

SACAU News

SOUTHERN AFRICAN CONFEDERATION OF AGRICULTURAL UNIONS



CEO's letter



SACAU elects a new Board



Dr de Jager bids farewell to the SACAU family

Farmers put trade under the spotlight

The Southern African Confederation of Agricultural Unions (SACAU) recently held its Annual Conference under the theme, "Trade as a driver for agricultural transformation in southern Africa". The Conference, which was held in Victoria Falls on 14 and 15 May, 2018, was officially opened by the President of the Republic of Zimbabwe, His Excellency Cde. Emmerson D. Mnangagwa. The event attracted about 100 delegates drawn from the leadership of national farmers' unions/associations from most southern African countries, the government of Zimbabwe, representatives of intergovernmental agencies, international development agencies, the private sector, research and development agencies and trade experts. Hon. Perence Shiri Air Chief Marshall (retired), Minister of Lands, Agriculture and Rural Resettlement; Hon. Cain Mathema, Minister of State for Provincial Affairs Matebeleland North; Eng. Ringson Chitsiko, Permanent Secretary (PS) of



His Excellency Cde. Emmerson Mnangagwa, President of the Republic of Zimbabwe at the opening session of the annual conference.

the Ministry of Lands, Agriculture and Rural Resettlement, and Mr George Charamba, PS of the Ministry of Information, Communication Technology and Cyber Security were also present.

Addressing the conference, His Excellency called for African governments to invest in agriculture, against the background that the continent is spending too much on food imports annually. "It is regrettable that African countries spend between \$30bn and \$50bn annually on imports of

agricultural products, instead of developing the productive capacities necessary for trade. This reality gives greater impetus for us all, governments, unions, farmers and the private sector alike, to invest in agriculture to produce for our own needs within the continent as well as for export outside Africa", he observed. On a related matter, the conference heard the continent was importing basic food which it was capable of producing itself.

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CEO's Letter



By Ishmael Sunga

We came, we saw and we conquered! Both our Annual Conference and Annual General Meeting (AGM) turned out to be such a success- in fact both exceeded our expectations.

And what a pleasure and an honour it was for us to have hosted His Excellency Cde. Emerson D. Mnangagwa, the President of the Republic of Zimbabwe, accompanied by his two government ministers, Minister of Agriculture, Lands and Resettlement Hon. Perence Shiri Air Chief Marshall (retired) and his Permanent Secretary (PS) Eng. Ringson Chitsiko, the Minister of State for Matabelena Province Hon. Cain Mathema as well as Mr George Charamba, PS of the Ministry of Information, Communication Technology and Cyber Security. And the location of the venue could not have been any better than

the majestic Victoria Falls in Zimbabwe.

And what an ensemble of farmers, farmer leaders, policy makers, researchers, academics, trade specialists and all who gathered to unpack the architecture, content, meaning, issues and all related to trade. The message was clear- yes, trade indeed has the potential to be a catalyst of the much-needed transformation of the agricultural sector. The low share of Africa in global trade and the huge bill of basic food imports that Africa can produce are testimony to this. But trade alone is not enough, and the conference concurred on a range of other related factors that need to be considered.

You can't go wrong by investing in good corporate governance, and the AGM is where you really see good corporate governance at play in a vibrant and inclusive

way. The meeting was well organised, the documentation well-arranged and the proceedings were highly engaging. The ambience was vibrant. Congratulates to Dr Sinare and Mrs Hlatshwayo on assumption of respectively President and Vice President. Welcome on board to the newest Board member, Mr Gumedede.

The dance parties were part of the mix, courtesy of AFGRI, AgriBank, Agrimed, Econet Wireless and Seed Co who provided the sponsorship for the two dinners. Our sincere appreciation to these organisations for their support.

Kudos to the SACA family, our two members in Zimbabwe - Commercial Farmers Union and Zimbabwe Farmers Union - and my secretariat for making it the success it was! All those long hours and effort were not in vain.

SACAU elects a new Board

The Southern African Agricultural Unions (SACAU) recently elected a new Board at its Annual General Meeting (AGM) that was held in Victoria Falls, Zimbabwe, on 16 May 2018. Dr Sinare Y Sinare from the Agricultural Council of Tanzania was elected as the new Chairman of the Board and President of SACAU. He replaces Dr Theo De Jager who retired at the Meeting, having served as the President of the organisation for the past 5 years.

Mrs Doreen Hlatshwayo from the Swaziland National Agricultural Union was elected Vice President, a position that hitherto had been occupied by Dr Sinare. Mr Alfred Banda of Farmers Union of Malawi was retained as an Ordinary Director, whilst Mr Phineas Gumede of Agri South Africa joined the Board as an Ordinary Director. Mr Berean Mukwende of the Zimbabwe Farmers Union stepped down from the Board.

Several resolutions were adopted by the AGM. These include the granting of Honorary membership of SACAU to the outgoing Chairman, Dr de Jager and to Mr Salum Shamte from Tanzania who retired from the Board a few years ago. This honour is bestowed to individuals that have made outstanding contributions to the development of the organisation. In the same vein, Honorary membership of Mr Ajay Vashee (Zambia) and Mr Douglas Taylor-Freeme (Zimbabwe) who



SACAU 's new Board: SACAU Vice President Dr Sinare Y Sinare, Mrs Doreen Hlatshwayo, Mr Alfred Banda, Mr Phineas Gumede and SACAU CEO Mr Ishmael Sunga.

are two former Presidents of the organisation was extended for a further period of 5 years.

Other resolutions adopted cover the amendments to the Memorandum of Incorporation (MOI), the appointment of new external auditors, increasing the number of elected Board of Directors from the current four to five, as well as the adoption

of key messages that emanated from the Annual Conference which preceded the meeting. Finally, Uniao Nacional de Camponeses of Mozambique will host the 2019 AGM.

The AGM is the organisation's biggest and most important governance event on its annual calendar.

Dr de Jager bids farewell to SACAU family

I have served on the Board since 2011, and learned much from legendary leaders such as Mr Doug Taylor-Freeme, Mr Felix Jumbe and Mr

Salum Shamte, with whom I served. Mr Ajay Vashee was President when I first attended a SACAU conference. Much of the success of the

organisation can be attributed to the visionary leadership and solid governance of these previous Presidents and Vice Presidents.

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When I became President in 2013, I realised the true complexities of representing such a wide range of members; from the smallest of smallholders to some of the largest in the world. This poses some of the organisation's biggest challenges, but is undoubtedly also our biggest advantage. No money can buy the powerful position of having a single voice for farmers in our region, and we need to treasure it above all differences in views or interests.

I have spent a lot of time on SACAU, but I have benefited much more. My biggest personal gain was that I can truly claim that I today have friends in every country in southern Africa amongst the farmers in rural areas.

I had the privilege of representing you on the Board of the Pan African Farmers Organisation (PAFO) for 5 years, and being elected President from 2014-2017. I have represented the organisation on various African Union (AU) platforms, UN platforms, development agency driven initiatives, and deliberations on agricultural policies across Africa and the world. I never had to look back. I never wondered about the backing of our constituency. I have always had the best possible support, administration and logistical, from our secretariat, and technical and intellectual help



Dr Theo de Jager addressing delegates at his last AGM.

from the CEO and fellow farmer leaders.

I thank you for that.

That the organisation has on my watch never slipped up on reporting, financial management or governance, had little to do with my skills or Chairmanship of the Board. It has everything to do with the quality of Board members with whom I have served, and especially those who were elected Vice Presidents; Mr Salum Shamte and Dr Sinare Sinare. Most of all it has to do with the remarkable management capabilities and leadership style of Mr Ismael Sunga, the best CEO with whom my paths have crossed. I will dearly miss this environment and people!

Thank you for vesting your trust in me for leading the organisation and for the honor to represent you over the past 5 years. A very special thanks to the SACAU youth for the surplus energy and inspiration you shared. You know that you, the under 40's, are my favorite farmers in the world!

Let me also thank my family who allowed my participation in the activities of SACAU, and tolerated my absence from home. Also to my Heavenly Father for His grace, for good health and the opportunity He granted me.

May this organisation and its members be blessed beyond our expectations!

Theo

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Dr Sinare Sinare, the Vice President of SACAU, noted with concern that developing countries have reduced themselves to suppliers of cheap raw materials and consumers of imported processed/manufactured products. “This is tantamount to exporting jobs, income, and wealth”, he further remarked.

Mr Ishmael Sunga, the CEO of SACAU, observed that whilst trade was a critical link between markets and production, its performance in transforming the agricultural sector in southern

Africa had been less than satisfactory. “In fact, Africa’s share of global trade is less than 2%”, he remarked. The high import bill and low share in global trade means that there is significant scope for a trade-driven agricultural transformation”, he added.

Following rich presentations, panel discussions and plenary sessions, the conference agreed on a number of key messages covering critical areas such as production and productivity, trade agreements and related processes, unfair trade practices, market access, standards,

policies, capacity development, and the essentials for a trade-driven agricultural transformation agenda.

Key Messages from Annual Conference

The conference came up with the following key messages categorised as follows: Production and productivity; trade agreements; unfair trade practices; market availability and access; standards; policy-related issues; capacity development; and towards a trade-driven agenda. These messages are presented in detail in the text boxes in this document.

Production and Productivity

1. Agricultural production levels in the region are too low to achieve the level of surpluses necessary to earn enough re-investible resources that can lead to a trade-driven agricultural transformation. It is even more concerning that a considerable proportion of this production is concentrated in only a few countries and, within countries, among too few farmers or farming enterprises.

2. There is need to widen the surplus supply base. However, having surplus generation by accident cannot lead to trade. Increased efficiency in production

is the best means to achieving competitiveness in local, regional and international markets.

Therefore, we need to do proper and smart planning. 3. The low productivity coupled with high input costs as well as the low value products in small quantities, makes much of southern Africa’s farming uncompetitive, even in its domestic markets, let alone in the regional and global arena.

4. The production costs across the region are very high due to the high cost of inputs such as fertilizer, seed and chemicals. This means farmers in the region are uncompetitive domestically, let alone in the regional and

global arena. The most viable way for farmers to be profitable and competitive under such circumstances is to raise their productivity, but this requires increased use of these costly inputs. Therefore, governments in collaboration with private sector need to develop effective and competitive supply chains for various inputs, especially fertilizer.

5. The majority of farmers in the region are smallholders. This means any agricultural and food security strategy that does not recognise this structure will likely be ineffective to achieve inclusive and broad-based poverty reduction and agricultural growth.

Trade agreements

1. Most trade agreements recognise the importance and strategic role of agriculture.

2. There is a multiplicity of trade agreements, which are complex. This necessitates the development of capacities to understand these agreements and associated issues. SACAU and its member unions also need to study the manner

in which the agreements are applied in practice so that they can make practical suggestions for improvement.

3. There is need for NFOs to have adequate input into the process of negotiations, including being consulted, and where possible being part of delegations, and monitoring and evaluation of arrangements.

4. As long as we continue to have trade arrangements without enforcement mechanisms, we will not achieve a trade-driven agricultural transformation.

5. NFOs and relevant national authorities should support the simplification of the content of trade agreements for consumption of farmers.

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Unfair trade practices

1. Food aid is a necessity during times of disasters, but its source matters. For food aid to be beneficial to recipient countries, it should be managed in such a way that it does not distort local and regional markets. Local/regional procurement programmes should be the primary source of food aid to help create markets for farmers.

2. NFOs should campaign for an end to dumping. Due to

interconnectedness of economies, the impact of dumping often goes beyond the country of first entry and therefore a regional response is required. In addition, there is need to build capacity within the region to understand and quantify dumping related injuries.

3. Ad hoc import and export restrictions do not achieve the purpose for which they are intended. Instead, they rob farmers of their value (in

case of export bans), subject consumers to unbearable prices (in case of import bans), promote informal trade thereby depriving the governments of revenue. Government actions should facilitate regional trade because of its potential to raise farm-gate prices in areas of surplus and reduce consumer prices in areas of deficit. NFOs, therefore, need to advocate for a reverse of the cycle of uncertainty and unpredictability.



Dr Sinare Sinare (Vice President SACA) and His Excellency Cde. Emmerson Mnangagwa (President, Republic of Zimbabwe).

Market availability and access

1. Growing and changing consumption patterns coupled with low local production is an indication of a gap that local agricultural transformation can address.

2. The changing consumption patterns locally and regionally is creating a lot of opportunities for farmers to produce and supply a variety of products. However, the main challenge is the incapacity of local farmers to consistently supply at the right quantities and quality due to a number of factors which include inadequate

trade infrastructure, inconsistent policy frameworks, high and uncompetitive cost of production, and low productivity.

3. Input trade is often ignored and yet it is one of the biggest contributors to low productivity.

4. Though markets are available within and beyond the region, regional producers have not taken advantage to supply the markets meaningfully. Exporting processed products is also a challenge as they generally attract high tariffs.

5. Whilst global trade enables access to larger markets, domestic markets are equally important and

should not be ignored.

6. Significant trade takes place informally and yet there is no reliable data about its extent. Therefore, there is need for data capture systems for this sector.

7. There is limited intra-regional trade in southern Africa and the indications are that the export participation of many countries is relatively insignificant, which may explain why relatively large importing countries in the sub-region buy from outside Africa so losing the potential of income generation and transforming agriculture in the poorer countries.

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Standards

1. *The absence of harmonised standards for agricultural products in the region should be viewed with serious concern. This is an issue that requires immediate attention as it affects intra-regional trade.*

2. *There is need to address the proliferation of private standards, some of which may be set above the technically defined parameters. They can be too prescriptive and often act as a barrier to market access.*

3. *NFOs and SACAU are encouraged to participate in technical fora responsible for formulation and application of standards at national and regional levels, respectively.*



His Excellency Cde. Emmerson Mnangagwa (President, Republic of Zimbabwe) and delegates at the SACAU annual conference.

Policy-related issues

1. *As farmers' organisations we need to provide compelling arguments about the value addition of farmers and agriculture to the fiscus – s/he who contributes more to the fiscus gets listened to.*

2. *As long as we continue to ignore research evidence in policy formulation and implementation, no progress will be achieved towards agricultural transformation.*

3. *It is important to understand and quantify the cost of bad policies, inaction, and dependence in our countries.*

4. *Countries and the region are not short of declarations, policies, protocols, frameworks, and*

strategies for promoting agricultural development and trade. What is lacking is their implementation. Where implementation takes place, monitoring and evaluation is not adequately done. Relatedly, we should avoid running with "podium policies" because they have no long-term plan and most often are not evidence based, but politically inspired.

5. *It is useful to align national trade related policies with regional, continental and global processes although the specificities of the region's needs and capacities should remain paramount.*

6. *As farmers' organisations, we should be advocating for smart*

subsidy investments in key drivers for agricultural transformation e.g. infrastructure, feeder roads, greater use of railways, etc. Much of the cost of this can be tapped from the billions we currently use for imports. To accomplish this, we need to partner up and build trust in order to influence policy.

7. *A bad policy which is consistently implemented is more manageable than inconsistent policies which are more disruptive.*

8. *The region needs to negotiate with one voice for it to be able to exert influence in negotiations.*

9. *There is need to assess why the region is not fully benefitting from current trade arrangements.*

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Capacity development

1. For small pieces of land, farmers cannot meet subsistence needs for basic staples and therefore may be better served by focusing on high value commodities, the income from which they can purchase food. However, high value enterprises

are knowledge intensive. Hence, there is need to improve capacity, particularly for small scale farmers.

2. There is more to capacity to trade negotiations than the brains of individual experts. Countries need to take negotiations seriously, have the right balance of disciplines among experts who should also

prepare themselves adequately.

3. There is need for capacity building on standards and trade related issues.

4. There is need to focus on building/strengthening institutional capacity for trade negotiations, implementation, and related matters.



SACAU Secretariat staff and presenters at the annual conference

Towards a trade-driven agenda

1. As farmers we need to understand what is stopping us from producing more and what we can do to remove those constraints.

2. If there is no market, there is no trade. If you do not produce you cannot trade. Therefore, production and trade go hand- in-hand.

3. Administered costs (e.g. corruption, unnecessary regulations) are some of the biggest contributors to our lack of competitiveness.

4. We need more focus in terms of who is a farmer, what to produce and for which market?

5. Members are encouraged to take advantage of the platform provided by SACAU for mutual learning, deal making, motivation and networking. Furthermore, they should leverage on the political capital they have to make things happen.

6. FOs need to better organise themselves to be involved in trade related matters and to support their members in this respect.

7. Most farmers in the region

are small-scale, producing small quantities. Therefore, there needs to be effective mechanisms to aggregate, package and deliver their output for them to cost-effectively participate in trade.

8. SACAU should play a more visible and proactive role in engaging with regional and continental bodies on trade and other cross-cutting matters. In addition, SACAU should have a trade capacity development programme for members and support them in that regard.

Mission

To be the main voice of farmers on regional, continental and global matters, and to promote and ensure strong and effective farmers/producers' organisations in all countries in southern Africa.

Values

SACAU is founded on the following values and principles:

- Consultation • Transparency
- Accountability • Honesty and integrity
- Objectivity • Impartiality • Professionalism
- Non-discriminatory
- Independence
- Subsidiarity and complementarity
- Political neutrality

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