Zimbabwe Soya Bean Sub-Sector Study
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List of Acronyms

AGRITECH  Agricultural and Technical Extension
ARDA    Agricultural and Rural Development Trust
CFU     Commercial Farmers’ Union
SDP     Soya Beans Development Program
DII     Development Innovations International
FGD     Focus Group Discussion
GDP     Gross Domestic Product
GMO     Genetically Modified Organism
GoZ     Government of Zimbabwe
ICFU    Indigenous Commercial Farmers’ Union
IFAD    International Fund for Agricultural Development
MT/mt   Metric Ton
NASF    National Association of Soya Beans Farmers
NGOs    Non-Governmental Organizations
SNV     Netherlands Development Organization
VCA     Value Chain Analysis
ZSIT    Zimbabwe Soya beans Industry Trust
ZFU     Zimbabwe Farmers’ Union
ZWLAT   Zimbabwe Women, Land and Agriculture Trust
USAID   United States Agency for International Development
USDA    United States Department of Agriculture
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This study sought to enable SNV-Zimbabwe identify and understand soya beans sector dynamics i.e from farmers to firms, channels, markets trends, production and consumption trends, viability and activities. A Value Chain Analysis (VCA) was used to analyze the dynamics in the soya bean oil sub-sector and recommend areas for growth and SNV support.

In general terms soya bean production has declined in Zimbabwe due to a combination of economic and land reform related factors. At the same time productivity dropped creating 60-70% output gap which is met through imports from South Africa, Zambia and Malawi. The current supply gap has seen the country losing hard to mobilize resources through imports presenting another impetus for boosting output.
This requires addressing capacity challenges amongst the 50 000 smallholder, connecting them to private sector companies keen on contract farming arrangements and strengthening the support environment.

The specific findings of the study are:

Input Supply:

90% of the farmers use returned seed and do not apply the recommended agronomic practices, for instance the use of herbicides and inoculants. This contributes to the low productivity among the smallholder farmers (average 0.5t/ha). The provision of quality extension services is very weak. Smallholder farmers do not have access to financing windows.

Production:

The production of soya beans has been on the declining trend during the last decade caused by the land reform. After 2010, the area under cultivation has increased but the yields have remained below the commercial production benchmark. The national average yield is 1.5t/ha which is about 50% below the high producers of soya beans such as Argentina at 3.4t/ha.

Processing:

The three processing methods are chemical / solvent extraction, pressing (mechanical extraction) and hydraulic pressing. The country has installed capacity to crush 500 000MT per year and the current capacity utilization hovers around 10%. The leading processors are Surface Investments and Olivine Industries. Besides low capacity utilization, the processing equipment needs refurbishment as some of it is over 30 years.

Soya Bean Marketing:

The wholesaling of the soya bean oil is done through leading wholesalers such as Mohammed Musa and N. Richards. The retailing is done through supermarkets such as OK, TM and Spar. The soya bean oil subsector has four market outlets which are - own farm consumption, poor urban and rural consumers, high income urban earners and institutional buyers such schools and hospitals.

The study makes the following recommendations:

a) Supporting and strengthening soya bean production base.

Set up production hubs in the high potential areas. The production hubs will avail the smallholder farmers with access to inputs, extension services and marketing outlets. The study recommends the revival of the Zimbabwe National Soyabean Commodity Association.

b) Brokering Funding for the Chain Actors.

Set up a fund that caters to the input needs of the farmers and the needs of the processors. These should be set-up as two separate financing windows but with mutual feedback mechanisms.

c) Support to stronger research, extension and development cycles.

SNV should consider directly contributing to existing research and development streams while identifying and supporting alternative channels, engaging local capacity builders working in action research.
**d) Supporting stronger farmer organisational capacity.**
Political polarization, previous national input programmes and stresses on the part of farmer organizations have dented organizational effectiveness and ruined trust amongst farmers. SNV and partners could help rebuild relevant farmer organizations generally but specifically in relation to farmer-private sector interaction. This support is better initiated with a focus on areas with medium to high densities of smallholder soya beans producers.

**e) Supporting value addition processes close to the farms.**
Available technical solutions hat farmers and rural entrepreneurs could be encouraged to develop as part of supporting horizontal connections between soya beans production and poultry, piggery and dairy farming business. Activating such market opportunities by connecting relevant agricultural enterprises would be critical to promoting production while at the same time boosting consumption.

**f) Supporting a focused national soya beans discussion-planning forum.**
Subsector players have had sporadic conversations in part affected by movements of key individuals due largely to the reconfiguration of the agrarian sector. This has destroyed the consistent and strategic thinking and action towards resuscitating performance. Facilitated discussions and action planning around:
- General challenges faced by farmers,
- Contract farming,
- Technology issues for smallholder farmers,
- and Extension services,
- The roles of key actors (Government, middlemen etc).
The forum could be decentralized to producing provinces and/or districts with proceedings being summarized, published and disseminated to relevant stakeholders.

**g) Policy Environment.**
The study recommends policy advocacy and lobbying in the following areas:
- Declaration of soya bean as a strategic grain
- Strategically protecting the sector from cheap imports from neighbouring countries.
Background of the Study
SNV was engaged by the Danish International Development Organisation (DANIDA) to implement the Rural Agriculture Revitalisation Project - Commercialisation of Smallholder Farmers (RARP CSF), an initiative which seek to facilitate commercialisation of smallholder agriculture with a view to promote improved household incomes, employment and food security. The project aim was to reach 280,000 smallholder farming households throughout all eight rural provinces in Zimbabwe.

The development objective of the project was to commercialise smallholder farming in the country by re-instating sustainable commercial input and output marketing channels as well as technical and business development services provision. The RARP CSF was implemented following an integrated value chain development approach that addresses all constraints hindering growth in specific sub sectors.

The project components which include improving small scale farmers’ access to the right and high yielding inputs, development of win-win sustainable contract farming arrangements and provision of effective business development services have been designed to facilitate the revitalisation of the horticulture, oil seeds and dairy sub sectors.

**The project’s immediate objectives are:**

1. To facilitate access to credit for intermediaries in the agricultural and food value chains.

2. To promote private sector competitiveness through “Matching Grants” that will promote technology upgrades and market development.

3. To promote food security through improved access to inputs and output marketing channels and processing services.

4. To facilitate smallholder farmers participation in formal markets through development of the dairy, oil seeds and horticulture value chains.

5. To consolidate and enhance programme development through studies, pilots and innovation.

This study sought to enable SNV-Zimbabwe identify and understand the soya bean value chain dynamics regarding actors (from farmers to firms), channels, markets trends, viability and production and consumption trends.

Such an understanding would inform SNV’s overall exploration of ways to support soya bean production and productivity through, inter alia, enhancing private sector participation and increasing the number of smallholder farmers pursuing soya bean production on a commercial basis under the RARP CSF Oilseeds component and for the benefit of other agencies and actors who wish to intervene in this sub-sector.
This paper focuses on soya beans and discusses its overall context within Zimbabwe’s agriculture sector. Soya beans production was principally a preserve of large scale commercial farmers until the advent of Fast Track land reform in 2000. This policy and programme context has shaped national agricultural and the general economic architecture of the country. The oilseeds subsector has been equally affected with a number of constraints.

1.1 Purpose and Objectives of the Study

The purpose of the study was to enable SNV-Zimbabwe identify and understand soya beans sector dynamics. Such an understanding would inform SNV’s overall exploration of ways to support sub-sector production and productivity through, inter alia, enhancing private sector participation and increasing the number of smallholder farmers pursuing soya bean production on a commercial basis.

The study identified the general market inefficiencies, structural constraints and opportunities among the different actors in the sub-sector. It also identified sub-sector intervention areas and entry points open to SNV including the kind of partnerships open to the organization.

Specific objectives and methodologies that were pursued are as follows:

1. Investigate the potential for commercializing the smallholder soya bean subsector
2. Verify smallholder ability to meaningfully participate in sustainable production of soya beans sub sector),
3. Identify private sector, donor and NGO appetite to support smallholder participation
4. Develop a subsector framework integrating all the identified activities and processes including primary and support services that encourage entrepreneurs to take advantage of available sub-sector potential
5. Identify obstacles in the sub-sector and suggest actions to leverage its development
6. Identify funding linkages and other opportunities
7. Gauge the level of employment and production

This paper engages with the existing prospects of extent of farmer organization and interaction with the support service environment. Success achieved in tobacco, cotton and to some extent
maize where smallholder farmers were successfully integrated into production systems traditionally dominated by large-scale commercial farmers inspires relevant action. In the soya beans subsector, relevant skills in production, access to inputs including finance, farmer organization and private sector participation are explored in this paper. The paper maps out the broad agricultural to locate the potential for private sector involvement in the soya beans subsector.

1.2 Study Methodology

The study was undertaken using the overall framework of value chain analysis (VCA) using a mixture of quantitative and qualitative methodology. Key informant interviews with key actors involved in the production, processing and marketing of soya beans were also done.

Table 1 shows the categories of organization from which the informants were drawn. A stakeholder workshop where preliminary findings and recommendations were presented allowed the study to generate more insights into subsector operations. Additional to the primary data collection and analysis, the study included extensive review of literature on the subsector.

Most of the documents reviewed provided insights into output trends, productivity levels and the overall performance of producers by land use and tenure categories as far as was possible. A major limitation of the study was the team’s inability to interact with soya beans farmers. This was largely because of time and resource constraints.
The soya bean is one of the high value crops and its production has strong industry linkages. The crop supports processing of value added products such as soya beans cake, soymilk, soy yoghurts, flour, margarine and soya beans oil. Soya bean produces 30% of cooking oil nationally, and its oilcake, which is a by-product of oil extraction, is sold to feed manufacturers.

The growth in smallholder participation in soya beans is attributed to direct government promotional activities through a Promotion Taskforce led by the University of Zimbabwe initially and currently steered by the Government. The Zimbabwe National Soya beans Commodity Association (ZNSCA) under the Agricultural Research Council (ARC) has also been active in the process of promoting smallholder. Estimates show that about 50 000 smallholder farmers currently grow soya beans though they account for 2% of national output in part because pieces of land devoted to the crop are still small.

National output has dropped in recent years to about 50 000t per year, due to by shrinkage in the producer base and loss of productivity amongst both smallholder and large-scale farmers. Low output has caused considerable shortages of raw materials for cooking oil expressing and stock feeds.

Boosting local production of soya bean will save on import costs and reduce stock feed costs.

Currently the large scale commercial farmers are producing 65% and the smallholder farmers account for 35% of the national soya bean production.

The input supply function in the soya-beans production is delivered by private seed houses (SEEDCO and Panar) who supply high-breed seed varieties, although 90% of the farmers use returned seed. The production base is constituted by smallholder farmers (output is 2%), A2 (output is 33%) and large scale commercial farmers and the ARDA estates (65%).

The bulk buying and storage of the soya bean is done by public (GMB) and private organizations. The crushing of oil is done by three leading companies (Surface Investments, Olivine and United Refineries). The processed oil is sold through the leading wholesalers for retailing through supermarkets to the different market outlet chains.

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1 It is recommended to use returned seed for not more than three season.
2.1 Soya Bean Subsector Map

**Figure 1: Soya bean subsector map**
3.1 Input Supply

To get the maximum yield, the soya bean crop requires seed, fertilizers, lime, inoculants, herbicides and mechanized (irrigation) equipment. The required inputs are readily available in Zimbabwe and are primarily provisioned by the private sector. The smallholder farmers mostly use fertilizers and lime and herbicides when it is provided through subsidized input schemes. Table 2 gives a summary of the current practices in relationship to input supply.

The majority of the soya beans farmers are facing challenges in accessing seed, fertilizers and chemicals following the collapse of the contractual arrangements with the major processing companies. There is a general lack of technical knowledge and extension which contributes to low productivity especially among the new inexperienced farmers.

3.2 Business Development Services

Harare Research Station plus which is a Government of Zimbabwe soya bean breeding programme along with support from Seed Services, Soil Chemistry Branch and the Plant Protection Institute has taken the lead in research and business development services for soya beans. Seed Companies like SEEDCO also have released varieties of seeds that are grown commercially. Extension services is provided by AGRITEX, Seed Companies, the University of Zimbabwe and the three Farmers Unions (CFU, ZFU and ZNFU). Private processing companies involved in contract farming also provide extension services. However the high farmer to extension ratio makes it almost impossible for the extension officers to reach all the smallholder farmers. The current breed of extension officers\(^2\) have limited knowledge on the production of soya beans.

3.3 Financial Services and Products

There are no specific financial windows set aside for soya bean production. The available financial products are short term (not more than twelve months) and are done on the basis of relationship of the farming enterprise with a financier.

The smallholder farmers require funding to purchase the inputs and banks prefer to curtail the risks of dealing with smallholder farmers by providing finance through third parties such as processors (who are risk bearers). However there are funding options for mechanization of soya beans in Zimbabwe. But accessing production finance is a challenge for commercial farmers. Additional constraints for new farmers on access to finance is from land tenure insecurity as most also lack collateral in the form of titled urban properties.

\(^2\) Those who underwent fast track training
<table>
<thead>
<tr>
<th>Type</th>
<th>Qty Required per ha</th>
<th>Suppliers</th>
<th>Availability</th>
<th>Current Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Certified Seed</strong></td>
<td>100kg</td>
<td>SeedCo, Pannar, ARDA, AGPY</td>
<td>Readily available</td>
<td>Over 90% of the farmers use recycled seed. The challenge is that most of the smallholder farmers go beyond the three season retention period. They therefore experience high declines in productivity.</td>
</tr>
<tr>
<td><strong>Rhizobium</strong></td>
<td>1 Sachet</td>
<td>Grasslands Research Station</td>
<td>Normally they fail to produce enough</td>
<td>Most smallholder farmers do not inoculate the seed. The limited inoculation practice is accounted for by the shortage of RHizobium and poor agronomic practices.</td>
</tr>
<tr>
<td><strong>Lime</strong></td>
<td>300kg</td>
<td>G &amp; W, ZFC and Windmill</td>
<td>It’s available</td>
<td>Only required when pH is below 5.5. Most smallholder farmers do not know the pH of the soils and therefore hardly use lime. The soil testing functions are not readily accessible to the smallholder farmers.</td>
</tr>
<tr>
<td><strong>Compound L</strong></td>
<td>200-300kg</td>
<td>ZFC, Windmill, Omnia and other small players</td>
<td>In short supply</td>
<td>There is limited application of compound L because of the available challenges.</td>
</tr>
<tr>
<td><strong>Sencor</strong></td>
<td>0.60L</td>
<td>ZFC, Windmill, AGRICULA, CROPCHEM, Prime Crop Chemicals, Intercrop, Westbay, Citichem and a lot of small players</td>
<td>Available</td>
<td>Most smallholder farmers do not use crop chemicals. This has been attributed to poor knowledge base of the effect on chemicals on productivity.</td>
</tr>
<tr>
<td><strong>Lasso</strong></td>
<td>2.50L</td>
<td></td>
<td>Available</td>
<td></td>
</tr>
<tr>
<td><strong>Fusillade</strong></td>
<td>0.80L</td>
<td></td>
<td>Available</td>
<td></td>
</tr>
<tr>
<td><strong>Classic</strong></td>
<td>30g</td>
<td></td>
<td>Available</td>
<td></td>
</tr>
<tr>
<td><strong>Thionex</strong></td>
<td>0.35L</td>
<td></td>
<td>Available</td>
<td></td>
</tr>
<tr>
<td><strong>Shavit</strong></td>
<td>0.50L</td>
<td></td>
<td>Available</td>
<td></td>
</tr>
</tbody>
</table>

*Table 2: Current Practices of Inputs Utilization
Source: Field Data August 2012*
3.4  Production

3.4.1  Production Areas

The major soya beans producing areas shown in Table 3 below.

3.4.2 Actors Involved in the Production of Soya Beans

Smallholder Communal and Resettlement Farmers

Farmers who own less than 5 hectares of land and the produce soya beans as a side crop. The increase in the growing of the soya beans by this category of farmers has been promoted by the NGOs (e.g. AFRICARE).

A2 Farmers

The average farm size for A2 farmers is 150 hectares for A2 farmers who grow soya beans for commercial purposes. Most of the farmers in this category grow under contracts from the processing companies. Jointly with the small holder communal and resettled farmers supply 35% of soya beans produced in Zimbabwe.

Commercial Farmers and ARDA

The commercial farmers and ARDA estates grow soya beans at highly mechanized levels and supply 65% of the soya bean output in the country.

Farmers Representative Organizations

The soya bean producers are represented by the three main farmers’ union that is CFU, ZFU and ZNFU. At CFU, the soya bean farmers are housed under the Commercial Oil Producers Association (COPA)

Research Institutions include:
1. Zimbabwe Oil Pressers Association
2. Soya Bean Task Force
3. Agriculture Research Council
4. Zimbabwe National Soya Bean Commodity Association
3.4.3 Production Trends

Production of soya beans reached a peak of 140,000t in 2001\(^3\) before falling as indicated in the bar-graph, Figure 3, below.

The levels of productivity in Zimbabwe (1.55t/ha) are low compared to high producing countries such as Argentina (3.4t/ha). Table 4 shows that output per hectare did not vacillate too much. In Zimbabwe the commercial farmers’ average yield is 1.8t/ha, whilst the smallholder farmers produce 0.5t/ha The output gap has arisen due to the combined effect of drops in land cultivated and the actual productivity. The market price of about USD260/t, is much lower than the production costs which goes up to USD500/ha shows that farmers make losses largely due to low unit of output levels.

The previous bar-graph (Figure 3) above also indicates the soya bean production is very sensitive to promotional activities. In the years 1986-1990, the production of soya beans picked up of the promotion soya bean production among the smallholder farmers by Dr. Whingwiri. Between 1999 and 2002 the production also picked up because of the promotional drive by the Soya Beans National Taskforce. Then

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**Table 4: Soya bean Yield and Output against the 1990’s Average** • Source: Ministry of Agriculture, 2009

<table>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output (Thousand tonnes)</td>
<td>95.51</td>
<td>175.00</td>
<td>140.80</td>
<td>84.42</td>
<td>41.01</td>
<td>85.82</td>
<td>72.01</td>
<td>70.32</td>
<td>48.30</td>
<td>115.80</td>
</tr>
<tr>
<td>% difference from 1990 Average</td>
<td>83.2%</td>
<td>47.4%</td>
<td>-11.6%</td>
<td>-57.1%</td>
<td>-10.1%</td>
<td>-24.6%</td>
<td>-26.4%</td>
<td>-49.4%</td>
<td>21.2%</td>
<td></td>
</tr>
<tr>
<td>Yields (mt/ha)</td>
<td>1.72</td>
<td>2.30</td>
<td>1.40</td>
<td>1.00</td>
<td>0.80</td>
<td>1.40</td>
<td>1.30</td>
<td>1.30</td>
<td>0.67</td>
<td>1.36</td>
</tr>
<tr>
<td>% difference from 1990 Average</td>
<td>33.7%</td>
<td>-18.6%</td>
<td>-41.9%</td>
<td>-53.5%</td>
<td>-18.6%</td>
<td>-24.4%</td>
<td>-24.4%</td>
<td>-61.0%</td>
<td>-20.9%</td>
<td></td>
</tr>
</tbody>
</table>

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\(^3\) http://www.izimbabwe.co.zw/news/local, New Ziana of 17th January 2012 cites a figure of 170 000t for the same year (downloaded 4th October 2012),
in 2005-2006, the production picked up because of the funding that was provided by the Reserve of Bank.

Apart from Fast Track Land Reform Programme, drought impacts negatively in the land cultivated particularly on a commercial basis since most production is under rain fed conditions. The national yields of soya beans in Zimbabwe is shown in the bar-graph, Figure 4.

![Figure 4: National Average Yields (t/ha)](source: AGRITEX October 2012)

The study also found out the national yields have declined in comparison to the average in the 1990s.

The table below indicates the declining trends. Then there is poor agronomic practices that result in low productivity.

The current production levels (50,000MT) falls short of the national demand of 220,000MT per year. To meet the shortfall in the production, Zimbabwe is importing 60-70% of its soya requirements mainly from South Africa, beans and cake from Zambia and Malawi. The bar-graph, Figure 5, shows the difference between soya bean produced and the national requirement.

![Figure 5: Soya Bean Production versus Consumption Needs](source: http://www.indexmundi.com/agriculture. Visited 27 September 2012)

### 3.4.4 Production Costs

The production costs of soya beans involves two options: The first relates to the current practices and option 2 is the recommended production system, where the farmer applies the best agronomic practices. The difference in the product costs under the two production system are shown in the Table 5 below:

<table>
<thead>
<tr>
<th></th>
<th>Option 1 (Current Practice)</th>
<th>Option 2 (Recommended)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield (t/ha)</td>
<td>0.50</td>
<td>3.00</td>
</tr>
<tr>
<td>TVC ($/ha)</td>
<td>140.00</td>
<td>516.00</td>
</tr>
<tr>
<td>Blend Selling Price ($/t)</td>
<td>560.00</td>
<td>560.00</td>
</tr>
<tr>
<td>Gross Income ($/ha)</td>
<td>280.00</td>
<td>1,680.00</td>
</tr>
<tr>
<td>Gross Margin ($/ha)</td>
<td>140.00</td>
<td>964.00</td>
</tr>
</tbody>
</table>

**Conclusion**

If a smallholder farmer is to meaningfully earn a living out of soya production (with poverty datum line of US$400/month for a family of 6) he/she needs to plant between 5-7ha

Table 5: Production Cost
3.5 Storage

The storage of soya beans in Zimbabwe is done on farm as well as at private (Northern Products, Staywell, Croplink, Intergrain) and public (GMB) storage facilities and in factories of processing companies. Smallholders mostly store their soya in on-farm granaries before being sold or processed for on-farm consumption.

3.6 Processing

Soya beans processing is done at factories involved in the manufacturing of edible or cooking oil, stock feeds while at times farmers and other industry players undertake toll crushing for their own use or resale. The different approaches used in soya beans production are indicated in Table 6.

The solvent extraction method is used by large scale processors (crushing in excess of 100 tonnes per day). All the major oil processors in Zimbabwe use the solvent extraction method. The mechanical pressing machines range in price from USD5,000 to USD50,000 and are used by small-scale to medium entrepreneurs who process at least 15 tonnes a day. The small processors and household processing is done by using screw pressers and expellers.

3.6.1 Processors and Processing Capacity

The leading oil processors in the country are Surface Investments, Olivine Industries and United Refineries and have 82% market share. The market share distribution in the soya bean oil processing sector is shown by Table 7. Zimbabwe has an estimated installed extraction capacity of 523,000 metric tonnes per year and the operational capacity is 62%, with the majority of...
the plants operating below 20% of their installed capacity as is indicated in the Table 8.

In concluding the findings of production, average processing capacity utilization in the industry is around 20%, which makes production of oil expensive because of high overhead costs. They machines need upgrading, but the liquidity crisis in the country is hindering this.

3.7 Marketing of Edible Oil

Well-developed and established markets and marketing channels are critical for any activity, especially production based activity to prosper. The wholesale market of soya beans is dominated by the leading wholesales in the country such as Mohammed Musa, Bhadella and West Wholesalers. The retail outlets comprise of supermarkets (TM, OK, and Spar). The end market channels are on-farm, poor rural and urban consumers, high income consumers and institutional consumers (hospitals, schools, hotels and restaurants). The price of imported oil is cheaper compared to the locally produced oil as shown in the Table 9.

The price differentials between the imported and local imports is because of low capacity utilization in Zimbabwe and the subsidy (20%) that companies in South Africa enjoy. This subsidy makes it cheaper to export the South Africa oil.

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5 Global Agricultural Information Network Report, Foreign Agricultural Services

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### Table 8: Oil extraction capacity utilization
Source USAID 2011

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Installed Capacity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Metric Tons</td>
<td>%</td>
</tr>
<tr>
<td>1. Surface Investments</td>
<td>200,000</td>
<td>38%</td>
</tr>
<tr>
<td>2. Olivine Industries Pvt Ltd</td>
<td>120,000</td>
<td>23%</td>
</tr>
<tr>
<td>3. National Foods Ltd</td>
<td>90,000</td>
<td>17%</td>
</tr>
<tr>
<td>4. United Refineries Ltd</td>
<td>80,000</td>
<td>15%</td>
</tr>
<tr>
<td>5. Grafax Consortium</td>
<td>18,000</td>
<td>3%</td>
</tr>
<tr>
<td>6. Other Small Processors</td>
<td>15,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>523,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Table 9: Price Comparison of Local and Imported Oil
Source: Field Study, October 2012

<table>
<thead>
<tr>
<th>Brand</th>
<th>Price</th>
<th>Name of Supermarket</th>
<th>Import or Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>2L Sun Star Cooking Oil</td>
<td>$3.89</td>
<td>Spar Borrowdale</td>
<td>Import</td>
</tr>
<tr>
<td>2L D’lite Cooking Oil</td>
<td>$3.99</td>
<td>Spar Borrowdale</td>
<td>Import</td>
</tr>
<tr>
<td>2L Olivine Cooking Oil</td>
<td>$4.45</td>
<td>Bon Marché</td>
<td>Local</td>
</tr>
</tbody>
</table>
Changes to the agrarian structure has shifted producer configurations from large scale commercial to small and medium sized farms in new resettlement areas. In the present situation, government efforts supplemented with private sector participation through contracts seems to be a more sustainable driver beyond the basics of crop introduction. Farmer organization by the Task Force, the Zimbabwe National Soya beans Commodity Association and the role of the diversity of farmer organizations (CFU, ZFU and ZNFU) has progressed albeit during a period of economic collapse. While soya beans contribution to the national economy (GDP) may be small, its significance lies in its import-saving potential with regard to edible oils and stock feeds since it contributes 30% towards the former.

Therefore this study makes the following conclusions:

- **Production and productivity is constrained by a combination of factors related to farmer-level skills and knowledge, the quality of support services (extension and finances) and input supply. Availability of land (between 5ha and 7ha) constrains production in the communal and old resettlement areas, also land available in A2 farms are contested lands. The country is using less than 10% of the installed processing capacity because of low production and productivity of soya beans.**

- **The regulative environment is too open which curtails competition from local production. Soya bean production is highly sensitive to promotional intervention.**

### 4.1. Recommendations

Subsector opportunities for SNV lie in both production and processing. Specific recommendations arising from this study relate to the following:

**i. Strengthening Soya Beans Production**

Production of soya beans is far from meeting the national demand. There is call for intervention by SNV to structure input schemes (for seed and fertilizers), private sector participation and extension services required for sustainable and market-responsive production.

The study has confirmed the existence of demand for soya beans and private sector initiative to support production (e.g. Olivine). SNV can support innovations in extension and production -marketing frameworks for the subsector and replace cotton model with soya beans under appropriate conditions of institutional support and private sector contracting to increase hectarge under crops amongst small holders in natural regions 1 to 3.
There is need to set-up production hubs to stimulate productivity. The production hubs should enable the smallholder farmers’ access inputs, extensions and market outlets. It is recommended that setting up of a study circle can enhance the knowledge base of the farmers.

**ii. Brokering Funding For Relevant Private Sector Players**

Absence of a structured funding mechanism is among the factors constraining the production of soya beans. To navigate through this challenge the study has recommended the funding mechanism shown in the Soya Bean Funding Model diagram, *Figure 6* below.

In *Figure 6*, there are two separate funding channels. One will be for the supply of inputs and the other will be for the purchase of the output (soya beans). The supply of funds for input can be channeled through the input suppliers who will provide the inputs to those farmers who are contracted by the processors.

The funding of finance for the purchase of inputs will be channeled through the processors. This funding model distributes equally the borrowing risks between the input suppliers and output purchasers.

SNV has a range of approaches (e.g. Inclusive Business) and instruments (e.g. the CREATE Fund) that could be trained on supporting small to
medium sized agri-businesses in boosting small holder soya beans production.

**iii. Contributing To Stronger Farmer Organization**

SNV and partners could initiate to rebuild relevant farmer organizations generally but specifically in relation to farmer-private sector interaction on areas with medium to high densities of smallholder soya beans producers. This could lead SNV to consider strategic partnerships with existing subsector key players and thus develop a deeper understanding of subsector institutional dynamics.

Specific areas of focus in strengthening farmer organization could be included in group management, information flow, conflict management and other subsector governance issues to improve monitoring of farming activities, capacity development and use of farming inputs.

There are recommendations to facilitate the capacity strengthening in hardware and software of the Zimbabwe National Soya Bean Commodity Association to spearhead the production of soya beans in the country.

**iv. Supporting Value Addition Processes as Close to the Farm as Possible**

A number of technical solutions are available in the market to support farmers and rural entrepreneurs’ connecting between soya beans production and poultry, piggery and dairy farming business. These are relevant market opportunities critical to promote production while at the same time boosting consumption (with its nutrition and health benefits that feed into labour availability).

**v. Contributing to Stronger Research, Extension and Development Cycles**

SNV should consider directly contributing to existing research and development streams while also identifying and supporting alternative channels by engaging local capacity builders working in action research. Baseline surveys would be critical to establish the starting points and smallholder ambitions. It is critical for SNV to support a process of elaborating production contexts and issues skills, socio-economic characteristics of farmers, technology (knowledge and use) and farmer views regarding the subsector.

**vi. Supporting A Focused National Soya Beans Discussion-Planning Forum**

Sub-sector players need to have consistent and strategic thinking and resuscitating actions towards general challenges faced by farmers:

- Contract farming,
- Technology issues for smallholder farmers,
- Extension services,
- The roles of key actors (Government, middlemen etc).

**vii. Policy Environment**

The study recommends policy advocacy and lobbying in the following areas:

- Declaration of soya beans as a strategic grain so that it gains support especially in the provision of inputs as is currently enjoyed by maize and other grains
- Strategically protecting the sector from cheap imports from neighbouring countries.
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