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**Promotion of coffee production in
Zimbabwe through establishing nurseries,
replanting and capacity building of farmers**

Background

1. This document, submitted by the Government of Zimbabwe, contains the summary of a project proposal designed to promote coffee production in Zimbabwe through the establishment of nurseries, replanting and capacity building of farmers.
2. The proposal will be forwarded to the Virtual Screening Subcommittee (VSS) for an evaluation and will be considered by the Projects Committee in March 2014.

Action

The Projects Committee is requested to consider this proposal as well as the recommendations of the VSS and, if appropriate, to recommend its approval by the Council.

PROMOTION OF COFFEE PRODUCTION IN ZIMBABWE THROUGH ESTABLISHING NURSERIES, REPLANTING AND CAPACITY BUILDING OF FARMERS

Background

The importance of the coffee sector in Zimbabwe stems from its historical contribution to foreign currency generation, employment creation and enhancing livelihoods in small scale growing communities. Coffee is a major foreign currency earner with over 98 per cent of Zimbabwe's total coffee production being exported in raw form. The sector used to employ well over 20,000 people before the year 2000, and its contribution to Gross Domestic Product (GDP) was estimated at about 2% in 1996.

However, there has been a progressive decline in production over the last seven years due to a number of factors such as the hyperinflationary environment that resulted in farmers neglecting their plantations since they could not realize positive returns from their production. Other challenges include the sudden increase in number of new farmers, who did not have the requisite technical know-how to grow the crop, high costs of inputs (such as fertilizers and pesticides), inadequate financial support and absence of training and capacity building programmes for farmers. The bulk of current production comes from the private sector with smallholders and the Agriculture Rural Development Authority (ARDA) and Grain Marketing Board (GMB) contributing less than 5% of production.

Zimbabwe produces Arabica coffee, which is wet processed and of high quality. Marketing of coffee is fully liberalized but most farmers deliver their parchment coffee to the Zimbabwe Coffee Mill (ZCM) and GMB for processing. The country's combined milling capacity is more than 30,000 metric tonnes, when GMB, ZCM and smaller millers are considered. The smaller millers market directly from their farms. Over the years, the country has earned a reputation for producing coffee with a balanced acidity; body and consistent high quality, and its coffees are sold at a premium worldwide. The country's total production is very small and accounted for about 0.2% of total world production pre-2000. National coffee production has fallen from a peak of 14,600 MT in 1989/90 to 206 MT in the 2010/11 crop year, before picking to 307 MT in 2011/12.

There is existing coffee processing infrastructure on newly resettled farms which can be harnessed to improve production. In addition, there are existing research and extension institutions to support farmers. There is plenty of land in the agro-ecological zones suitable for coffee production, which could be utilized to restore coffee production and increase foreign currency earnings. However, the major limiting factor is inadequate funds to support

coffee, which is a medium to long-term investment. In view of the decline in production, it is evident that the milling capacity is grossly underutilized and would require a substantial increase in production to be viable.

The overall objectives of this project are to revitalize coffee production through supporting smallholders and newly resettled farmers.

Specific objectives are:

- i) Set up nurseries to enable planting of 2,000 ha in 2013
- ii) Procure inputs to support establishment of 2,000 ha
- iii) Develop farmers' capacity for coffee production through training

Activities

- Coffee nurseries will be established in Chipinge, Mutasa, Makonde and Mutare districts during the first year of the project.
- Nurseries will be set up at Honde Valley Smallholder Development Company (HVSDC) in Mutasa district, Coffee Research Station (CoRI) in Chipinge, Piringani substation in Makonde, ARDA Rusitu Estate in Chimanimani and at Vumba Agriculture Coop in Mutare.
- Seedlings will be distributed to farmers for planting out during the second and third years of the project.
- Each farmer will be given seedlings to cover 0.5 ha meaning that 1,000 existing smallholder farmers and 3,000 new farmers will benefit giving a total of 4,000 farmers. The large numbers of farmers will be important in ensuring a critical mass while at the same time starting with manageable levels.
- Training of extension staff (training of trainers) and farmers will be done in order to increase farmer capacity for production.
- Extension staff will be trained by CoRI before subsequently training farmers in situ. Training will be participatory and will cover the entire value chain.
- Inputs to support establishment of the crop will be availed and thereafter farmers will be linked to markets to enhance input-output markets in the coffee value chain.
- Farmers will be encouraged to register with existing Mills for ease of marketing and bulk input procurement. This is important for ensuring sustainability

Activity schedule for promoting coffee production in Zimbabwe

Item	Activities	Time frame			Responsibility	Output	Indicators
		Year 1	Year 2	Year 3			
1. Coffee production support	1. Produce enough seedlings to cover national requirements				Coffee Research Station; HVSDC, AGRITEX; ZFU; ARDA	Coffee nurseries	Coffee production statistics
	2. Distribute the seedlings to farmers				Coffee Research Station; HVSDC, AGRITEX; ZFU; ARDA	Improved availability of planting materials	Coffee production statistics
	3. Acquire fertilisers and chemicals, and distribute to farmers				Coffee Research Station; HVSDC, AGRITEX; ZFU; ARDA, ZCM, GMB	Sustainable production support	Coffee production statistics
	4. Train farmers on all aspects of coffee production				Coffee Research Station; HVSDC, AGRITEX; ZFU; ARDA	Improved dissemination of information	Training reports

Indicative budget

Target area in three years: 2,000 ha to be planted over two years.

Item	Quantity	Unit price(US\$)	Total cost (US\$)
Establishing nurseries and new plantations (ha)	2,000	3,000	6,000,000
Training of extension staff (sessions)	10		20,000
Training existing & new growers (sessions)	20		600,000
Distribution of seedlings			60,000
Total			6,680,000
Overheads			100,000
Total variable costs			6,780,000

Note:

1. Establishment costs were calculated at a rate of US\$3,000 per hectare.