by extension staff from Cairns, who liaise with them on most critical stages from planting to harvesting time.

In addition, the association with Cairns has assisted in setting up and expanding savings clubs for ease of administrative purposes in the distribution of seedlings, collection of produce and payment to the farmers. These associations have in turn fostered co-operation and sharing of ideas among producers in improving their welfare and production practices as well as strengthening farmers bargaining positions with buyers and giving them credibility for requests in search of assistance from government, NGO's and other financiers. Despite these positive developments the SME's face a host of problems and constraints in the environment they operate in.

A key area of concern is the rising input costs which are not matched by an equivalent increase in prices. The inputs consist of fertilisers, chemicals and labour whose costs change during the growing season when prices are fixed prior to the planting season[4]. Farmers are vulnerable from two points, firstly the fact that they are contracted to produce expected tonnages on specified hectarage on supplied seed but are not given the necessary input supplies particularly fertilisers and chemicals which they are expected to provide or source from other sources. This is unlike peas, where the seeds and chemical,(dusting sulphur) is provided by the buyer. The other factor is the performance of

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[4] Cairns Holdings claim that the fixing of prices prio to planting is crucial to any farmer and that it is on this basis that they can negotiate with farmers the off-take for any season. On price adjustments, Cairns maintains that this is also considered, although the increments appear to be so marginal and do not cushion the farmers margins. In the last season for instance prices were set at 0.75 cents/kg which was adjusted to 0.85 cents by end of the year. With inflation well over 30% the 12% increase is in the least too small. Cairns also justifies minimal increases to dampen overproduction as more and more farmers turn to a relatively easy and well paying crop.

the seedlings which some farmers claim are inferior to earlier varieties which used to have several harvests.

Cairns claim that they provide seedlings from very reputable companies which include National Tested Seeds, Holland Seed and Prime Seed. Inferior output is attributed to non- scientifically produced and tested seeds which farmers are alleged to propagate. Although this has a semblance of truth, a number of farmers contested strongly that they were receiving inferior seed as testified by declining yields in tomato, peas, rape and onions. These crops either yield one harvest and expired or totally failed to produce desired results in the case of onion, rape and that extension staff in Cairns had also lamented the poor seeds that were currently on the market being supplied to farmers which had been imported. Agritex confirmed that the seeds in question were not controlled or inspected by government, hence there were no restrictions barring private dealers from importing and supplying the market.

A second pressing issue relates to the pricing of produce. Farmers maintain that they get a raw deal, not commensurate with the effort or cost of production. This contention arises firstly from the perceived strong bargaining power of the buyers. If buyers decline to buy the crop the farmer loses. This is particularly so in a fairly monopolistic market.[5] Farmers also maintain that produce is delivered to buyers, which in the case of wholesale buyers make offers. This enables the farmer to bargain and make a reasonable trade off with the buyer, unlike with Cairns Food which determines the price independently of the producer or any observer for that matter. It is also claimed that Cairns Food operate on averages and that there is no objective pricing standard. This is partly true as Cairns claim that they get an inferior product anyway, after market buyers have selected the better crop.

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[5] Cairns claims prices are realistic and related to border prices. In fact there is a fear that Zimbabwe could out-price itself and force buyers to source from South Africa or import substitute products such as paste. A second claim is that if prices offered tomatoes are not good enough farmers are free to switch to other paying crops.

Part of the pricing problem is closely related to the whole question of distance from the market. Buyers have to move the crop from far off places and hence deduct transport and handling charges. Transport charges are bearable if they could be regularly obtained as tomato perishes rapidly if delays are experienced. The tendency has been to collect produce from the nearest points and from areas whose transport infrastructure is well serviced. The production level in Cashel Valley, for instance has suffered a decline of 25 members from the MaRice club, who were advised that due to the condition of their roads, no transport would be availed to collect their produce. The farmers in question have been forced to produce maize and abandon tomato and peas which are more lucrative. This problem has been excercerbated by the lack of nearby processing plant which was previously located at Cashel Valley, to which the farmers could easily deliver their produce.

Farmers whose produce is not collected bear the risk, also, if a farmer/s fail to fill a truck they are penalised or charged for a full load regardless, which reduces their income. The lack of depots for storing crops also renders the farmers vulnerable to loses of produce.

Equally, the lack of input suppliers and dealers tends to increase the production costs of the farmers.

Another production constraint relates to irrigation. As there is no charge for water usage, the demand for it is relatively high. Poor maintenance and management of canals has led to infrastructural degradation resulting in siltation and waste of water. These problems are exercerbated by poor and bad management as the community sets up a voluntary administration system that is responsible for managing the water works, particularly ensuring the equitable distribution of water.

4.1.2 *Other Vegetables: Onions, Carrots and Cabbages*

i. *Onions*

Onions are of a less significance to producers due to lack of market. Cairns for instance only contracts very few producers for onion production due to the collapse of a mixed or cocktail vegetable "SUMU" which failed on

the market. Table 3. shows the key onion producing areas.

It is important to point out that areas that are capable of producing onions have been restricted by two factors; a key being market considerations and a related issue being seed varieties. Farmers visited in Manicaland claimed that they were supplied poor seed varieties that did not yield standard products. A related problem is the difficulty in nursing onion seeds before transplanting, which leads to considerable loss without the requisite skills and know how.

Onion, unlike tomato can be stored and preserved for own consumption. Onion is a popular ingredient that gives flavour to most dishes. The production of onion is closely associated with other vegetable growing such as cabbages, rape and covo, although onion cannot be consumed without the base vegetables.

Table 3

Major Onion Producing Areas.

Irrigation Scheme	Yield/t/ha	Total Yield
Rupike	25	500
Mapanzure	20	200
Tshongokwe	15	116
Marowa	20	100
Rufaro	15	75
Principe	14	65

ii. ***Cabbages***

Of all vegetables, greems are the most common and popular within the smallholder farmers for the simple reason that it is a dietary relish and staple food in most households who take it with meat, chicken and other vegetables. The growing of greens is not complicated and does not demand a lot of chemicals and inputs. Constraints on the growing of greens relate to water, stable markets and processing. Although greens can be preserved in a boiled form and dried, they are most nutritious when fresh. The processing of greens is

a limiting factor in most smallholder communities who are only capable of selling vegetables as a fresh product.[6]

The big greens producing areas in the communal areas are summarised in table 4 below.

Table 4

Main Green Vegetable Growing Areas

Scheme	Yield t/ha	Total Output (t)
Principe	20	6 000
Chimwe	20	911
Takainga	30	540
Rupike	30	400
Chimhanda	26	350
Tsakare	25	400
Mutondwe	25	324
Mundotwe	28	225
Tsunda	25	225
Mapunzure	25	150

iii. ***Carrots***

Carrots are grown to a lesser extent than onions. The main producing areas within the vegetable growing areas are Rupike, Shamrock and Chimwe. Demand for carrots is very low which accounts for the low volumes and tonnages per year. Carrots are not a staple diet and perish rapidly.

4.2 ***Spices and Herbs***

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[6] In times of drought green vegetables are dried, boiled and eaten as relish with peanut butter. In this preserved form, they are popularly known as "Mufushwa". Limitations to the processing of vegetables relates to the readily availability of fresh greens , which limits the size of the market.

4.2.1 *Paprika*

This is the most popular spice and herb grown in the country with increasing interest from the small and medium scale producers. Currently, the SME's contribute approximately 30% of the national output.

Unlike tomato, paprika has a more competitive market which include the following established buyers whose reliance on small and commercial producers varies from

30% -70% with more seeking markets from the small producers.[7]

The big companies are Hy- Veld Seed, Paprika Zimbabwe, Tanwild Seed, Commodity Trading Enterprise, Lomack Exports and Rambolton Investments. Other players in the form of middle men also play a role in buying produce from the farmers. Most of these companies still rely to a large extent on large scale farmers who produce the crop under irrigation. The Small producers entering the market are also mostly in the irrigation schemes as dryland farming of the crop is not lucrative.

The main producing areas are as follows; Masvingo- namely Chirumanzi, Mhende and Mavaire; followed by Nyamaropa irrigation scheme, Nyakomba and Chibuwe in Rusape, then Middle Sabi, Chisumbanje, Kanhukamwe and Chiweshe and Nyachuru in Mazoe. At least 60% of dryland paprika is grown under dryland conditions in Guruve, both lower and upper. Bindura also produces paprika in the following areas, Shamva, Mufurudzi, Madziwa, Musema. Also Chiendambuya in Headlands, Mahusekwa, Chihota, Chiweshe and Glendale also produce paprika under dry conditions although a significant number of farmers are turning to irrigation systems to sustain their crops. Table 5 gives paprika growing areas under irrigation schemes, hence it is not exhaustive of the actual and potential areas indicated above.

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[7] Reasons for seeking production from the small producers include expanding the production base , but also cheaper sources of the product. As pointed out elsewhere the position of small producers is easier to manipulate to the benefit of the buyer, unlike the well organised commercial producers who could even threaten the middle men by exporting direct their produce.

TABLE 5

Paprika Growing Areas in Some Irrigation Schemes.

Scheme	Yield t/ha	Output (t)
Mundotwe - Green .Pepper	3 5	300 175
Chimhanda Green P.*	6	30
Musikavanhu	3	30
Tsakare	2	18
Rukunguhwe	2	10
Shinga Green Pepper	15	7

* Green P. is Green Pepper, whose yield is ostensibly higher than paprika

The two varieties that are grown in Zimbabwe are R.C that is Red Tzar and Ice Pick a smaller prolific plant with small fruits. The most popular and widely grown type is R.C. Again as with tomato the small producers feel they do not get sufficient return from the sale of paprika. Prices are determined by ASTA[8] levels. Tests are only done for quantities that is in excess of 500 kg which tends to under value the produce of the small producers as prices are determined by inspection. Also grower numbers for paprika determine prices as those registered producers are given more lucrative prices. Only growers with at least 4 tonnes are given numbers.

The key determinants of price also relate to the quality of the crop which is affected by a number of factors. In the production process, it is important to have the correct inputs at the right time. The amount

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[8] ASTA stands for American Spices Traders Association, an internationally recognised system of determining the value of paprika.

of fertilisers needed for paprika include compounds L, C and S and straights AN, MOP, SOP and folio feeds. Failure to provide these fertilisers will compromise crop quality. Related to this is the harvesting aspect which should ensure that the colour of the pods are deep purple The method of drying is also critical and large scale producers dry their crop in barns under controlled conditions. Paprika should be timeously delivered when ready, as its condition deteriorates when stored, which affects its price.

4.3 *Pulses: Peas, Sweet Beans Soya Beans*

4.3.1 *Peas*

Peas grow best in cool temperatures and are more resistant to frost than other horticultural crops. Cashel Valley in Manicaland was famous for its canning factory that combined a number of greens grown in the area, although peas was dominant. The area covering Cashel Valley, spanning Mutambara is very suitable for peas, beans, tomatoes and green vegetables. Lack of transport and packaging facilities has forced farmers to either restrict production, switch to other traditional crops or stop producing as a result of poor prices and lack of service to the area. The main pea growing areas and outputs are as shown in table 6, below.

Peas are a relish but not as popular as green vegetables. Small holder farmers lack the facilities for storing peas. This is also a result of lack of electricity and refrigerators. There is very little retention of peas for food. Some of the peas retained are for seed but this is not suitable, so farmers rely on seed supplied by buyers such as Cairns. A major disadvantage was the supply of varieties that are ideal for machine harvesting. Farmers here are used to varieties that produce and are harvested at least six (6) times, unlike the machine variety which is harvested once. The element of continuous harvesting also gives economies of scale to farmers as they reap more over a longer period of time.

Table 6

Pea Growing Areas .

Scheme	Yield t/ha	Output (t)
Nyamaropa	5	75
Rupike	3	60
Shamrock	3	37
Nhakayavakuru	10	30
Mundotwe	1	25
Johannadale 1 & 11	3	19

4.3.2 *Sweet Beans*

Sweet beans is an easy crop to grow, but its yield and return is not as attractive nor comparable to tomatoes. It is not perishable like tomatoes, peas and other vegetables particularly in its dry form. Its nutrition particularly protein content and stable condition when dry has resulted in great demand for the product by a number of big companies, which include National Foods, Victoria Foods, Agrifoods and SEDCO to mention a few.

These companies capitalise on the product as the only value adding activity by the buyers consists of packaging and putting it on the shelf for both local and external markets. The price of sweet beans has rapidly risen from $6.00 to $10/kg over a short space of time, spanning less than 2 years, as the number of competing buyers has increased.

Farmers still do not consider the offer price sufficiently lucrative to divert them from other cash crops like tomato, and paprika hence the shortage on the market of sweat beans.[9] Table 7 shows the sweat

[9] The buyers form a sort of cartel to depress prices to their advantage. New comers have been known to upset the arrangement by offering higher prices. Agritex are said to mediate for farmers when buyers offer below production cost. Due to budgetary constraints on government the role of Agritex is waning. Price arrangements are negotiated at farmers meetings arranged by Agritex, but due to poor attendance, some farmers are not represented,

bean producing areas and yields per hectare.

Table 7

Main Schemes Growing Sweet Beans

Scheme	Yield t/ha	Yield (tonnes)
- Nyamaropa	- 2	-210
Exchange - Green	1	164
Manyuchi	2	70
Mapanzure	10	60
Shamrock* - Green -Dry	3 3	22 60
Rupike -Green -Dry	3 2	60 20
Sekwanzi -Dry	2	26
Oatlands	2	25
Marowa	2	23
Biri	2	18

4.4 *Sweet Potatoes and Squash*

4.4.1 *Sweet Potatoes*

The production of sweet potatoes on a sizeable scale is dependent on irrigation to a larger extent than other crops. This tends to limit the production of the crop to large commercial schemes. The small farmers who have had the diligence to grow them under wet conditions have been very successful as shown at Mundotwe and

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resulting in the better organised interest groups holding sway.

Shamrock irrigation schemes, whose yields per tonne are well above the average for small producers. Market constraints and favourable returns have tended to minimise the number of participating small farmers.

4.4.2 *Gem Squash*

Gem squash and butternut are not produced in many areas due to limitations of market. Indications show that small producers are able to adequately increase the production of this crop as long as there is demand. The main producer of squash and butternut is Rupike irrigation scheme which produces 150 tonnes a year for gem and butternut separately with a yield factor of 15 tonnes per hectare.

Table 8

Production Of Sweet Potatoes

Scheme	Yield t/ha	Output (Tonnes)
Mundotwe	15	1 300
Shamrock	35	705
Nhakayavanhu	30	159
Jonnandale	35	150
Tsakare	12	89

4.5 ***Fruits***

The production of fruits has a lot of potential but has not been fully exploited as shown in table 9 below.

Table 9

Composition Of Fruits Production

Fruit	% By SME	% By Big Commercial
Apples	5	95
Peaches	5	95
Plums	20	80
Apricots	0	100
Guava	60	40
Seville Oranges	15	85
Grapefruit	0	100
Youngberries	50	50
Strawberries	0	100

An indication of fruits in the SME's is shown in table 10. This table is not exhaustive as statistics in this sector have not been well maintained, and yield factors not recorded.

Table 10

Indication of Fruits In Selected Schemes.

Place		Number Of Trees
Manyuchi	Mango Oranges	22 11
Chimwe	Mango Guava Oranges	81 62 124
Biri	Mango Oranges	7 24
Lukosi	Mango Lemon Nartjies Oranges	11 17 36 103

5.0 ECONOMIC CONSIDERATIONS

5.1 *Overview*

The constraints facing small producers are largely similar and related.
The key constraints relate to scale of production, pricing, marketing, input supply and financing arrangements.

The impact of these limitations can be improved on by addressing institutional and structural problems inherited from the neo-colonial era. The starting point is the recognition by Government and donors alike that SME activities are indeed a viable sector that needs support. In terms of policy framework, the parameters of assisting the sector need concretising rather than leaving it to the current populist and all embracing indigenisation concept.

The concrete factors that need to be addressed should tackle the fundamental arrangements pertaining to the sector, aimed at optimising production, marketing and financing of the farmers. Small and medium producers face critical problems pertaining to raising adequate finance for both capital and operations, are fragmented in their operating systems as reflected by a lack of coordination in input and output supplies which results in relatively high operating costs, which in turn reduces their net returns and gains.

A study of the tomato, pea, beans and fruit production system reflects restrained production and over-production in some instances[10] arising from the lack of a coherent machinery to deal with core operational and institutional issues. There is no production and marketing institution that co-ordinates and negotiates on behalf of farmers. The existence of ICFU and other umbrella organisations are more political and pressure

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[10] It has already been noted that there is artificial suppression of tomato production by restricting membership and low prices for produce to contain outputs, the same applies to paprika. So strategic crops such as carrots, onions and vegetables are simply not grown in large quantities because of lack of markets.

group inclined in their operations.

Other equally competent farming entities have been frustrated and virtually failed to take-off due to similar problems. The institutional set up that has been proposed to deal with multiple disciplines is the setting up of strategic partners in the form of a consortium comprising of local companies.

The primary function of the consortium will, inter-alia to forward contract for the production of specific agricultural products, mainly offshore and to co-ordinate the requirements of the participating farmers with the services available from the consortium itself as well as those that can be obtained elsewhere.

5.2 *Concept of a Consortium*

In essence, a consortium is a partnership. The partners in a consortium undertake to perform certain services which are deliverable to the recipient through the consortium though actually performed by the various specialised partners. The consortium, therefore has certain obligations to its clients and to its creditors. The most useful and notable attribute of the consortium concept is its legal nature and discipline which emphasises performance as measured by output rather than just input.

The formation of a consortium requires a coherent orchestration of its objectives, clear demarcation of functions and activates which will be spelled out in the Heads of Agreement. For its success, it is necessary to involve local partnership with stakeholders in the area of operation who have a keen sense of support and understanding of the local participating communities. External assistance may be necessary at inception to support substantial overhead costs associated with establishment, costs related to initial capital outlay and going over the learning curve. The type and nature of companies that will respond to this challenge are unlikely to be big successful companies because of opportunity costs and other more lucrative gains elsewhere. Also, for sustainability purposes, it is a better strategy to target the local enterprenuer and arm them with the skills and knowledge to stir the communities to prosperity.

The form and nature of such a consortium would require the formation of the following organs, which constitute the foundation of a viable organisational and institutional setup to support and underpin indigenous producers;-

5.2.1. ***Estate Management Agency (EMA)***

The primary function of EMA would be to coordinate the performance of contracts between farmers, local authorities and service providers. The EMA would also supervise both farmers, contractors for compliance with contractual obligations. Such obligation will include timely performance of farming operations, provision and maintenance of the estate infrastructure such as roads, irrigation water and fencing as well as accounting services in respect of consortium companies' financial transactions.

5.2.2. ***Local Marketing and Contracting Agency (LMCA)***

This will be responsible for administering forward contracts for agricultural products. This agency will also carry the stop-order facility with the local financial institutions appointed for the disbursement of the offshore loan as well as handling and marketing of the agricultural products both locally and coordinating regional and overseas markets.

5.2.3. ***International Procurement And Marketing Agency (IPMA).***

A fundamental weakness of the SME's is identifying and negotiating lucrative markets for their produce and sourcing of equipment suitable for their use.

The IPMA's responsibilities will include all offshore transactions of the marketing of local agricultural products and

sourcing of agricultural machinery and equipment as well as offshore loan facilities to benefit the farmer.

5.2.4. ***Mechanical Services and Machinery Dealer (MSMD)***

The MSMD will be responsible for carrying out field

operations upon request by participating farmers and acting as dealer for selected tractors and other machinery and equipment marketed by the dealer to farmers nationwide on a private ownership basis. This service will be mostly available for the farmers in the group without capacity to own and operate tractors, combine harvesters and bulk transport vehicles.

5.2.5. ***Inputs Supplier and Warehousing Services (ISWS).***

Its key role is to procure farming inputs at bulk discounts and passing on some of the savings to the farmers. The suppliers will stock the required inputs within the vicinity and will release the inputs when they are requested by the farmers as coordinated by EMA.
The key constraints to farmers are chemicals and fertilisers.

5.3 ***Technical Aspects***

Technical aspects include production technology and techniques, procurement and supply of the requisite inputs and implementation of the field and off-field operations. The EMA will coordinate the requirements of the participating farmers with the available services through the consortium, that is Mechanical Services and Input Supply and Warehousing Services. The EMA will also coordinate with the State research and extension services in respect of technical advisory services, where available. Where such advice is not available from the State, it will be sought on a consultancy basis.

The EMA will establish an office within the premises of cooperating farmers that will act as a one stop service centre for farmers and service providers. Farmers will request services to the Agency and the Agency will link with the service providers to ensure that the requested services are made available and that such services are paid for. The payment process will depend on several circumstances, including whether the farmer requesting has a facility through the forward contract to pay for such services and the form of the payment system. EMA will serve as a quality assurance agency for the various partners. Ideally, the Agency will communicate with the various parties and keep them informed of their financial standing.

Mechanical Services will offer tillage and other mechanical services to the forward-contracted farmers. The requests for these services will have come through the EMA who will also inspect and certify the quality of services rendered. In some instances, it may be necessary for the Agency to contract Mechanical Services for such work and, in turn claim from either the authority responsible for that particular aspect of the estate, or from the Consortium.

Input supply and Warehousing Services will negotiate discount deals with various suppliers for warehousing. Upon request from the farmers through the EMA, ISWS will issue specific inputs to the farmers and will expect payment in a certain prescribed manner as in the case of Mechanical Services. This approach is bound to be attractive to the farmer as some of the discount will be passed on to the recipient farmer.

The warehousing service will be available for output products as well, particularly bulk storage of non-perishable and short-term holding of perishables all depending on existing storage facilities.

5.4 *Financial Considerations*

EMA will administer all financial transactions between service providers and farmers and other recipients of goods and services. EMA will also administer forward contracts within the farming community on behalf of Local Marketing (and Contracting) Agency. The Consortiums accountant will audit EMA's books on a regular basis and will be responsible for internal arbitration on issues of a financial nature.

The Local Marketing and contracting Agency will liaise with both EMA and the International Procurement and Marketing Agency on the agricultural products to be contracted. Besides, LMCA will be actively involved in the activity of marketing of the various farm products locally, regionally and internationally. LMCA will ensure that the quality of the products meets the specified requirements and that the products are properly handled to their respective destinations.

It will be the desire of the Consortium and LMCA in

particular to optimise the value- adding prospects on the agricultural products through primary processing within the country before export. This element will be emphasised in order to

achieve the employment creation targets of this programme.

One of the major activities of LMCA will be to negotiate working arrangements with a local financial institution and ensure that the obligations of the Consortium are met and that, at all times the financial institution is kept informed on progress.

The International Procurement and Marketing Agency (IPMA) will be responsible for procurement of foreign sourced goods as required by the CONSORTIUM and its clients, to negotiate offshore loan facilities with better terms than those locally available and to negotiate offshore loan facilities with better terms than those locally available and to market the agricultural product from participating farmers. (IPMA) will closely cooperate with LMCA in respect to product marketing, processing of letters of credit and ensuring compliance with various import/export regulations.

A suitably identified Local Financial Institution (LFI) will provide the offshore loan facility OFI. The OFI will communicate through IPMA and LFI as well as the Government of Zimbabwe (GOZ) if need arises. GOZ will guarantee the offshore loan facility and ensure that an enabling environment is maintained in terms of currency regulations and use of its land leased (or later sold) to its farmers in the participating areas.

5.5 *Element of Risk*

The consortium approach intends to lower the element of risk to the various parties whose resources will be advanced. The possible areas of risk are services, production, marketing and /or politically related.

5.5.1 *Guarantee of Services*

It is assumed that all the requirements of the service providers and, in turn those of the farmers can be met within the project framework. This is particularly so since the consortium has the possibility of obtaining

specialised services from elsewhere on a consultancy basis. It is also assumed that the production cultures of the pre-marketed products will be possible locally, Indeed, this will be part of the criteria used to arrive at the agreements on which products to contract, and specialists will be deployed to ensure that the prescribed cultures are followed.

Implementation of services by service providers will be enforced on timeliness of delivery and quality. This will be effecting payment for services.

5.5.2. *Production Obligations*

The possibility of contracted farmers not performing will be minimised by supervision by either EMA. Such supervision and inspection will be on a regular basis depending on the various cultures of the products. Frequently production is affected by natural disasters such as drought, disease and frost, Again, mitigatory measures will be implemented to avert or minimise the effects if such phenomenon. For instance, the prod

uction sites should be well located and well endowed with irrigation water resources which be properly used.

It can be safely assumed that with the professional management and discipline available the targeted production levels will be achieved.

5.5.3 *Reliability of Markets*

A majority of the agricultural products will be pre-marketed and produced under forward- contracted conditions which will state a certain guaranteed product price that will be competitive. The contracts will be binding on both parties (Seller and Buyer) thereby reducing the risk of rejection or reneging on the contract terms by either party.

The marketing contracts will be revealed to the financial institutions, both local and offshore and this will serve as guarantee that the loan disbursements will be serviced.

5.5.4. *Political Stability*

Political stability is a factor of public contentment with availability of means of sustenance and availability of essential goods and services.

The activities of the Consortium are intended to create employment as a means of sustenance and agricultural raw materials as inputs for essential goods. The activities of the Consortium will also result in the availability of such services as financial, educational and health. All of these attributes will collectively contribute towards the contentment of the affected public and hence the achievement of political stability that will ensure a productive environment.

6. CONCLUSION

The activities of Small and Medium Enterprises in horticultural production have accelerated in the recent years as a result of the changing socio-economic environment. The potential to increase output are abundant. The major constraints to expanding production can be overcome, provided there is a clear appreciation of constraints and positive steps taken to address them. The factors outlined below are regarded as crucial in this regard.

Firstly, most producers live on marginal land, a historical factor that restricts new comers and impedes greater output by existing farmers. The Government's resettlement programme is targeted at addressing the land question, which should see a marked improvement in the production base of SME's.

Related to this and very crucial is the aspect of technological application for better and efficient utilisation of limited resources. This suggests the need for the efficient utilisation of resources, to achieve greater output from limited and finite resources, particularly in the case of land.

Secondly, the policy framework has been missing to address the sector as part of the industrialisation process of the nation. This is a fundamental take off

point as it will give Government and stakeholders the conceptual framework for intervention. The colonial era did not recognise the sector, and deliberately did not develop it which distorted the economic potential of the nation. It is worth noting that the parent Ministry, namely Industry and Commerce has taken a lead in developing a policy framework for SME's. It is also important for the framework to delineate the role of Government and the private sector in a strategic alliance in the context of economic liberalisation.

If the first two dimensions above are referred to as our economic base or framework for operations, then accompanying this are factors related to the actual production or superstructural issues. A starting point in production is the management and regulation of activities. This is rooted in the institutional set up of SME's. The production of this sector is currently controlled by monopolies who dictate price, marketing and production levels. The small producers lack a machinery to negotiate contracts, production and marketing of their produce which, renders them vulnerable to a host of economic vagaries. The setting up of independent companies whose interest is to ensure production, marketing and financing of the producers will enhance the capacity of SME's.

The output by this sector is fraught by wastage as a result of spoilage, lack of transport and processing capacity. This requires planning and linking production to markets and ensuring adequate returns to the farmers. It is possible through the formation of consortiums that economies of scale can be achieved that will facilitate the establishment of processing plants. Processing plants can be established at locations with critical core mass of output. There is need to put discipline in the production and processing of produce to meet international requirements. This approach will enhance economic growth, stimulate production, reduce input costs and increase the returns to farmers.

7. RECOMMENDATIONS

Firstly, there is need to establish a tripartite arrangement between small scale producers, local entrepreneurs who are SME's and an external partner. Small Scale Producers would be responsible for supplying local agricultural inputs, while the SME's

will provide management expertise and the external partner will provide market access, facilitate technology transfer, and mobilization of financial resources.

This arrangement is sustainable as the arrangement is based on a joint venture basis and a win-win situation among the participating members. All parties have vested interest. The possibility of exploring and exploiting the export market will guarantee full dividends to all players.

As a pilot project, there is need to initiate the modalities of putting in place an institutional arrangement involving SIRDC, a cluster of small producers and an external partner. However, a technical expert will be needed to weave this arrangement into place.

As a prelude to this, it is suggested a more focussed study on the possible areas under irrigation and dryland farming be looked at in depth, which will assist the technical expert in formalising the modalities of instituting the pilot phase.

ORGANISATIONS VISITED

	NAMES	ORGANISATION	DESIGNATION
1.	D. Utete	Agritex	Chief of Crop Production Branch
2.	N. Moyo	I.C.F.U	Director
3.	A. Chatambira	I.C.F.U	Economist
4.	M Ndoro	Paprika Zimbabwe	Agronomist
5.	Matawu	ARDA	Mash East Veg and Fruit Project
6.	J.C Chitsiku	Cairns Foods	Field Officer
7.	C. Ncube	Cairns Foods	Field Officer
8.	Louis	Commodity Trade	Agronomist
9.	D. Mahuta	Favco	Chief Buyer
10.	L Mupunga(Ms)	Mutambara Irrigation	Secretary
11.	G. Chitinha	"	Chairman
13.	Magaisa	Victoria Foods	Manager Mutare
14	T Kamhunga	MaRice Savings Club	Treasurer
15.	B Mushongwani	"	Member
16.	A Mukutaya	"	"
17.	N Nyamhunga	"	"
18.	S.Chivhinze	Mandima Coop	Secretary


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