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The role played by Netherlands Development Organization in promoting poverty alleviation for smallholder farmers in Domboshava using the Market- Based Approach

(The SNV Case 2012-2014)

BY

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DEDICATION

I dedicate this work to my beloved parents Mr and Mrs Chitsika, my family members Rebecca, Kuda and Prayers and my friends Cecillia, Tafadzwa and Evermercy. I thank you all for your support, encouragement and prayers throughout my studies. May the Lord bless you beyond measure.

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ABSTRACT

This research investigated the effectiveness of market based approach in promoting poverty alleviation from smallholder farmers in Zimbabwe. The research gathered evidence from a group of smallholder farmers in Domboshava, Zimbabwe, who are part of a market- based approach project run by SNV in order to sustain and improve the livelihoods of vulnerable and emerging rural farming households in Domboshava and thus reduce their dependence on humanitarian assistance. Literature review was conducted so as to assess what other scholars say about the market- based approach. Data was collected through Focus Groups Discussions, key informant interviews and questionnaires. The focus group discussion comprised of ten smallholder farmers who are in the leadership of the association. The key informant interviews were conducted with the chairperson of the group and the project manager from SNV. Forty questionnaires were administered with the smallholder farmers. Key findings were that the market- based approach being implemented by SNV has led to increased incomes, food security and employment for the smallholder farmers. The data was compared with the points raised in the literature review. The comparison showed that most of the key positive impacts of the market- based approach raised in Domboshava case study were similar to those identified in the literature review. The study came to the conclusion that if a market- based approach is implemented in all provinces in Zimbabwe the poverty rates will decrease.

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LIST OF ACRONOMYS

CRS	Catholic Relief Services
DANIDA	Danish International Development Agency
FAO	Food and Agriculture Organization
MBA s	Market- Based Approaches
MNC s	Multi National Corporations
SHF	Smallholder Farmer
SNV	Netherlands Development Organisation
VCD	Value Chain Development

INTRODUCTION

Poverty is an issue that many governments, non- governmental organisations and donors continue to grapple with. Agricultural markets are promoted as a possible pathway to poverty reduction for the smallholder farmers, as they are seen as important for economic growth and addressing poverty (IFAD 2010). Machethe (2004) argues that investing in smallholder farming is an effective way of reducing rural poverty and improves rural households' incomes. The smallholder farmer in Zimbabwe face a myriad of challenges in agriculture such as poor access to market information, subsequently a limited access to the lucrative markets. This has resulted in them selling their produce at prices that do not even allow for a breakeven.

The NGO community has aggravated this situation by neglecting market based programming and just focusing on farmer productivity as seen by the handing out of free inputs and indirect agricultural extension support (usually one extension worker for over 1000 farmers) with the eventual results of highly productive SHFs without a market for their produce. It is in this context that SNV (Netherlands Development Organization) is committed to reducing poverty by catalyzing sustainable solutions for the poor in agriculture with its market led programming approach/ Value Chain Development (VCD) (SNV,2013). The main objective of the market based approach is to contribute to rural and urban food security and farmer income by bridging the mismatch between smallholder producers and markets through 'linking, learning and lobbying' (SNV, 2013).

SNV is an international not-for-profit development organisation. SNV believes that no-one should have to live in poverty and that all people should have the opportunity to pursue their own sustainable development. Starting out in the Netherlands more than 40 years ago, SNV

now works in more than 33 of the poorest countries worldwide. It has a global team of local and international advisors who work with local partners to equip communities, businesses and organisations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services in Agriculture, Renewable Energy, and Water, Sanitation & Hygiene - empowering them to break the cycle of poverty and guide their own development. By so doing SNV also contributes to solving some of the leading problems facing the world today – helping to find local solutions to global challenges and sowing the seeds of lasting change.

One Acre Fund Report (2013) states that more than 75 percent of the world's poor are farmers. Their profession is to grow food, yet many employ outdated agricultural tools and techniques. Despite their hard work, millions of farmers barely grow enough to feed their families. Many agriculture programs aim to address this by providing specific services, such more food. A small loan to farmers is of little use if farmers cannot find farming inputs such as seed and fertilizer to buy in their community. Even when farmers can access farming inputs, they do not always know how to make the most of them. Frequently, when they can find the inputs and use them successfully, there are no markets to sell their surplus harvest. Farmers need support in accessing inputs, education and markets to increase their yields and incomes.

Hoeve et al (2013), state that finding solutions to tackle chronic hunger and malnutrition is finally becoming a priority on the global development agenda. And it is also becoming more widely acknowledged that market-based models can offer sustainable, long-term solutions for smallholder farmers, if implemented effectively. The result can be a considerable boost to broader economic growth in rural areas and for the continent as a whole. According to the World Bank, investments in agriculture are at least twice more effective in reducing poverty

than investments made in any other sector. This research seeks to assess the effectiveness of market based solutions to smallholder farmers in Zimbabwe as a strategy to tackle poverty and achieve MDG 1.

1.1 BACKGROUND TO THE STUDY

The concept of linkages was first mooted by Hirschman (1958) in development economics literature to describe broadly the complementarities dependencies among industries in the development processes. Modern usage of the concept covers agriculture industry linkages and systems approach adopted by firms to increase competitiveness (Santacoloma & Rottger: 2003). Amrouk, et.al. (2013) look at market- based approaches for smallholder farmers without separating their definition from market participation, to which they believe this implies the transition from subsistence farming to a market engagement mode, with frequent use of markets for the exchange of products and services.

Major political figures, including former President Bill Clinton, were intrigued by Nobel-prize winning Yunus and his success with microfinance (Brack: 1996). Using markets, the concept drew upon economic neo-liberalism and western ideas of self-empowerment and entrepreneurship. It represented a departure from big “D” development and its criticisms. At the same time, the theory did not require the fundamental questioning of larger powers of the global economic market that were further entrenched by the establishment of the WTO. It was a cheap development alternative, required self accountability and was politically convenient. Therefore, the market approach continues to generate a great deal of interest among western donors with an emphasis on a ‘technology fix’ to aid in poverty alleviation. The Gates foundation, the World Bank and, arguably the UNFCCC, have increasingly subscribed to promoting the market-approach to solving problems. Additionally, and perhaps more importantly, the private sector has taken a great interest in the market movement and

provided an infusion of capital to new market-enterprises in the global south.

Most African countries, for example, Kenya and Uganda smallholders generally tend to be semi-subsistence farmers, and partially linked to markets usually through a diversification of commodities produced. On the other hand, smallholders are also often constrained in what they can produce, by limited marketing opportunities, thus limiting their ability to diversify into new crops. Farmers will not cultivate unless they know they can sell their crop, and traders or processors will not invest in ventures unless they are assured that the required commodities can be consistently produced. A relation such as contract, that links smallholders and agribusinesses offers a potential solution to this situation by providing market guarantees to the farmers and assuring supply to the purchasers. Contracts thus constitute forms of cooperation. They went on to carry out a study in Ghana and noted that

Despite enormous investment to combat poverty in recent years, more than two billion people worldwide still survive on less than \$2 per day. The prevalence of poverty on such a massive scale and its stubborn resistance to the traditional solutions – government expenditure, foreign aid and private philanthropy- indicate need for alternative ways to move masses of people up the income scale (Karamchandani et al:2009) During the past fifteen years, interest in private sector alternatives has increased, especially in “market-based approaches”, initiatives that use the market economy to engage the small holder farmers (low income people) as customers, offering them socially beneficial products at prices they can afford or as business associates- suppliers, agents or distributors- providing them with improved incomes. (Karamchandani et al: 2009).

At the same time, traditional approaches to development have come under increased challenge. Dramatic growth and poverty reduction in countries like China and India (accomplished with relatively little development aid) are often contrasted with stagnation in

heavily aid-dependent countries throughout Africa. High-profile economists like William Easterly and Dambisa Moyo have shaken up the development community by asking what “\$2 trillion in foreign aid” has accomplished (Jochnick: 2012).

Agriculture has always been the backbone of Zimbabwe’s economy. ZimStat, (2012) in the Population Census report indicates that 60 % of Zimbabweans are located in the rural areas and derive their livelihood from mainly agriculture and other related rural economic activities. Prior to destabilization in 2000, agriculture used to provide employment and income for 60-70 percent of the population, supplying 60 per cent of the raw materials required by the industrial sector and contributing 40 per cent of total export earnings. It directly contributed 15-19 per cent to annual GDP, depending on the rainfall pattern (Government of Zimbabwe: 1995). It is generally accepted that when agriculture performs poorly, the rest of the economy suffers.

Since 2000, agricultural productivity has dwindled and the country, once dubbed ‘the breadbasket of Africa’, has become a net importer of food (Rukuni: 1994). The disruption of input markets and extension support services has contributed to low productivity in the agricultural sector. There have been dramatic yield declines for both maize and cotton which represent the most important smallholder food and income generating crops, respectively (SNV: 2013). It is however noteworthy that the decline in cotton yield has been less than that for maize – this trend is attributed to the fact that cotton marketing companies provide contracted farmers with all the inputs and some extension support (SNV: 2013).

Largely production was focused on the now disrupted commercial farming sector. It is in this context that donors such as (Danish International Development Agency) DANIDA and

implementing NGOs like SNV are involved in stimulating the implementation of solutions to the revival of smallholders agriculture. Agriculture recovery in Zimbabwe will in the short to medium term depend on the commercialisation of smallholder farmers through promotion of market- based solutions.

1.2 Problem Statement

Poverty amongst smallholder horticultural farmers has remained a perennial feature in Domboshava. Smallholder farmers in Domboshava grow horticultural crops such as tomatoes, cherry pepper and many others but poverty is still prevalent as they do not have access to the market. In a bid to raise smallholder farmers in Domboshava out of poverty, SNV has introduced market based approach programme aimed at fostering market linkages between the farmers and lucrative players like the private sector. There is therefore need to find out whether this market based approach has been an effective mechanism in promoting poverty alleviation for smallholder farmers in Domboshava.

1.3 Objectives

1.3.1 Overall Objective

- To identify the effectiveness of Market- Based Approach in promoting poverty alleviation for smallholder farmers in Domboshava.

1.3.2 Specific Objectives

- To find out SNV's Market- Based Approach activities in Domboshava
- To assess the impact of SNV's approach on smallholder's households
- To assess the challenges that come with market based approaches on SHF

1.4 Research Questions

1. How effective is the market- based approach in promoting poverty alleviation for smallholder farmers in Domboshava?
2. How has SNV's Market- based Approach led to increasing incomes, employment and food security?
3. What are the challenges that come with market based approaches on smallholder farmers?

1.5 Definition of terms

Market- Based Approach- The concept of linkages was first mooted by Hirschman (1958) in development economics literature to describe broadly the complementarities dependencies among industries in the development processes. Modern usage of the concept covers agriculture industry linkages and systems approach adopted by firms to increase competitiveness (Santacoloma & Rottger: 2003)

Amrouk. et.al. (2013) look at market- based approaches for smallholder farmers without separating their definition from market participation, to which they believe this implies the transition from subsistence farming to a market engagement mode, with frequent use of markets for the exchange of products and services.

Poverty- Sen (1985) argued that poverty is the lack of “capability” to function in a given society, thus, poverty to him is the lack of the inability to achieve a socially acceptable standard of living. By lack, he referred to, for example, an individual may be considered poor if he/she lacks basic food or shelter or, equivalently, if he/she lacks income to buy these basic needs. By inability Sen (1985) referred to capability failure to participate in a society

Absolute Poverty- Absolute poverty, extreme poverty or abject poverty is a condition characterised by severe deprivation of basic needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.

Relative Poverty- Galbraith (1958) views relative poverty as socially defined and dependent on social context, hence it is a measure of income inequality.

Smallholder Farmer- Smallholder farms have been defined in a variety of ways by various scholars. The most common measure is farm size. Many sources define small farms as those with less than 2 hectares of crop land (FAO, 2009). Others describe small farms as those depending on household members for most of the labour or those who practice subsistence farming, where the primary aim of the farm is to produce the family food for consumption (Hazell, 2009).

1.6 Literature Review

The population in most developing countries are located in rural areas, with a high dependence on subsistence farming, this entails that the food they produce is for consumption and only the surplus is what they would consider for sale to the market, agriculture production is not solely embarked on for commercial purposes. According to Barret (2010:41) market access for smallholders is not just about being able to buy and sell goods; it is as much an outcome as it's the cause of development.

Ferris et al (2014) stated that approximately 1.5 billion people are engaged in smallholder agriculture across the world. They include 75% of the world's poorest people whose food,

income, and livelihood prospects depend on agriculture. To them, agriculture remains the best opportunity for the estimated 1.5 to 2 billion people living in smallholder households to escape poverty. Studies show that income growth generated by agriculture is up to four times more effective in reducing poverty than growth in other sectors (Growth Commission, 2008). In project work in Nicaragua, Catholic Relief Services (CRS) found that market linkage support, over a five year period, helped to raise net incomes for coffee farmers from approximately \$200 per hectare to more than \$1500 per hectare. For the higher value horticultural sector, net incomes rose from approximately \$3,000 per hectare, to more than \$11,000 per hectare. The cost of this intervention was approximately \$1500 per hectare.

Given these changes, finding ways to link smallholder farmers to markets is generally considered a critical part of any long-term development strategy to reduce poverty and hunger. The development and research communities are finding that agronomic support services alone are not enough to achieve large-scale poverty reduction and resilience in rural communities. There have been a number of efforts to promote mechanisms to assist in shifting from production to market-based investment programs. These include market analysis, contract farming, certification, and strategies to strengthen local business development and support value chain investment. These methods have complemented production-based systems to facilitate market access (Ferris et al: 2014). Ferris et al (2014) puts much emphasis on linking smallholder farmers to markets and the implications for extension and advisory services whereas this research study will focus more on the issue of markets for smallholder farmers in alleviating poverty.

Jochnick (2012) researched on systems, power and agency in market-based approaches to poverty. He alluded that the past 15 years have witnessed a surge of new market-based

approaches (MBAs) to development. Proponents of these approaches run the gamut from government donors to venture capitalists to multinational corporations (MNCs) and civil society organizations. He went on to state that although the approaches differ widely in their understanding of poverty and their definitions of success, but they all are based on the idea that markets can be grown and reformed to work better for the poor. While many MBAs show promise, the majority fall short of their potential. This outcome is often due to their piecemeal nature—projects are simply conceived too narrowly. The need for more holistic approaches has been well documented. Beyond that, however, there are three critical ingredients that continue to challenge MBAs: (i) the need to employ “systems thinking,” (ii) the need to address power and agency, and (iii) the need to implement interventions with adequate political, social, and economic dexterity. These three elements of high impact are largely self-evident; however, they each present a set of challenges that have been difficult to master in practice. Jochnick (2012) researched on systems, power and agency in market-based approaches to poverty whereas this research study will be specific to smallholder farmers in Domboshava.

Kapungu (2014) studied on rural women farmers’ access to markets in Chirumanzu. Her thesis investigated the issues that rural smallholder women face in accessing markets in developing countries. According to Kapungu, market access for rural smallholder farmers is increasingly being promoted as a means towards catalysing sustainable rural development. However, without addressing the gender specific issues that rural smallholder women farmers’ face in accessing markets, market access as a strategy towards sustainable rural development may fail to achieve its ends (Kapungu 2013). Her thesis gathered evidence from a group of smallholder women farmers in Chirumanzu, Zimbabwe, who are part of a market access project run by Oxfam, in order to highlight the issues that they face in accessing

markets for their produce. The study focused on the issues that rural smallholder women farmer's face in accessing markets. The Oxfam project in Chirumanzu was taken as a case study. In this context, this study will focus on both men and women in Domboshava.

A report by the African Smallholder Group (ASFG: 2013) in their study on Practical Action project in Guruve district, the market based approach was seen as a mechanism transforming the livelihoods of marginalized livestock farmers. In 2005, local farmers, buyers, suppliers of inputs and services, community based organisations, and relevant government departments were brought together in a series of participatory market mapping workshops, to identify key opportunities and constraints in the livestock market chain. Farmers participated in the process through 'Market Opportunity Groups', which continue to meet on a quarterly basis. Linkages were established with two agribusiness companies – a supplier of seeds for fodder and cattle feed, and a veterinary drugs firm. The latter worked closely with the government's Department of Livestock Production and Development to train 800 lead farmers to qualify as paravets (ASFG: 2013). The above study was carried out in Guruve focusing on livestock farmers whereas this study will look at horticultural smallholder farmers in Domboshava.

In Ethiopia, the market- based approaches have been implemented as a core research theme for the Future Agriculture Consortium. The research focused on smallholder farmers and two commodities were selected for the study, that is, coffee and tea. Befekadutedet et al (2001), in their study of the Ethiopian smallholder farmers, they noted that these farmers benefited directly from greater engagements with markets. They also suggested that the direction of change is towards a more diversified rural economy aiming at higher returns from agriculture alongside a wide range of local income and livelihood options. However, the research focused on two commodities whereas this research will look at a number of horticultural crops. Bayla (2007), in 1998 a group of smallholder farmers in south- western

Uganda (Nyabyumba United Farmers Group) 60% of these smallholder farmers were women.

By 2003 the market for seed potatoes was saturated so they began to look for a better market. The smallholder farmers group used the market-based approach to supply ten tonnes of potatoes to Nandos Kampala a month-year round to satisfy the demand for chips in Nandos restaurants. Bayla noted that in Uganda the market linkages are effective but however differing impacts among farmers are not known in terms of fairness as Nandos holds the balance of power, with the reports that not every month are ten tonnes wanted. It must be noted that in the above analysis by Bayla he was more concerned with the balance of power between the private sector and the smallholder farmer, whereas this study will put more emphasis on assessing the effectiveness of the approach to poverty alleviation. The above research by Bayla was carried out in Kenya whereas this research will be focusing on Zimbabwe.

Ramatu et al (2006) in their linking smallholders to markets study postulate that market access is crucial in smallholder development because it creates the necessary demand, offers remunerative prices, thereby increasing smallholder incomes. The incentives brought about by better market access can result in expanded production and the attendant adoption of productivity enhancing technologies. It is for these reasons that the drive to improve market access is central in efforts at developing smallholder agriculture for poverty reduction.

1.7 Methodology

A qualitative research approach will be used for this study, as data gathered from a qualitative approach allows for detailed descriptions, and provides an explanation of processes occurring in a defined context (Miles and Huberman 1994). A case study approach is adopted in order

to provide real life empirical information (Skjöldevald, 2012) on the effectiveness of the market- based approach for smallholder horticultural farmers. The case study is meant to provide in-depth information and also support issues revealed in the literature. The choice of this research is guided by convenience in terms of location and access to SNV's project because the researcher was once attached thereby making it easier to gain access the participants. Another reason is that market- based approaches to poverty are seen to be in the pilot phase in many parts of the country and they are being implemented by non-governmental organisations such as Oxfam and Action Contra la Faim.

1.7.1 Target Population

A target population is defined as a pool of people from which the required information to find answer to the research question is obtained. The research focused on smallholder farmers in Domboshava which is 27km north of Harare who are into horticultural production. SNV's project in Domboshava is covering 100 horticultural smallholder farmers but the researcher mainly focused on 40 smallholder farmers.

1.7.2 Sampling

A purposive sampling approach was adopted to identify typical case samples, (Patton, 2002), which involves selecting cases that show or describe what is typical about the participants in the area of study, illustrative rather than definitive tendencies (Patton, 2002). For this study, the sample was defined by the DOHOPA smallholder members in Domboshava, forming the market access group. With at least 100 members, however it was not feasible to involve all of the members in this study due to time and resource constraints. Therefore the study focused on 40 farmers, who are active members of the DOHOPA Association.

1.7.3 Research Instruments

Questionnaires

Qualitative approach was used in the form of a questionnaire. This is a data collection technique in which respondents are asked to respond to the same set of questions in a predetermined order (Narteth, 2009). The use of open ended questionnaires was of great significance in this research because they are quicker in getting as much information as needed since the researcher does not necessarily have to be present when the respondents are answering the designed questions but however, the absence of the researcher to explain or clarify the questions may result in distorted data. Close ended questionnaires was also employed in this research so as to get clearer and direct answers. A questionnaire was used to get data from 30 DOHOPA farmers.

Key Informant Interviews (KII)

Carroll, Perez and Toy, 2004:34) states that KIIs are qualitative in depth interviews with people who know what is going on in the community. The purpose of the KII is to collect information from a wide range of people including community leaders, professionals or residents who have first- hand knowledge about the project. There are two common techniques used to conduct key informant interviews, that is, telephone interviews and face-to- face interviews. For the purpose of this study the key informants were limited to the Chairperson of the group, and the SNV Project Manager.

Focus Group Discussions (FGD)

Focus group discussions formed part of the research. A focus group can be defined as a group of people who can provide information of a qualitative nature in a focused discussion. Focus groups generally are composed of six to twelve people. There should be a gender

balance in the group members where the number of females is equated to the males. The FGD was conducted with ten members of the Association Leadership, five women and five men.

1.8 Justification of Study

There is evidence to show the roots and depth of poverty in Zimbabwe and it has impacted the poor. However, despite various efforts having been put in place to curb the phenomenon there is still need to understand the effectiveness of a number of these strategies. This research seeks to have an in-depth analysis of one of the strategies, being implemented by SNV to address the issue of sustainable development from 2012 to date.

1.9 Limitations

The researcher used a sample of only two wards Domboshava because of lack of time and funds to cover all the five wards provinces in which the market- based approach is being implemented by SNV.

1.10 Delimitations

The study was carried out in Mashonaland East, Domboshava.

1.11 Ethical Considerations

The researcher sought permission to access some of the SNV's beneficiaries of the market-based approach project. Considering the nature of the sampling technique and the area of research, comfort and confidentiality of the respondents are critical ethical aspects which will be highly upheld in the process of data gathering. Therefore, the researcher sought due consent from all participants during data collection. Only data which relates to the research was collected. The data collection instrument was pre- tested to validate its appropriateness in line with ethical aspects and usability in the field. Finally, the researcher represented truthful information about the respondent's opinions in the final presentation of research objectives.

CHAPTER 1

GENERAL OVERVIEW OF SMALLHOLDER FARMING IN ZIMBABWE

INTRODUCTION

Agriculture is the main source of livelihoods for the rural population because it is a major source of food. The majority of the poor people in Zimbabwe lives in rural areas and is mainly smallholder farmers. It has been estimated that about 65% resides in rural areas and lacking capital to engage in large scale agriculture production. This makes smallholder agriculture one of the most pivotal activities in the fight against poverty. Juana and Mabungu (2005) noted that investment in smallholder agriculture should be seen as investment in the entire economy. To them, smallholder agriculture promotes sustainable development and the inclusion of rural communities especially the poorest in the economic activities. Thus, this chapter seeks to give an in depth understanding on agriculture in Zimbabwe, challenges that are faced by smallholder farmers as well as the contribution of smallholder agriculture in promoting poverty alleviation.

1.1 Agriculture in Zimbabwe

The agricultural sector plays an important role in the development of the Zimbabwean economy, through its impact on the overall economic growth, households' income generation and food security (Mlambo and Zitsanza, 2001). Agriculture is the engine of the Zimbabwean economy with over 80% of Zimbabwe's population deriving its livelihood from agricultural activities. The agriculture sector plays an important role in the development of Zimbabwe's economy through its impact on the overall economic growth, households' income generation and food security (Mlambo & Zitsanza: 2001). Agriculture provides income and employment

for about 70% of the population , 60% of the raw materials required by the industrial sector and it is the largest export earning sector by contributing about 45% total export in most years (Bautisa et al: 2002). Many countries that had relatively high agricultural growth rates saw substantial reductions in poverty, for example, China's rapid growth in agriculture was responsible for the rapid decline in rural poverty from 53% in 1981 to 8% in 2001 (World Bank Report). This clearly shows that agricultural growth can result in substantial poverty reductions.

Zimbabwe has a total land area of over 39 million hectares, of which 33.3 million hectares are used for agricultural purposes. The remaining 6 million hectares have been reserved for national parks and wildlife, and for urban settlements. The distinguishing characteristic of Zimbabwe agriculture is its dualism, i.e. the existence of two major subgroups based on the size of landholdings. The larger group is unsophisticated and comprises about 7.1 million smallholder and communal farmers occupying a total of 21 million hectares. In general, communal and smallholder farmers occupy areas of lower natural potential for agriculture in terms of rainfall, soils and water for irrigation. In addition, these areas are of lower economic potential because of the distances from markets and poor communication and social infrastructure. Until recently, the other group comprised about 4 000 large-scale farmers with very sophisticated production systems and occupies about 11 million hectares of land, primarily located in the areas of high agricultural and economic potential (Rukuni: 2011).

According to Tekere and Hurungo (2003) smallholder and commercial farmers are also distinguished by the fact that the former produce mainly for own consumption, and the latter produce mainly for commerce. The main agricultural products produced by smallholder farmers are maize (the staple food), groundnuts, other grains, beans, vegetables, meat, milk and fuel wood. Commercial farmers concentrate on cash crops such as tobacco, horticultural

products, particularly cut flowers, coffee, maize, groundnuts, sorghum, soya beans, sunflowers, and cattle for slaughter, pigs, goats and sheep. Zimbabwe’s principal agricultural exports in descending order include tobacco (60 percent of total agricultural production), cotton lint (about 10 percent), raw sugar (9 percent), tea and coffee, horticultural products and maize (in non- drought years). Imports of agricultural products are limited mainly to wheat and maize in drought years.

1.2 The Smallholder Farmer in Zimbabwe

Smallholder farmers have various objectives which may include producing food for the family, generating household income through agricultural sales and increase the household social capital such as livestock (FAO: 2008). These are typically presented as being in three distinct categories of household. Table 1 below shows this typology. The percentages in the table show estimates of smallholders farmers belonging to each level.

Table 1.1: Classification of Households in Zimbabwe

Household group	Income level
Level 1 household (20%)	<i>Very poor and vulnerable</i> households. This implies that they are unable to meet their immediate and basic nutritional needs.
Level 2 households (60%)	<i>Poor households:</i> These households can make productive use of inputs and are able to produce their own food. They have access to some assets but are vulnerable to environmental shocks and stresses. They can therefore

	easily fall back into Level 1.
Level 3 households (20%)	<i>Better-off households:</i> These have secure assets and may have access to credit. They can produce enough food for household consumption and can interact with markets in one way or the other.

The 3 categories of farmers are responsive to different interventions.

- **Level 1 Households:** This category lacks resources to do meaningful production. They have no livestock for draught power and manure. They also do not have the financial means to purchase inputs. This category is not ready to do commercial farming. They could benefit from labour from their well off neighbours in addition to small production for their own needs.
- **Level 2 Households:** These can produce but lack organisational capacity to ride through any shocks. They tend to subsistence farming if not supported. On their own, they do not have a drive to sustain a market linkage.
- **Level 3 Households:** These farmers can be fairly productive and have access to markets. They need support to grow market linkages. Their numbers are low and spaced. They could pull more Level 2 households into markets and provide labour opportunities for Level 1 Households.

1.3 Constraints Faced by Smallholder Farming Households in Zimbabwe

The challenges faced by smallholder farmers have a negative impact on the effectiveness of the agricultural sector and if they do not realise meaningful returns, it results to poverty. Smallholder farmers in Zimbabwe face a myriad of challenges in agriculture. There are a number of challenges faced by the smallholder farmers in Zimbabwe namely production

challenges (land and water), lack of finance and adequate inputs, HIV/AIDs, technological challenges, high illiteracy levels, lack of extension services, low quantity of products as well as poor agricultural practices.

1.3.1 Lack of access to markets

An essential element for smallholder rural farmers to be able to participate in markets is information, not only information on what prices are prevailing but also information on trade contacts and technical matters (Kleih, 1999, FAO, 2011). However rural areas are typically starved of information due to various factors including lack of access to mass media and therefore smallholder farmers in these areas are disadvantaged, for instance without information on supply and demand setting prices is difficult. Information on the type of goods demanded by the market could be unavailable, (OECD, 2006), meaning that farmers can make decisions on what to produce for the market with inadequate information.

Smallholder farmers in Zimbabwe encounter high input costs, low producer prices due to the unfair grading by commodity buyers. Also majority of smallholder farmers live in areas with poor roads which render transport services not only unavailable, but also highly priced. They also face inadequate pricing information due to lack of knowledge and high illiteracy levels. This has resulted in smallholder farmers failing to access markets and they end up selling their products to the local market where the profits are not lucrative.

1.3.2 Land and Water

For households that depend on agriculture for a livelihood, land is an important asset for production but also because it is associated with wealth, power and status (FAO, 2010). Hungwe (2012) states that smallholder farmers in Zimbabwe lack access to water and there is also unequal distribution of land. They occupy small agricultural land and this limits the area

they are supposed to engage in their farming activities. Moreover, Zimbabwe has not invested in agricultural support infrastructure such as dams and irrigation schemes. Most smallholder farmers rely heavily on rain fed agriculture which is not reliable due to climate change (UNDP: 2006). Furthermore, smallholder farmers do not pay water and electricity charges on time and hence they are switched off from accessing water and electricity by authorities due to debts (FAO, 1997).

1.3.3 HIV/AIDS

Increase in the death of skilled farm workers has resulted in the knowledge gaps among the surviving smallholder farmer who lack knowledge and experience. The extension staffs have not been left out by the disease and this has seen the mushrooming of child headed families of which they cannot access loans. Furthermore, food security is compromised as money is channelled to purchasing drugs at the expense of buying fertilisers or machinery.

1.3.4 Lack of inputs and adequate financing

Smallholder farmers lack finance to buy inputs such as fertilisers and certified seed which is needed to boost on farm production. Most smallholder farmers in Zimbabwe are located in areas which have poor soil nutrients and hence they need fertilisers to boost their agriculture production (Mudzonga and Chigwada: 2009). Hungwe (2012) states that smallholder farmers in Zimbabwe do not have access to finance as most financial institutions do not lend money unless the farmer has some form of collateral. Banks and micro finance institutions also have high interest rates which makes it difficult for the farmer to borrow money.

1.3.5 Technology challenges

Access to technology has great benefit to smallholder farmers, especially as it related to accessing information. Mobile phone technology has increased rural farmers 'capacity to access market information such as prices of commodities (IFAD, 2010). In addition, smallholder farmers in Zimbabwe lack capital to buy machinery which can be used to improve the efficiency of their farming activities. Unlike the large scale commercial farmers that use heavy duty tractors, combine harvesters, the smallholder farmers use hand hoes for planting, watering cans for irrigating their crops and family labour to work on the land. This method of farming is inefficient and is time consuming (Machethe: 2004).

1.3.6 High illiteracy rates

When Zimbabwe gained its independence in 1980, the majority of its people did not have access to quality schooling. Most only finished seven years of primary schooling, thus most smallholder farmers in Zimbabwe do not have formal education and this has resulted in them being unable to make informed decisions. High illiteracy rates also prohibit farmers from adopting good agriculture practices such as pest management and calculation of expenditures they incur in their production activities.

1.3.7 Lack of extension services

The aim of agricultural extension services is to provide services from experts to farmers in the different areas of agriculture, in order to improve the productivity of rural farmers (FAO, 2010). Provision of extension services has proved to increase yields (FAO, 2010). Agriculture extension workers lack experience, the requisite knowledge and skills on good agriculture practices. The most experienced agriculture extension workers have migrated to neighbouring countries looking for greener pastures thus leaving the inexperienced extension

workers. In addition, the extension workers are poorly remunerated and they lack transport facilities such as motor bikes to reach farmers. This lack of mobility hinders the extension workers to train farmers on issues to do with production (FAO: 2008).

1.3.8 Poor Agriculture Practices

Smallholder farmers in Zimbabwe practice poor farming practices such as monoculture, stream bank cultivation and use of retained seed. This in turn restricts good agricultural returns. Many smallholder farmers do not have capital to buy pesticides to control pest diseases and this result in failure the seed failing to germinate when planted.

1.3.9 Climate Change

Munhande et al (2013) states that smallholder farmers in Zimbabwe face climate variability and incidences of drought. Smallholder farmers respond to climate change by selling their livestock to enable the realisation of income to buy food and pay school fees in the event of a bad harvest that erodes their ability to market their produce. The smallholder farmers also lack the financial ability to introduce irrigation (Munhande et al: 2013).

1.3.10 High Transaction Costs

High transaction costs are caused by poor infrastructure and common services in remote rural areas (D'Hease and Kirstein: 2003). Transaction costs also result from information inefficiencies and institutional problems such as the absence of formal markets (Makhura: 2001). Transaction costs include the costs of information, negotiation, monitoring, coordination and enforcement of contracts. There is no doubt that high transaction costs tend to discourage commercialisation. It must also be noted that smallholder farmers are located in remote areas and are geographically disbursed and faraway from lucrative markets.

Therefore, distance from the market, poor infrastructure and poor access to assets and information results in high business costs for the smallholder farmer.

1.3.11 Lack of on- farm infrastructure

Smallholder farmers do not have access to on- farm infrastructure such as store- rooms and cold rooms to keep their products in good condition after the harvest. They also lack access to facilities such as the post-harvest storage and processing facilities constitutes a barrier to entry into agriculture markets, since the emphasis of buyers is more on quality. Access to storage facilities increases farmers' flexibility in selling their products as well as their bargaining power (Blenableet al: 2004)

SNV a non- governmental organisation, that believes that that no-one should have to live in poverty and that all people should have the opportunity to pursue their own sustainable development, with a background of the challenges that are faced by smallholder farmers in Zimbabwe initiated a programme that sought to address the problem of access to markets using the market- based approach. It is in this context therefore that SNV started working with smallholder farmers in Domboshava who are into horticultural produce. The smallholder farmers were mobilised into groups as it was noted that an individual farmer cannot meet the quantities required by the market. An association, with the assistance of SNV was established called Domboshava Horticultural Produce Association (DOHOPA) with a mandate to improve the livelihoods of the smallholder farmers in security and make them food secure as well.

Conclusion

The chapter highlighted that challenges faced by smallholder farmers have a negative impact on the entire agricultural sector. These challenges results in smallholder farmers not realising meaningful returns which leads to poverty. As mentioned earlier, smallholder farmers contributes significantly to the economy of Zimbabwe thus if the above mentioned challenges are not addressed the whole economy suffers. Rukuni (1994) states that, “when agriculture sneezes, manufacturing catches pneumonia” meaning that if the agriculture sector suffers, the economy will be affected too.

CHAPTER 2

SNV AND MARKET- BASED APPROACH IN DOMBOSHAVA

INTRODUCTION

This chapter highlights a general background of SNV's operations in Zimbabwe as well as a brief background of the project in Domboshava. It also presented and analysed data that was collected giving an in depth understanding on the effectiveness of market- based approach in promoting poverty alleviation amongst smallholder farmers in Domboshava. Firstly it explained the response rate. Secondly the chapter discussed the findings from key informant interviews. Focus group discussions and also findings from questionnaires administered. Finally the chapter provided a conclusion.

2.1 SNV's Operations in Zimbabwe

SNV is an international not-for-profit development organisation. SNV believes that no-one should have to live in poverty and that all people should have the opportunity to pursue their own sustainable development. Starting out in the Netherlands more than 40 years ago, SNV now works in more than 33 of the poorest countries worldwide. It has a global team of local and international advisors who work with local partners to equip communities, businesses and organisations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services in Agriculture, Renewable Energy, and Water, Sanitation & Hygiene - empowering them to break the cycle of poverty and guide their own development. By so doing SNV also contributes to solving some of the leading problems facing the world today – helping to find local solutions to global challenges and sowing the seeds of lasting change.

SNV provides strategic advisory, knowledge and advocacy support services to more than 1,800 public, private and social sector organisations in Africa, Asia, the Balkans and Latin America to accelerate and sustain their fight against poverty. SNV is committed to catalysing development impact through enhancing production, generating employment, increasing income, as well as improving access to basic services in health, water and sanitation, and renewable energy for the less developed communities. SNV has been present in Zimbabwe since 1983 and it operates from its Head Office in Harare with support of regional offices in Bulawayo.

SNV noted that Zimbabwe's agribusiness is unaware of the large production potential of smallholder farmers. The organisation observed that smallholder farmers lacked market information and had to sell their produce at farm gate against deflated prices or were not able to sell their produce at all. In order to promote sustainable market linkages between smallholder farmers and the private sector, SNV Zimbabwe took the initiative to develop concept notes in order to accomplish market linkages. SNV's main objective is to contribute to rural and urban food security and farmer income by bridging the mismatch between smallholder producers and markets through 'linking, learning and lobbying'. First activity in facilitating market linkages is in knowledge development and brokering by way of developing a web-enabled interactive database allowing companies to indicate their need for agricultural supplies and farmer groups to share information on their produce. SNV contributes to knowledge development on alternative smallholder input distribution systems and intensive agricultural extension support through contracting companies.

SNV is implementing the Rural Agriculture Revitalization Programme Commercialization of Smallholder Farming (RARP-CSF) project funded under the **Private Sector Development in Agriculture (PSDA) - DANIDA**. The project promotes growth in primary agriculture and related Value chains. The immediate objective is to improve food security and incomes for

smallholder farmers through increased capacity and investments by Agro-based SMEs. Another project being run by SNV that uses the Market- Based Approach is the Strengthening the Institutional Capacity of Farmer Groups in Farming as a Business funded under **Improved Livelihoods of vulnerable Households in Zimbabwe through Market – based Mechanisms (FAO)**. The project is aimed at sustaining and improving the livelihoods of vulnerable and emerging rural farming households in Zimbabwe and thus reducing their dependency on Humanitarian Assistance. SNV is also implementing a project entitled Financing Smallholder Plantation crops (Coffee, tea and Banana) through Commodity Revolving funds funded under **ZADT-Ford Foundation** in order to contribute to improved livelihoods for smallholder farmers in plantation crops through increased productivity, incomes and employment. SNV has an Inclusive Business Component funded under **SNV Corporate and Ford Foundation** to increase smallholder farmer’s participation, employment and incomes from agribusiness value chains.

SNV with funding from DANIDA (Danish International Development Agency) is implementing a project in Domboshava aimed at assisting one hundred smallholder farmers in accessing markets. SNV’s main objective in this project is sustaining and improving the livelihoods of vulnerable and emerging rural farming households in Domboshava and thus reduce their dependence on humanitarian assistance. A consultant was recruited by SNV to assist in the establishment of an association for the Domboshava smallholder farmers.

The smallholder farmers were mobilized to form an association so that they could meet targets required by the market. The association was established in 2008 consisting of one hundred smallholder farmers in Ward 1 and 3. The association named itself DOHOPA (Domboshava Horticultural Producers Association). The role of SNV was to facilitate a lucrative market for these smallholder farmers. SNV facilitated market linkages between

DOHOPA and Selby Enterprises. It has been noted that in market linkages there is usually mistrust between the buyer and the smallholder farmers, so SNV came in as a third party in assisting the drafting of a memorandum that govern the relationship between the buyer, in this context, Selby Enterprises and the smallholder farmers association, DOHOPA.

2.2 Farmers Perceptions on the Market- Based Approach

A total of 30 farmers responded to the Household Questionnaire administered. All respondents were from Goromonzi District in Domboshava of Mashonaland East Province with 12 people from Ward 1 and 18 from Ward 3. The respondents' age ranged from 29 years to 66 years with the average age of respondents being 41 years. The respondents' expressed the view that agriculture is mostly practised by individuals who are in their late twenties as they will not be dependent on anyone for a living. They also highlighted that agriculture is a source of livelihood for most adults in rural areas. To the researcher this shows that that agriculture is mainly a source of livelihood for the rural poor in Zimbabwe.

The average household size was 7. The smallest household size had 3 people with the largest having 14. It must be noted that most rural households are mostly characterised by extended families unlike in the urban centres. The respondents indicated that the largest household have fourteen individuals because the parents died of HIV/AIDs living children with grandparents. The grandparents are into farming so as to improve food security for the household. This proved that farming households in Zimbabwe are characterised by large numbers of family members as evidenced by the largest household comprising of fourteen individuals.

On asking the highest level of education attained by household head, 18 (60%) indicated that they had completed secondary with only one respondent having not received any formal education. It is evidenced that SNV selected farmers who were literate as evidenced by the 60% of farmers who had completed ordinary level. Educational levels are crucial in that they clearly show that most rural households have high illiteracy levels and they end up in farming as a source of livelihoods. This is evidenced by the educational levels in Domboshava.

On asking the farmers on the effectiveness of the market- based approach in promoting

poverty alleviation they expressed that before the inception of SNV’s project, they would use family labour to harvest, but now due to increased incomes they expressed that they can now employ a minimum of 3 people and a maximum of 10 people. If 30 households employ 6 people, we have a total number of 180 people who are employed by the smallholder farmers, thus improving livelihoods for the people around the community. Market- based approach thus increases employment. In a focus group discussion with the associations’ leadership, they expressed that market- based approach has resulted in smallholder farmers being able to hire or employ labourers during the harvesting period.

Another positive impact cited by the respondents was that of increased incomes. The questionnaires administered shows that farmers’ incomes have increased tremendously. In an interview with the chairperson for the group he highlighted that it is no longer difficult to get money for school fees and food since they now have a steady income.

“chirongwa cheSNV chakaita kuti tikwaniseo kuva nemari inouya mwedzi wega wega uye tava kukwanisao kubudgeta .”

This shows that the market- based approach has led to farmers being able to have a steady income which results in them being able to budget their income.

Table 2.1 Income generating projects

Income Generating Activity	Frequency	Percentage	Average Income Per Year
Crop production	28	93.3	\$2,687.60
Livestock production	14	46.7	\$3,194.61
Petty trade (vending/ cross border trading)	6	20.0	\$1,640.00

Table 2.3 clearly shows that 93.3% of farmers into crop production are earning an average income of \$2, 687.60 which means that a farmer will be earning a minimum of \$200.00 every month. To the researcher this meant that market- based approach is crucial for smallholder development because it offers remunerable prices, thereby increasing smallholder farmers' incomes.

Questioned smallholder farmers also expressed that the market- based approach has led to food security in their households. In a focus group discussion Never Tinago highlighted that:

“hupenyu hwatava kurarama hwasiyana newatairarama SNV isati yauya, izvezvi tava kumwawo tii hobvu....”

The above quotation clearly shows that livelihoods in Domboshava have been improved by the approach being implemented by SNV as evidenced by the quality of food per household. The cash crops are not only grown for sale but for consumption as well, thus improving nutritional levels for the smallholder farmers in Domboshava.

The researcher also used the SWOT analysis in a focus group discussion to gather data. This was meant to see the strengths, weaknesses, threats and opportunities of SNV's approach to poverty. The respondents expresses that the market- based approach being implemented by SNV has capacitated farmers on farming as a business, created opportunities for the smallholder farmers to network with big private players, they now have a guaranteed market to sell their produce which gives them zeal to work Once you are in an agreement with a buyer you are bound to abide by the terms and conditions. This clearly shows that the market- based approach being implemented by SNV has capacitated farmers on understanding record keeping which is essential in farming as a business.

Questioned respondents on the opportunities of the market- based approach indicated that

the market- based approach will see Zimbabwe's SHF penetrating international markets. They also highlighted that once you have a relationship with the buyers it will be easier to access the market. The above analysis shows that the market- based approach has strengths, weaknesses, opportunities and threats, however, the strengths outweighs the weaknesses. On the weaknesses of the market-based approach the farmers highlighted that if you are given inputs latter after the season you cannot produce more. They also indicated that large scale farmers are also a threat to the market in that they have large pieces of land and they can produce more than the smallholder farmers thereby attracting the lucrative markets.

Respondents in a questionnaire administered highlighted that SNV have linked the smallholder farmers in Domboshava to Selby Enterprises, a horticultural private company. Selby Enterprises requested the farmers to grow the crops shown in table 2.4 below. Of the 30 interviewed, 20 are into tomatoes and in the past year their average income was two thousand six hundred and thirty one followed by those growing cherry pepper. The table below clearly shows the various crops being grown by the DOHOPA smallholder farmers, average yield as well as average income earned. The crops below are being bought by Selby Enterprises and it shows that SNV's has good relations with the farmer and Selby Enterprises. In an interview with SNV, SNV also highlighted that the relationship between Selby Enterprises and the DOHOPA farmers is a win- win situation as the arrangement is a supply arrangement where Selby or the farmers can co- opt not to trade due to low prices or quality standards.

Table 2.2 Average Incomes Earned

Crop	Number of Farmers Growing Crop	Average Yield (kg)	Average Income Earned
Tomatoes	20	5263.1579	\$2,631.57
Cherry pepper	17	383.6471	\$187.41
Beetroot	5	118.0600	\$96.25
Navy Beans	4	175.0000	\$175.00
Baby marrow	3	416.6667	\$380.00
Gooseberry	3	140.0000	\$72.50
Fine Beans	2	650.0000	\$650.00
Sweet corn	2	110.0000	\$56.66
Okra	2	300.0000	\$360.00
Jam squash	1	100.0000	\$80.00
Broccoli	1	20.0000	\$100.00
Peas	1	200.0000	\$300.00
Onion	1	500.0000	\$110.00
Vegetables	1	50.0000	\$50.00

On being asked about their relationship with SNV the smallholder farmers indicated that on a scale of 1-10, all indicated that their relationship was on the good side as all rated from 5 and above. None rated the relationship as being on the negative side. Two even rated the relationship as very good. The average rating given was 7. This clearly shows that SNV's intervention is of great significance as evidenced by the farmers' relationship with the organisation.

SNV's intervention in alleviating poverty has been of great significance. In an interview with

the chairperson, he indicated that before SNV's intervention they would sell their produce at Mbare Musika at a giveaway price. This was also confirmed by the project manager of SNV who stated that smallholder farmers were losing hard earned produce to traders in Mbare at a giveaway price. Thus, to the researcher SNV's intervention of facilitating market linkages for the smallholder farmers have brought significance changes in smallholder households.

In a focus group discussion with DOHOPA leadership highlighted that SNV is of great help to the smallholder farmers as it capacitated them on how to grow crops that are favourable to the market. They went on to allude that if SNV is closed, they can still survive because they were capacitated and they can now look for their own market without the assistance of SNV. this means that even if SNV closes in Zimbabwe, the smallholder farmers in Domboshava are still able to survive which shows that they are not dependent on the organisation for survival but rather independent.

The farmers also expresses that they received trainings from SNV on Farming as a Business which included issues to do with record keeping and from the research it is clear that they understood the training because they could give figures during the interview. This shows that the smallholder farmers' livelihoods have been transformed as a result of the approach.

2.3 Challenges that come with a market based approach on SHF

The farmers expressed that SNV should advocate for growing of relevant crops, they stated that for example, Selby requires them to grow crops such as okra, cherry pepper and many others yet the Domboshava smallholder farmers are used to growing crops such as tomatoes.

Mr Marimo stated that:

“SNV should be more practical, Domboshava farmers are tomato producers, SNV should not divert varimi from zvavanosirima”

This meant that the farmers do not want to be diverted from their usual crops. Therefore, they

suggested that SNV should then facilitate market linkages with companies that are into tomato processing so that their project can be relevant to people in Domboshava.

The farmers also highlighted that they have serious water problems in the district and most horticultural crops require water and they suggested that SNV should also assist them with pipes so that they can get water from the surrounding dams rather than using water canes to water their crops. They also suggested that SNV should give inputs to farmers. In a focus group discussion, the farmers indicated that they are also having problems with accessing funds and inputs. However, the suggestions made by the Domboshava farmers are difficult to be implemented by SNV as the organisation does not believe in giving handouts to the farmers unless if SNV collaborates with an NGO that gives handouts and facilitates irrigation systems.

On the challenges they face in working with smallholder farmers SNV highlighted that markets require quality, consistency and volume but the smallholder suppliers lack one or more of these. The key challenge for SNV therefore, is organising farmers, coordinating production and monitor quality compliance. This meant that the market-based approach is an ongoing process as there are many issues that should be dealt with both on the side of SNV and the smallholder farmer being linked to the market.

Conclusion

This chapter analysed and presented data research findings in form of tables and graphs. This study analysed data captured from questionnaires, focus group discussions and key informant interviews pertaining to the effectiveness of market-based approach to poverty for smallholder farmers in Domboshava. The next chapter will present challenges and prospects for the new approach to development in relation to the smallholder farmers.

CHAPTER 3

CHALLENGES AND PROSPECTS

INTRODUCTION

In as much most scholars have stated that non- governmental organisations have brought more harm than good in developing countries, the researcher have observed that SNV's project in Domboshava of facilitating market linkages for the smallholder farmers have improved livelihoods. Traditional solutions such as humanitarian aid have been used so as to alleviate poverty but however the poverty rates have increased enormously. The market-based approach, a new approach to development being implemented by non- governmental organisations such as SNV has resulted in significant changes in the livelihoods of smallholder farmers in Domboshava. However, basing on the findings from the case study it is clear that there are a number of challenges being faced by the smallholder farmers as they are implementing this new approach to development. Despite solutions that have been made by the non- governmental organisations in Zimbabwe, poverty has been increasingly severe. This chapter discusses the challenges of using the market based approach to poverty for smallholder farmers as well as the prospects of the approach in Zimbabwe.

3.1 Challenges faced by smallholder farmers in accessing markets

In as much as the smallholder farmers may have a guaranteed market for their produce, they also need a market that is relevant to the crops that they are already into. In most cases, the markets in which smallholder farmers are engaged to determine the crops to be grown. In this context, they engage in new crops that are required by the market. Their challenge is that in most cases they do not realise larger yields because of their lack of knowledge about the crop.

Therefore, the smallholder farmers need capacity building about the crop so as to realise larger yields.

Smallholder farmers do not have collateral thus hindering them from accessing funds. Most private companies that smallholder farmers are linked to require tonnes of tomatoes, for example, and the farmer will need capital for labour and inputs so as to meet the required output. Capital to buy inputs is one of the major problems being faced by smallholder farmers in accessing markets for their produces.

The other challenge of market- based approach to poverty for smallholder farmers is that there is need for a third party between the buyers, that is, the private sector and the farmer. It has been noted that in the absence of a third party the private sector may tend to exploit the smallholder farmer by paying on a lower price taking advantage of the fact that the smallholder farmer is illiterate.

Women are mostly involved in production but when it comes to accessing the market they are sidelined by men. For development to take place it is of great significance to involve women when accessing markets. As a result women lack information about market access and they end up being dependent on men. Women should be capacitated about market access as well as how to produce crops which are required at the market.

Basing on the findings of the research it can be noted that farmers should be consistent along the chain. Fresh produce markets in most cases require farmers that are consistent. However, smallholder farmers are not consistent in supplying to the market and this poses a big challenge in implementing the approach for development.

Another challenge being faced by smallholder farmers is that contracting companies or the markets they are linked to determine the prices without consulting the smallholder farmer that was mostly involved labour wise. In this context, contracting companies should continue to

be mentored to listen to the voices of smallholder farmers and recognize farmers as an important business partner and to deal fairly with them. Likewise, farmers should be mentored to realize that they are not an extension of the company workforce.

The other challenge faced by smallholder farmers in implementing the market- based approach is that they lack the management skills in practicing farming as a business. It is therefore necessary for them to be capacitated.

3.2 Prospects

The study focused on issues of market- based approach in promoting poverty alleviation for smallholder farmers in Domboshava. The SNV project in Domboshava was taken as the case study. In order to improve the effectiveness of SNV's project, the organisation should repeat the study in its other operational areas in the country to ascertain whether the same challenges will rise and why.

Non- governmental organisations should facilitate market linkages for smallholder farmers with companies that require crops that farmers are already engaged in. This was clearly shown by the farmers as they expressed that they are being diverted from their usual crops to suite what the buyer wants. It is clear that this can lead to lose of resources as the farmers will be growing a crop that they are not familiar with. In as much as they receive training on how to grow the new crop, probabilities of some farmers doing it the wrong way are high. This will result in wasted time and resources as they will not get the expected yield.

Irrigation technology should be availed for smallholder farmers to be able to produce all year round. It must be noted that horticultural crops require much water so as to realise a good yield. Smallholders' use of water cans to water their crops increases labour and time as well.

It is also of great significance for the smallholder farmers to have a revolving fund they can access funds for inputs and improved technology. Collateral has been a factor hindering

access to funds for the smallholder farmer. A revolving fund is therefore necessary for the smallholder farmers. The revolving fund can be managed by SNV.

3.3 Conclusion

The chapter highlighted the challenges that are faced by the smallholder farmers in using the market-based approach as well as the prospects that can be implemented so as to make the approach relevant and favourable to the farmer. The case-study has shown that, access to markets, is not always confined to an increase in sales or income, as much as income is important the smallholder farmers have conceptualised what they believe is also critical for them to have the satisfaction that they are actively participating in the horticultural market. Therefore ignoring what they believe can result in smallholder farmers possibly classifying a high income project as failing to satisfy their requirements. The DOHOPA association has not yet reached the point of excess profits but what keeps the members motivated is not just the potential income, it appears it's more the sense of being a part of an entity that allows them full participation in the market beyond just being able to sell more horticultural produce at the farm gate.

General Conclusion

SNV's interventions in Zimbabwe have contributed significantly in improving livelihoods for the smallholder farmers. In Zimbabwe the rural poor are the mostly affected by the poverty phenomenon. A shift from humanitarian aid to a market-based approach has also resulted in farmers not dependent on non- governmental organisations for assistance but rather they are now capacitated to practice farming as a business rather than for subsistence purposes only. The facilitation of market linkages for smallholder farmers by SNV has resulted in farmers' incomes being increased and improved food security evidenced by surplus harvest or the ability to purchase enough food for the household. In this context, SNV has impacted lives as far as smallholder's incomes and food security is concerned.

It has been noted that the market- based approach has alleviated poverty to a greater extend for the farmers in Domboshava as they are now able to send their children to school and purchase food for their households. Market- based approach have promoted poverty alleviation in that if children are given the opportunity to go to school there will not be high illiteracy rates, thus, leading to economic development.

The research also noted that farmers' incomes have increased tremendously since the inception of the project. The farmers stated that as a result of SNV's project they now have a guaranteed income. In terms of food security, the farmers have enough capital to purchase food for the household. The smallholder farmers in Domboshava are now able to employ other community members during the harvest period thus contributing to the percentage of employment in Zimbabwe.

It was noted that, in as much as the approach has improved the livelihoods of the smallholder farmers in Domboshava, there are challenges that are faced by the smallholder farmers as well as the buyer. On the part of the farmer, after signing an agreement with the contracting company, he or she is bound to sell the produce to the contractor despite the fact that there

might be a market that is offering a better price. It is a binding relationship. On the part of the buyer, if the farmers are not consistent in supplying the produce, the buyer suffers great losses. In summary, the market- based approach can be implemented in alleviating poverty in Zimbabwe as it has brought significant changes to the smallholder farmers.

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APPENDICE 1 Introductory Letter

Private Bag 9055

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Zimbabwe,

Telephone: +263-54-260450/260490/260409 Ext. 2159



Fax: 263-54-260311/260233

DEPARTMENT OF DEVELOPMENT STUDIES

MIDLANDS STATE UNIVERSITY

19 September 2014

Dear Sir/Madam

Subject: UNDERGRADUTE DISSERTATION RESEARCH FOR TSITSI THELMA ZIYAMBI

This letter serves to inform you that the above named student is carrying out research as part of his fulfillment for undergraduate studies. The research topic reads:

The role played by Netherlands Development Organization in promoting poverty alleviation for smallholder farmers in Domboshava using the Market- Based Approach (The SNV Case 2012-2014)

For more information feel free to contact the Department.

Yours sincerely

Dr J Matunhu

Department of Development Studies (**Chairperson**)

APPENDICE 2

38 Rossal Road

Greendale

Harare

15 September 2014

The Sector Leader

Netherlands Development Organisation

6 Caithness Road

Eastlea, Harare

Dear Sir

RE: Application for permission to carry out a research in your area of programming in Domboshava.

I am a student at Midlands State University currently studying Bachelor of Arts in Development Studies Honors Degree as an undergraduate with the registration code R112133H. The research is wholly for academic purposes in partial fulfillment of the above degree program with no political affiliation. The research seeks to assess the effectiveness of market- based approach in promoting poverty alleviation for smallholder farmers in Zimbabwe, SNV as a case study and its operations in Domboshava. Attached is a questionnaire which shall be used to gather data in line with the research topic.

I am looking forward to your favorable response.

Yours sincerely

Tsitsi Thelma Ziyambi

.....

APPENDICE 3 Questionnaire

Midlands State University

Questionnaire for Respondents

My name is Tsitsi Thelma Ziyambi final year student at Midlands State University studying Honours Degree in Development Studies. As a partial fulfilment of my degree, I am conducting a research study entitled, **“The role played by Netherlands Development Organization in promoting poverty alleviation for smallholder farmers in Domboshava using the Market- Based Approach (The SNV Case 2012-2014).”** To that end you are kindly requested to complete the questionnaire by filling in the spaces provided. The information collected will be treated as confidential and for academic development purposes only. Your participation is voluntary and you can withdraw at any time without penalty.

Instruction: Fill-in or tick as appropriate

SECTION A: Demographics	
1. District	
2. Ward	
3. Name	
4. Sex	1. Male 2. Female
5. Year of birth (e.g. 1985)	
6. Marital status	1=Single/never married 2= Married 3= Divorced/Separated

	4= Widowed									
7. Highest level of education attained by Household head	1= No formal education 2= Some primary (but not completed grade 7/standard 6) 3= completed primary (grade 7/Standard 6) 4= Some secondary (but not completed form 4) 5= Completed secondary 6= Completed A level 7= completed tertiary									
8. Household Size										
SECTION B:Relationship with SNV										
9. How long have you been working SNV	1. Year 2. 1-3 Years 3. More than 3 years									
10. On a scale of 1-10 how do you rate your relationship with the company(where 1 is Very Poor and 10 is Very Good)	1	2	3	4	5	6	7	8	9	10
11. Briefly describe any significant positive changes that have happened to your household due to the relationship with SNV										

<p>12. Briefly describe any significant negative changes that have happened to your company due to the relationship with SNV</p>														
<p>13. What possible solutions do you suggest can be employed by SNV to increase access to markets for smallholder farmers?</p>														
<p>14. Which other income generating activities are you involved in and how much do you make a year out of them</p>	<table border="1"> <thead> <tr> <th data-bbox="495 1425 979 1486">Activity</th> <th data-bbox="979 1425 1367 1486">Annual Income from activity</th> </tr> </thead> <tbody> <tr> <td data-bbox="495 1486 979 1556">1. Crop production</td> <td data-bbox="979 1486 1367 1556">US\$</td> </tr> <tr> <td data-bbox="495 1556 979 1625">2. Livestock production</td> <td data-bbox="979 1556 1367 1625">US\$</td> </tr> <tr> <td data-bbox="495 1625 979 1694">3. Fishing</td> <td data-bbox="979 1625 1367 1694">US\$</td> </tr> <tr> <td data-bbox="495 1694 979 1837">4. Petty trade (vending/cross border trading)</td> <td data-bbox="979 1694 1367 1837">US\$</td> </tr> <tr> <td data-bbox="495 1837 979 1906">5. Beer brewing</td> <td data-bbox="979 1837 1367 1906">US\$</td> </tr> </tbody> </table>	Activity	Annual Income from activity	1. Crop production	US\$	2. Livestock production	US\$	3. Fishing	US\$	4. Petty trade (vending/cross border trading)	US\$	5. Beer brewing	US\$	
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4. Petty trade (vending/cross border trading)	US\$													
5. Beer brewing	US\$													

	6. Piece work (maricho)	US\$
	7. Formal employment (e.g. shop keeper/teacher)	US\$
15. Which training have you received since you started working with SNV?	1. Production (crop) 2. Farming as a business 3. Business skills 4. Never trained	
16. How has SNV impacted lives in terms of income, employment and food security?		
SECTION C: Productivity		
17. How many people do you employ during the harvesting period?		
18. What are the requirements of the market in terms of quality and quantity?		
19. How is labour divided between		

men and women?				
20. Who accesses the market in the household?	Men	Women		
21. In the last 12 months how much business have you realized in terms of your horticultural crops?	Commodity	Volume	Value (US\$)	
22. What are the weaknesses, strengths, opportunities and threats of SNV's approach to poverty?	Weaknesses	Strengths	Opportunities	Threats

	6=Never
Perception of the project	
What are the issues that smallholder farmers face in accessing markets?	
What market access issues do the Domboshava smallholder farmers in the SNV project face?	
How does the project address these issues?	
What is the future of the Domboshava smallholder farmers post project closure?	
What is the most significant change that has happened to your household due to the project (interms of employment, food security and incomes)?	
What are the strengths, weaknesses, threats and opportunities of the market based approach being implemented by SNV?	
What is your general comment about the project?	

APPENDICE 5

Key Informant Interview- Chairperson for DOHOPA Association

My name is Tsitsi Thelma Ziyambi final year student at Midlands State University studying Honours Degree in Development Studies. As a partial fulfilment of my degree, I am conducting a research study entitled, **“The role played by Netherlands Development Organization in promoting poverty alleviation for smallholder farmers in Domboshava using the Market- Based Approach (The SNV Case 2012-2014).”** To that end you are kindly requested to complete the questionnaire by filling in the spaces provided. The information collected will be treated as confidential and for academic development purposes only. Your participation is voluntary and you can withdraw at any time without penalty.

1. When was the association established?
2. What is the vision of the group?
3. What role did SNV play in the establishment of the group?
4. How has SNV’s programme contributed to improved livelihoods for the group members?
5. What are the challenges faced?
6. In your view, what possible solutions do you suggest that can be employed by SNV to promote market access for smallholder farmers?

APPENDICE 6

Key Informant Interviews –SNV

Key Informant Interview- Chairperson for DOHOPA Association

My name is Tsitsi Thelma Ziyambi final year student at Midlands State University studying Honours Degree in Development Studies. As a partial fulfilment of my degree, I am conducting a research study entitled, **“The role played by Netherlands Development Organization in promoting poverty alleviation for smallholder farmers in Domboshava using the Market- Based Approach (The SNV Case 2012-2014).”** To that end you are kindly requested to complete the questionnaire by filling in the spaces provided. The information collected will be treated as confidential and for academic development purposes only. Your participation is voluntary and you can withdraw at any time without penalty.

1. What are the challenges faced by smallholder farmers?
2. What is your motivation in facilitating market linkages for the smallholder farmers in Domboshava?
3. In your view, how has this new approach to development improved the livelihoods of the Domboshava smallholder farmers?
4. Is it a win- win situation for the smallholder farmer and the market chain?
5. What are the challenges faced in linking smallholder farmers to markets?