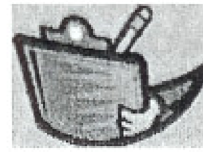
COMMUNITY MONITORING PROGRAMME



Quarterly Community Assessment of the Socio-economic Situation in Zimbabwe:
III: Production and Incomes
October 2004

This report is the third of a series of quarterly monitoring of specific areas of social and economic conditions at community level by the Community Monitoring Programme. Proposals for issues to monitor and feedback on this report are welcomed and should be sent to fsmt2@mweb.co.zw

Background

The Community Monitoring Programme aims to provide community based information to inform programmes aimed at socio-economic development and food security in Zimbabwe.

The Community Monitoring Programme is implemented through civil society organisations based within districts and through community-based monitors. Since 2002 the programme has been carrying out monthly situation assessments of economic and social welfare and food security to support community focussed responses to social and economic challenges and to inform civil society- state interactions on social and economic development. Quarterly monitoring is implemented every three months to examine in a more focussed way specific social and economic issues.

This third round of quarterly community based monitoring is on **Production and incomes.** It was carried out in October 2004 and the report is compiled from **152 monitoring reports** from **58 districts** from all provinces of Zimbabwe, with an average of **2.6 reports per district.**

The monitoring information is collected from sentinel wards within districts. Data presented is cross validated through two or more site reports on any indicator. Training, review by monitors and peer review is continuously implemented to improve both coverage and data quality. Queries and feedback on these reports is welcomed and should be directed to the Civic Monitoring Programme at fsmt2@mweb.co.zw

Key findings

- Small scale farming is reported to be the most common economic activity for households, followed by informal vending. Formal sector economic activity– manufacturing and marketing – is less common, as is manufacturing in the informal economy.

- Female headed households are reported to be even more concentrated in insecure areas of production such as vending and trading with lower levels of small scale farming and minimal formal sector production.

- Child headed households (such as orphan households due to early adult deaths) are reported to have even less access to direct production activities and reported to reply mainly on vending and working for other people as farm or urban labour.

- Most people are reported to rely on small scale farming or informal sector vending, with less access to small scale farming for the most vulnerable households. Urban areas rely on formal manufacturing and informal sector vending.

- Small scale farming and informal sector vending/ trading and remittances from outside Zimbabwe are reported to have increased in relative importance as a source of income for households over the past year. Remittances from outside Zimbabwe were reported as an income source in about a tenth of sites. Manufacturing and remittances within Zimbabwe to have fallen in relative importance as a source of household income.

- Households report various constraints to small scale farming and vending, with female headed households reported to have lower access to tillage, credit and other inputs.

- In the 2003/4 season difficulties in obtaining seed and fertiliser on time were reported as a limiting factor in crop yields, reducing the area of land planted.

- In the 2003/4 season most households were reported to retain rather than sell their maize, with poor harvests, price disincentives, late payments and transport costs reported to be discouraging sales to the Grain Marketing Board.

- Seed and fertiliser were the most commonly reported production constraints in the 2004/5 season. In the 2004/5 season less than a third of sites reported tillage to be available at household level, lower for female headed households. A fifth of sites reported co-operatives being formed to purchase seed and fertilizer and to organize tillage.

- Access to credit is reported to be greater for male than for female producers, with about two thirds of households reported to have access to some form of credit.

- Most raw materials for informal sector activities (vending, production) are reported to be obtained within Zimbabwe, but not within the local area of the producers. Transport costs are thus an issue in informal sector production.

- Sites reported the most critical inputs to improve household incomes from production to be seed, fertiliser, land, tillage and credit or loans tailored for small enterprises.

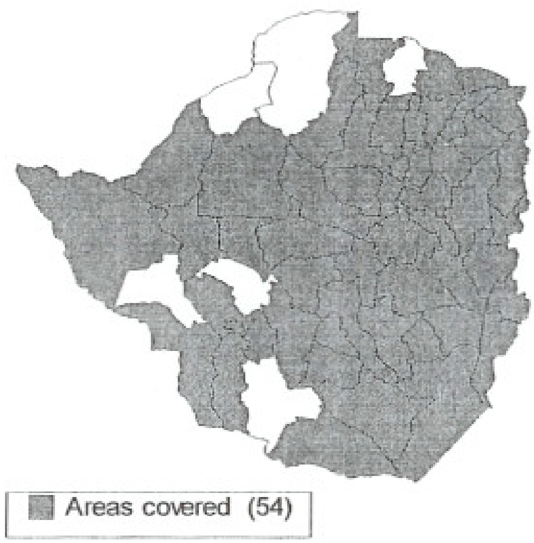
Results

Distribution of production activities

Most Zimbabweans are reported to be engaged in small scale farming and informal sector vending. (See Table 1)

Small scale farming was reported in 65% of sites nationally, and informal sector vending in 21% of sites. Although monitoring sites reported from most districts in the country (see Figure 1 below) there is some bias in the sentinel sites being primarily located in urban, peri-urban and rural communal areas and thus some under-representation of large scale farming.

Figure 1: Districts covered by October 04 quarterly monitoring



The second most common activity reported was informal vending in both rural and urban areas. Formal sector employment was only reported as the dominant production mode in large urban centers.

Table: 1 Distribution of types of production across sites

	% Sites reporting type of production					
Province	Small scale farming	Large scale farming	Formal manufacturing	Informal manufacturing	Formal marketing	Informal vending
Manicaland	70	0	10	0	10	10
Mashonaland East	68	6	0	0	6	19
Mashonaland Central	63	0	0	13	0	13
Mashonaland	38	0	13	13	0	38

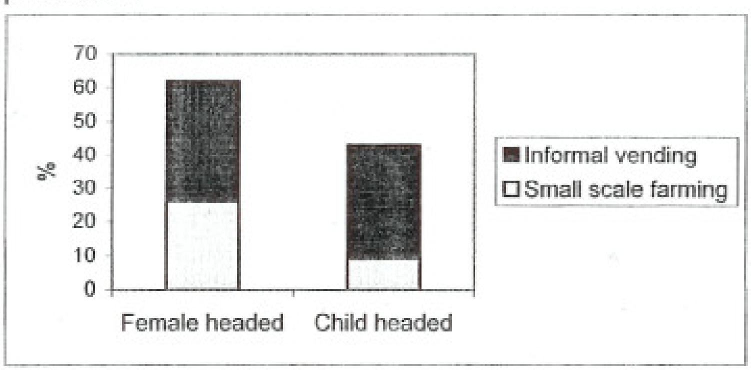
West						
Midlands	67	0	13	0	0	20
Masvingo	83	0	8	0	0	8
Matebeleland North	86	0	0	0	0	14
Matebeleland South	80	0	0	0	0	20
Bulawayo	0	0	50	0	0	50
Harare	7	0	46	12	10	15
Total	65.2	0.6	14	3.8	2.6	20.7

(*) non response make up the balance

This distribution changes somewhat depending on the age and gender of the head of the household. Female headed households are reported to be primarily involved in vending of fruits and vegetables (36% sites) particularly in urban areas, with a lower share involved in small scale farming as their main production activity (26%) than in the overall findings. Women were also reported to be involved in working for other people in their fields in rural areas, cross border trading, market gardening, brewing and selling traditional beer to generate income. Little report was made of women involved in manufacturing.

Child headed households were reported to be involved more in working for others and in trading with little report of own farming. A third (34%) of sites reported that child headed households were involved in vending as their major activity. Child headed households were also reported to be working for other people in the rural areas either herding cattle or in the fields.

Figure 2: Share of sites reporting female and child headed households involved in type of production



In general it would thus appear from the site reports that there is a gradient of insecurity with the larger share of households in less well capitalized areas of the economy (small scale farming and informal sector vending), except in large urban areas, and with increasing levels of participation in the more insecure forms of economic activity (vending, working for others) female headed households and child headed households respectively.

Given that small scale farming and informal sector vending are the most common forms of economic activity, the next sections look further at the issues affecting production in these sectors.

Small scale farming in the 2003/2004 season

Maize seed and fertilizer were reported to be difficult and costly to obtain in the 2003/4 agricultural season in 40% of sites. This was reported to have adversely affected the share of land planted. Over 30% of sites reported that less than a quarter of the arable land in their areas had been planted and only 13% of sites reported that more than three quarters of arable land in their wards was planted.

These constraints also appear to have reduced crop yields with 36% of sentinel sites reporting poor yields, 42% reporting average crop yields and only 2% reporting good crop yields. Crop yields were reported to be higher in Manicaland, Mashonaland East and Midlands. (See Table 2)

Maize was grown in all areas, with Masvingo and Matabeleland North and South also reported to be growing sorghum and millet respectively. The latter crops have been promoted in areas of poorer rainfall.

Table 2: levels of Crop yields by province

Province	Main crop planted	Yield: Poor	Average	Good
Manicaland	Maize	40	50	0
Mashonaland East	Maize	35	58	3
Mashonaland Central	Maize	50	31	0
Mashonaland West	Maize	50	38	0
Midlands	Maize	13	87	0
Masvingo	Maize, sorghum	67	33	0
Matebeleland North	Maize, millet	29	43	14
Matebeleland South	Maize, millet	40	40	0
Total		36	42.2	1.9

(*) non response make up the balance. Non response is mainly from urban sites where peasant farming is not applicable in this and other tables where farming activities are being reported on.

Over 70% of the sentinel sites reported that very few people harvested enough to last until next harvest, implying that many households will face food shortages in the first quarter of 2005 before harvest (See Table 3).

Table 3: Share of households reported to have produced enough food to last until next harvest

Province	% Sites reporting response on households producing enough food to last until next harvest			
	None	Few	Many	All
Manicaland	10	90	0	0
Mashonaland East	13	84	3	0
Mashonaland Central	0	81	6	0
Mashonaland West	0	88	0	0
Midlands	53	33	0	0
Masvingo	42	50	8	0
Matebeleland North	0	100	0	0
Matebeleland South	0	60	0	0
Total	14.8	73.3	2.1	0

(*) non response make up the balance

Low harvests coupled with rising commercial prices of maize meal appear to have led households to retain harvests for own consumption. About half of sites (55%) reported that no households sold harvest from the 2003/2004 season and a third (36%) reported such sales in only a few households. In less than 5% of sites were many households reported to be selling their harvests, highest in Manicaland, Mashonaland East and Matabeleland North (See Table 4)

Table 4: Share of households reported to have sold their harvests

Province	% Sites reporting response on households selling their harvests			
	None	Few	Many	All
Manicaland	30	60	10	0
Mashonaland East	42	39	13	0
Mashonaland Central	50	31	0	6
Mashonaland West	38	50	0	0
Midlands	80	20	0	0
Masvingo	83	17	0	0
Matebeleland North	57	29	14	0
Matebeleland South	60	40	0	0
Total	55	35.7	4.6	0.8

(*) non response make up the balance

The reasons given why people did not sell their harvests included:
Poor harvests

- ☑ Late payments to farmers by the GMB for grain delivered to them
- ☑ Lower prices offered by the GMB than other purchasers
- ☑ High transport costs to take grain to the GMB leading to preferences to sell locally within the community.

Sites reported that farmers were discouraged from selling to GMB because the prices were not adequate to cover the costs of their inputs, and because the payments from the GMB came too late for them to be able to purchase inputs for the next season on time. Some sites reported that farmers who needed cash for inputs did not want to sell to the GMB as they wanted to avoid deductions for loan repayments. More households were thus reported to be selling to private buyers and individuals who offer higher prices.

Small scale farming In the 2004/2005 season

Maize is again reported in the 2004/5 season to be the most common crop across all provinces, with 50% of sites reporting that more than 75% of the households planted maize in the 2004/2005 season (See Table 5).

Inputs in the2004/5 season appear to have become more accessible compared to the previous year.

Reports from sentinel wards note that an increasing share of households now use manure for fertilizer, an average 38% of sites reported households using manure for fertilizer and 44% using commercial fertilizer(See Table 5)

Table 5: Share of households planting maize

Province	%Sites reporting response on share of households planting maize			
	< 25%	25% < 50%	50% < 75%	>75%
Manicaland	10	20	10	60
Mashonaland East	13	23	13	45
Mashonaland Central	0	25	0	63
Mashonaland West	0	25	50	13
Midlands	0	7	27	67
Masvingo	8	0	17	58
Matebeleland North	0	0	14	86
Matebeleland South	0	20	0	60
Bulawayo	0	0	0	100
Harare	20	32	7	29
Total	9	20	13	50

(*) non response make up the balance

The availability of sorghum and groundnut seed in October 2004 is shown in Figures 3a and 3b. Although sorghum has been promoted as a more drought resistant crop seed was reported to be available in a minority of districts, although these *were* districts with low rainfalls. Groundnut seed was reported to be more widely available, although in less than half the total districts reporting.

Figure 3a Districts reporting sorghum seed available October 2004

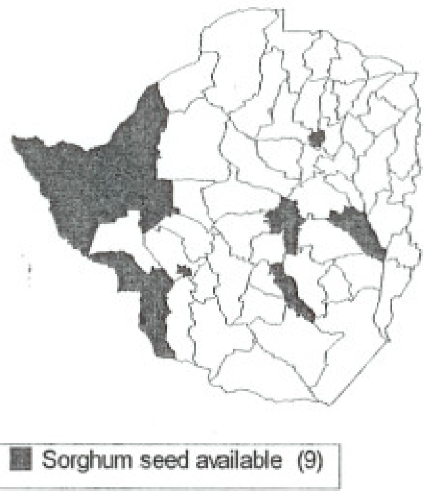
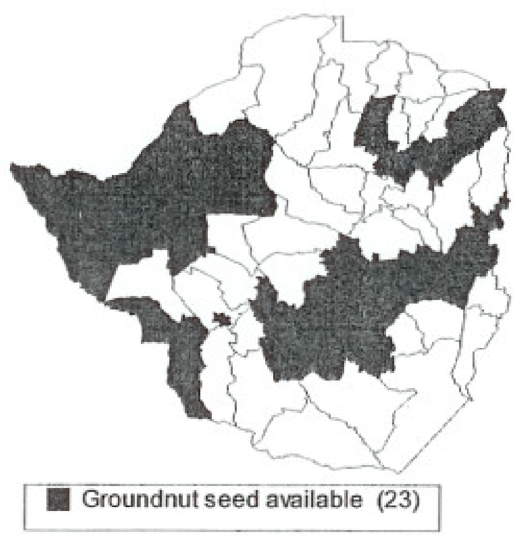


Figure 3b Districts reporting groundnut seed available October 2004



The reported sources and cost of these seed are shown in Tables 6a and 6b below. Informal markets are as important a supply source as formal markets or state agencies.

Table 6a: Sorghum seed prices by province October 2004

Province	Average price Z$/10Kg	Source
Manicaland	50 000	Informal market
Midlands	45 000	GMB
Masvingo	50 000	Informal market
Matabeleland North	40 000	ARDA, Informal market
Matabeleland South	30 000	Informal Market
Bulawayo	50 000	Informal Market

Table 6b: Groundnut seed prices by province October 2004

Province	Average price Z$/10Kg	Source
Manicaland	60 000	Informal Market
Mashonaland East	50 000	Formal Market
Mashonaland Central	40 000	Informal Market
Midlands	45 000	GMB, Informal Market
Masvingo	50 000	Informal Market
Matabeleland North	50 000	Informal Market
Matabeleland South	40 000	Formal Market
Bulawayo	50 000	Formal/Informal Market
Harare	50 000	Formal/Informal Market

Similar shares of households of households use manure for fertilizer as commercial fertilisers, with 38% of sites reporting households using manure and 44% reporting using commercial fertilizer(See Table 7) a tenth of sites report households using no fertilizer.

Table 7: Share of sites reporting different fertilizers used

Province	% Sites reporting response on what people are using for fertiliser		
	Commercial fertiliser	manure	Nothing
Manicaland	30	70	0
Mashonaland East	35	45	13
Mashonaland Central	31	56	0
Mashonaland West	75	13	0
Midlands	.73	27	0
Masvingo	0	75	8
Matebeleland North	71	29	0
Matebeleland South	80	0	20
Bulawayo	30	0	50
Harare	15	61	12
Total	44	37.6	10.3

Draft power was reported to be reasonably accessible to male headed households in 40% of sites and to female headed households in 24% of sites, with overall lower access reported in female than in male headed households. (See Tables 8a and 8b).

Reported access to draft power was higher in Mashonaland Central and West and in Matabeleland South.

Table 8a: Share of female headed households with own tillage/draught power

Province	% Sites reporting response on share of households having own tillage/draught power			
	None	Few	Many	All
Manicaland	10	60	20	10
Mashonaland East	17	69	14	0
Mashonaland Central	0	20	10	50
Mashonaland West	63	25	0	13
Midlands	31	54	15	0
Masvingo	0	56	22	11
Matebeleland North	14	57	29	0
Matebeleland South	20	80	0	0
Total	19.4	52.6	13.7	10.5

(*) non response make up the balance

Table 8b: Share of male headed households with own tillage/draught power

Province	% Sites reporting response on share of households having own tillage/draught power			
	None	Few	Many	All
Manicaland	10	50	30	10
Mashonaland East	6	71	16	6
Mashonaland Central	19	25	0	25
Mashonaland West	63	25	0	13
Midlands	13	47	40	0
Masvingo	0	33	33	8
Matebeleland North	0	29	57	14
Matebeleland South	0	40	20	40
Total	13.9	40	24.5	14.5

(*) non response make up the balance

The costs of tillage reported from sites showed wide ranges across provinces from the lowest of Z$60 000 to the highest of Z$260 000 per hectare (Mashonaland West) (See Table 9)

Table 9: Tillage/draught power costs by province

Province	Tillage cost Z$/hectare
Manicaland	60000 – 250000
Mashonaland East	60000 – 250000
Mashonaland Central	100000 – 130000
Mashonaland West	60000 – 260000
Midlands	100000 – 250000
Masvingo	60000 – 200000
Matebeleland North	60000 - 120000
Matebeleland South	100000 - 130000
Total	60000 - 260000

Both costs and accessibility of inputs was thus an issue for households in both the 2003/4 and the 2004/5 seasons. Improved access to inputs thus appears from reports to be essential to maximize land use and harvest yields. In a number of areas households were reported to be organizing to collectively obtain these inputs. A fifth of the reports (20%) noted the presence of co-operatives/ associations organizing for the purchase of seed, and another 11% reported collective organizing around tillage. There was little collective organization reported around the purchase of fertilizer.

A fifth of the reports (20%) noted the presence of co-operatives/ associations organizing the purchase of seed . Another 11% reported some association around organizing tillage in the community, but less than 2% reported any purchase of fertilizer as an association/co-operative.

Informal sector activities

The major reported activities in the informal sector were vending (21% of sites), buying and selling of second hand clothes (10% of sites), gold panning (10% of sites) and small scale farming. In 40% of sites vending was reported to be mainly carried out by women, and women were also reported to be primarily involved in small -scale farming and gold panning. Children are reported to be mainly involved in vending fruits and vegetables and providing labour to other people.

In about a half of sites (51%) informal sector employment was reported to have increased, with highest levels of reporting in Masvingo, Mashonaland East and Bulawayo and Harare. Informal sector employment was reported to have fallen somewhat in Mashonaland Central and West (See Table 10). The factors behind these reported trends are not clear.

Table 10: Change in employment in the informal sector

Province	% Sites reporting response on change of employment in the informal sector			
	Increased	Same	Reduced	Not applicable
Manicaland	30	10	30	10
Mashonaland East	63	12	5	17
Mashonaland Central	33	0	30	31
Mashonaland West	37	13	38	12
Midlands	13	60	13	13
Masvingo	50	8	25	16
Matabeleland North	43	29	28	0
Matabeleland South	80	0	20	0
Bulawayo	100	0	0	0
Harare	63	20	13	4
Total	51	15	20	10

Sites report that access to capital is an important constraint to informal sector vending and production, particularly for women. In only 4% of sentinel wards were all women reported to be able to access credit compared to 23% of sites noting this for men. Women generally had lower access to credit and more sites where no women were reported to be able to access credit. (See Tables 11a and 11b). Given the importance of small scale farming for women this disadvantages women farmers and reduces their options for improved production.

Table 11a: Share of men in informal sector reported to be accessing credit.

Province	% Sites reporting response on share of men in informal sector accessing credit		
	All	Some	None
Manicaland	0	50	50
Mashonaland East	24	29	46
Mashonaland Central	40	40	20
Mashonaland West	31	31	38
Midlands	45	26	29
Masvingo	38	38	25
Matebeleland North	33	33	33
Matebeleland South	14	43	43
Bulawayo	0	80	20
Harare	0	80	20
Total	23	45	32

Table 11b: Share of women in informal sector reported to be accessing credit

Province	% Sites reporting response on share of women in informal sector accessing credit		
	All	Some	None
Manicaland	0	50	50
Mashonaland East	6	38	55
Mashonaland Central	0	50	40
Mashonaland West	12	63	25
Midlands	0	60	35
Masvingo	8	58	33
Matabeleland North	14	57	28
Matabeleland South	0	60	40
Bulawayo	0	60	33
Harare	0	56	40
Total	4	55	38

(*) non response make up the balance

Access to credit for men was reported to be greater in Mashonaland Central, Midlands and Masvingo but greater for women in Matabeleland North and Mashonaland West.

Informal sector traders and producers were reported to be accessing raw materials from within Zimbabwe but not from their own local areas. Only a quarter of sites (23%) reported of that raw materials used in the informal sector were sourced locally in the district, whilst about a half (44%) found these raw materials from other areas of Zimbabwe. Sites in Midlands and Masvingo had higher shares reporting that materials were imported (See Table 11).

Table 12: Source of raw materials for informal sector production

Province	**% Sites reporting response on source of raw materials for the informal sector**		
	Obtained in the area	Obtained in Zimbabwe	Imported
Manicaland	0	100	0
Mashonaland East	27	46	0
Mashonaland Central	10	40	0
Mashonaland West	25	44	0
Midlands	10	35	10
Masvingo	13	25	25
Matebeleland North	17	33	0
Matebeleland South	29	5	0
Bulawayo	0	100	0
Harare	67	33	0
Total	23	44	3

(*) non response make up the balance. The relatively high non response here was due to monitors not knowing sources of raw materials

Community reports from 23% of the sites note that raw materials used in the informal sector are available in the areas, whilst 44% say the raw materials are at least available in Zimbabwe. A further 3% however note that some raw materials have to be imported (See Table 12).

Incomes from production activities

Reports from sentinel sites indicate that across all provinces small scale farming, vending and trading are the major source of household income. The level of non reporting on this indicator makes it difficult to interpret these findings, however the preponderance of farming and informal sector vending as a source of income is a rather strong trend. In a quarter of sites (25%) farming provided the biggest share of household income, particularly from rural districts in Manicaland, Mashonaland East and Mashonaland West provinces. Vending and trading was reported the highest contributor to household income in Matabeleland South and the Cities. Very few reports cited formal manufacturing as the top source of household income in their area. It would thus appear that small scale farming in rural areas and informal sector vending in urban areas are major sources of household income(See Table 13).

Remittances from within Zimbabwe do not appear to be a source of income either from rural to urban or from urban to rural areas. The reports signal that historical flows of remittances from urban to rural areas may have now become far less significant. Remittances from outside Zimbabwe are reported to have become an important source of household income in some provinces, including in Harare, Matabeleland North Mashonaland West and Mashonaland East. (Table 13)

Table 13: Reported sources of household income

Province	**% Sites reporting response on areas of production providing the most income for households.**					
	Farming	Informal sector manufacture	Formal sector manufacture	Vending and trading	Remittances from within Zimbabwe	Remittances from outside Zimbabwe
Manicaland	60	0	0	20	0	0
Mashonaland East	32	10	0	16	0	13
Mashonaland Central	6	13	0	19	0	0
Mashonaland West	50	13	0	0	0	13
Midlands	47	0	0	0	0	7
Masvingo	25	0	0	8	0	0
Matebeleland North	14	0	0	29	0	14
Matebeleland South	20	0	0	40	0	0
Bulawayo	0	0	0	50	0	0
Harare	0	15	0	41	0	29

(*) This question had a very high rate of non response due to difficulty in assessing the information

Farming, vending and trading were also reported to have become more important sources of household income in the past year. These are thus growing areas of focus for policies aimed at improving household incomes. Remittances from outside Zimbabwe are also reported to have grown as a source of household income (See Table 14).

Table 14: Areas of production /employment that have become more important sources of household income in past year.

Province	**% Sites reporting response on areas of production/employment that have become more important sources of household income**					
	Farming	Informal sector manufacture	Formal sector manufacture	Vending and trading	Remittances from within Zimbabwe	Remittances from outside Zimbabwe
Manicaland	0	50	0	0	0	50
Mashonaland East	12	32	2	24	5	24
Mashonaland Central	40	10	0	30	0	20
Mashonaland West	63	0	0	31	0	6
Midlands	39	3	3	52	0	3
Masvingo	38	0	0	63	0	0
Matebeleland North	75	0	0	8	0	0
Matebeleland South	29	0	14	29	14	14
Bulawayo	0	0	0	100	0	0
Harare	27	0	0	33	27	0
Total	32	10	2	37	5	12

(*) non response make up the balance

In contrast, sites reported that formal and informal sector manufacturing and remittances from within Zimbabwe have fallen in the past year. (See Table 15)

Table 15: Areas of production / employment that have become smaller sources of household income in past year.

Province	**% Sites reporting response on areas of production/employment that have become smaller sources of household income**					
	Farming	Informal sector manufacture	Formal sector manufacture	Vending and trading	Remittances from within Zimbabwe	Remittances from outside Zimbabwe
Manicaland	0	0	50	50	0	0
Mashonaland East	7	7	29	7	49	0
Mashonaland Central	20	40	20	20	0	0
Mashonaland West	25	31	19	13	13	0
Midlands	10	32	32	6	19	0
Masvingo	50	12	38	0	0	0

Matebeleland North	33	33	0	8	25	0
Matebeleland South	43	0	29	0	29	0
Bulawayo	0	0	60	40	0	0
Harare	27	13	13	20	27	0
Total	18	17	29	16	16	0

(*) non response make up the balance

Internal remittances are particularly noted to have fallen from Mashonaland East, Harare and the Matabeleland provinces. Formal sector manufacturing was reported to have fallen in Bulawayo and Manicaland Farming was reported to have fallen in Masvingo.

The reported pattern across provinces from the reports in Tables 14 and 15 is thus one where:

Manicaland, Mash East, Matabeleland North:	Informal sector manufacturing has grown and formal sector manufacturing has fallen
Mash Central and Mash West:	Small scale farming has grown and informal sector manufacturing has fallen
Midlands, Bulawayo:	Vending and trading has grown and formal sector manufacturing has fallen
Masvingo:	Vending and trading has grown and farming has fallen
Matabeleland South:	Vending has grown
Harare:	Vending has grown and remittances from within Zimbabwe have fallen

The reported shift in income sources is thus one towards increased farming and informal sector vending, away from formal sector activities and internal flows of remittances between urban and rural areas and with increased flows of remittances from outside Zimbabwe.

Community actions

The shifts in reported sources of household income highlighted above are themselves a forms of social response to changes within the country. At a more local level, sites reported that to improve household income people primarily needed:

- Seed and fertilizer (in 47% of the reports)
- Land (6% of reports, mainly from urban areas)

A smaller share of sites also reported a need for tillage equipment such as ploughs and tractors and loans for income generating projects.

Inputs that were reported to be of particular importance to female headed households were:

- Loans to start own businesses
- Seed, tillage, fertilizer and
- land

Child headed households were reported to mostly need seed, fertiliser and tillage for agricultural activities, and assistance with funds to form own projects including support in skills building.

Communities were reported to be forming groups/clubs and cooperatives so as to access loans being given by banks and other organizations. It was not clear whether female or child headed households were participating in these associations or being supported by them. It was thus not apparent from the reports how communities were maintaining production in these households with least access to resources.

People report that though they might have the ideas and the will to work their efforts are greatly hampered by lack of capital and inputs. The reports indicate that seed, tillage, credit and fertilizer inputs are important for the activities that are currently sustaining household incomes.