

#### **FACULTY OF ARTS**

#### DEPARTMENT OF DEVELOPMENT STUDIES

EFFECTS OF POOR BUSINESS ENABLING ENVIRONMENTS ON THE ORGANIC VALUE CHAIN IN ZIMBABWE. THE CASE OF HWEDZA ORGANIC FARMERS ASSOCIATION.

 $\mathbf{BY}$ 

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A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE BACHELOR OF ARTS HONOURS DEGREE IN DEVELOPMENT
STUDIES.

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### APPROVAL FORM

The undersigned certify that they have read and recommend for acceptance to the MidlandsState University; the Project: EFFECTS OF POOR BUSINESS ENABLING ENVIRONMENTS ON THE ORGANIC VALUE CHAIN IN ZIMBABWE. THE CASE OF HWEDZA ORGANIC FARMERS ASSOCIATION. Submitted by FADZAI MUUNGANI in partial fulfilment of the requirements of the Bachelor Of Arts Honours Degree in Development Studies.

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# RELEASE FORM

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# **DECLARATION**

I Fadzai Muungani (R114928N) declare that this research study is my own work and has not
been written for me by any other person(s). Quotations and paraphrases of other scholars
have been duly noted and acknowledged in this research project.

Signed:	 •••	 	•••	•••	• • •	 •••	 ٠.	••	 ••
Date:									

## **DEDICATIONS**

I dedicate this dissertation to my mum for the strength and the countless prayer and to my sisters for the never ending support and motivation throughout this journey. I dedicate this dissertation to my late father Isaac Wilson Muungani for without the innate fighting spirit from him I would have not made it this far in life.

#### **ACKNOWLEDGEMENTS**

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#### **ABSTRACT**

Agriculture forms the backbone of most African economies and as such it is subject to experimentation in a bid to improve it and gain more from it. The agricultural trajectory has an element of universalism despite its settings and this normally proves consequential to the developing countries as some of the elements that make up its trajectory are not supported by other underlying reasons. It is the element of agricultural universalism that had most African countries adopt the Green Revolution and it is this very same reason that has perpetuated the adoption of the holistic approach to agriculture known as Organic farming. Since the mainstream idea is growth for farmers defined economically and general development that leads sustainability of livelihoods, it is no surprise that a systematic channel was incorporated into organic farming to achieve it. The Organic Value Chain is the systematic channel for growth within smallholder farmers and how it is governed and the milieu supporting and promoting its existence has a bearing on how things turn out for smallholder livelihoods and rural development in its entirety. HOFA was used as a case study to recognize and examine the role played by enabling environments and the players within them in impeding smallholder success through OVCs in Zimbabwe.

## Acronyms and Abbreviations.

AVC Agricultural Value Chain

AEW Agricultural Extension Worker

ADB African Development Bank

FGD Focus Group Discussion

FPC Fambidzanai Permaculture Centre

HOFA Hwedza Organic Farmers Association

IFOAM International Federation of Organic Agricultural Movement

IFPRI International Food Policy Research Institute

MSCs Most Significant Change stories

OA Organic Agriculture

OVC Organic Value Chain

ZOPPA Zimbabwe Organic Producers and Promoters Association

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#### **CHAPTER 1**

### 1.0 INTRODUCTION AND BACKGROUND OF THE STUDY

According to the South African Institute of Natural Resources (2008), the organic farming concept was pioneered by Sir Albert Howard in the early 1900s that had his main focus on the relationship and connectivity of the health of crops, livestock and mankind. This shows that the element of sustainability has always been at the core of the organic farming concept even centuries ago. Hence the current wave of a holistic approach to the agricultural practice is not entirely a new phenomenon but only has a few improvements and variations that can be attributed to a number of reasons with the economic advantage being one of them. The element of economic advantage is concurred to by Willer et-al (2008) who is of the view that the rapid development surrounding organic farming worldwide has resulted in the sales of organic food increasing by 43% from \$23 billion to \$40 billion between 2002 and 2005. Mudzonga et-al (2009) also supports the economic phenomenon in explaining the growing interests in organic farming although his primary focus is on the resource degradation caused by the Green Revolution that threatened sustainability.

The concept of value chains approaches was first introduced by Hopkins and Wallerstein who published their original commodity chain idea in 1977 according to Franz and Warburg (2013). The emergence of organic value chains is primarily centred on the need to alleviate poverty and ensure sustainability so as to minimize the effects of the atrocities constantly hammering the rural population in Africa. Organic value chains are a participatory form of development in agriculture that involve a number of key players that coordinate in a systematic way that benefit each person involved because of the shared common goal or targeted end result. An organic value chain therefore is a connected string of key agricultural

players such as farmers, the private sector (normally N.G.Os and C.B.Os), extension services, market officers and the consumers just to mention a few, that coordinate to satisfy market demands for organic produce. This is supported by Glasbergen et-al (2007) who is of the view that value chains are voluntary collaborations between actors or two or more domains of society which strive for sustainability.

African nations battle with deadly diseases, conflict, degrading environments and disasters and any beacon of hope that can eradicate such a curse is more than welcome. It is the need to eradicate poverty that has driven most agro based nations to adopt organic farming into their agricultural practice as it is in demand globally thus making it a probable boost for their economies. However like most solutions adopted by African nations to better their economy organic farming has also proved to be rather taxing and inefficient. The underlying causes behind this include lack of resources, poor policy formulations, deep rooted corruption, and complacency among other things. This is also acknowledged by Mudzonga et-al (2009) who postulates that the failure of most agricultural reforms in Africa is due to the lack of state subsidies and general governmental organisation as seen by the failure of the Green Revolution technologies. Africans are quick to adopt new strategies aimed at alleviating poverty without really analysing and evaluating the short term and long term effects of taking up these solutions. Furthermore they adopt these strategies without looking at the applicability of these projects in relation to their situation and their status as compared to the status of other continents. . This phenomenon in terms of agricultural development was noted by Dannenberg et-al (2014) who postulates that the proliferation of global standards bears a danger of excluding a number of farmers in developing countries which cannot afford or generally do not have the knowledge of technical skills to fulfil these standards.

Statistics show that over the past five years organic farming is trending in the agricultural sector and organically managed land has increased by 6% since 2012 according to the Fibl statistics. According to these statistics Asia makes 29% of the world's organic producers while Africa makes up 34% of it with Uganda at the highest with 188,625 organic producers and Europe making up 18% of the world's organic producers. With these numbers particularly those of Africa one would think organic value chains are a success and are contributing greatly to the global organic market and boosting its economy but such has not been the case. In Southern Africa organic farming has transformed lives particularly that of smallholder farmers. This agricultural technique has sustained them and their families in terms of consumption and anything beyond that, such as economic growth through selling their produce has been at a small scale. Of all the southern African countries south Africa is the only country doing exceptionally well in the organic value chain and this can be attributed to its conducive environment that sees the interconnection of the financial and certification services as well as the technical advisors which lacks in other countries. The vibrant economy of South Africa has allowed having a functional financial service that makes credit facilities available for organic smallholder farmers. The adoption of a national agricultural organic oriented policy monitored by the Institute of Natural resources shows that the nation embraced the business aspect of organic farming thus it is creating an environment that will enable such. A combination of these factors among others have seen the success of organic value chains over the years resulting in a form of modernized form of marketing where organic products are bought online and delivered to one's door step. This is exponential growth from the 1994 formalisation of Organic farming which came with the establishment of the Organic Agriculture Association of South Africa.

According to Makombe (2009) Zimbabwe at its prime soon after independence was Southern Africa's bread basket, but in due course sanctions began to take its toll and poor economic reforms to deal with the impact of the sanctions left it at its collapse. As a result agriculture became the only reliable source of income as from the early 2000s to about 2008 and this attributed to a lot of intervention from N.G.Os and I.G.Os in a bid to fight off poverty in accordance with Millennium Development Goals. The intervention and the lack of resources made farmers adopt organic farming in a bid to sustain themselves and according to the South African Institute of Natural Resources (2012) organic systems of agriculture present a lucrative yet low cost opportunity to improve farm productivity. With the increase in the demand of organic produce, smallholder farmers started leading a more market oriented farming system in order to get economically stable. This therefore led to the adoption of organic value chains as compared to the traditional marketing systems but as most solutions to economic issues this shift has not come without its challenges and limitations.

Smallholder farmers in Zimbabwe have failed to make a breakthrough in the organic value chain largely because of deeply rooted causes that need to be eradicated first. The eradication of these will ensure a smooth transition from inputs to high levels of production to information asymmetry to market linkages resulting in profits which will be in turn invested into inputs leading to a more successful business of selling organic produce at grassroots level and eventually having organic produce for exporting thus attributing to sustainability in income generation which will boost the country's GDP over the years. However for this to become a reality there is need for an environment that breeds equity, a concept critical for the success of value chains as supported by Rota (2010). Hwedza Organic Farmers association have failed to make a breakthrough in the organic market because of the lack of the above stated conditions and environments crucial for their success.

# 1.2 PROBLEM STATEMENT

Economic growth in most 3<sup>rd</sup> world countries rests primarily on agricultural activities and since the rural population makes up 75% of these 3<sup>rd</sup> world countries it means they contribute significantly to their countries' GDP. According to Anseeuw et-al (2012) the agriculture sector forms the basis of the direct or indirect livelihoods of almost 70% of the population and economic growth is also directly linked to the percentage of this sector. This therefore explains why the rural population is easily lured into any practice that is believed to boost their produce and what they retain from selling their produce as shown by the current wave of organic agriculture. Furthermore the element of sustainability is also brought forth by the adoption of organic agriculture hence why most impoverished countries are adopting it in order to alleviate and reduce the rates of poverty in their nations.

It is this need for sustainability and boost economic growth that has resulted in smallholder farmers neglecting traditional market systems and focusing on organic value chains. However like any economic oriented project there are great challenges that come with it. Organic value chains are malnourished and barely effective because of their design is not in harmony with the country's present situation and this is largely affecting smallholder farmers and hindering their success in establishing sustainable livelihoods through agriculture. As such a thorough study of a smallholder organic farmer populated area such as Hwedza will help identify the underlying causes giving rise to a compromised flow of organic products produced by small holder farmers in Zimbabwe.

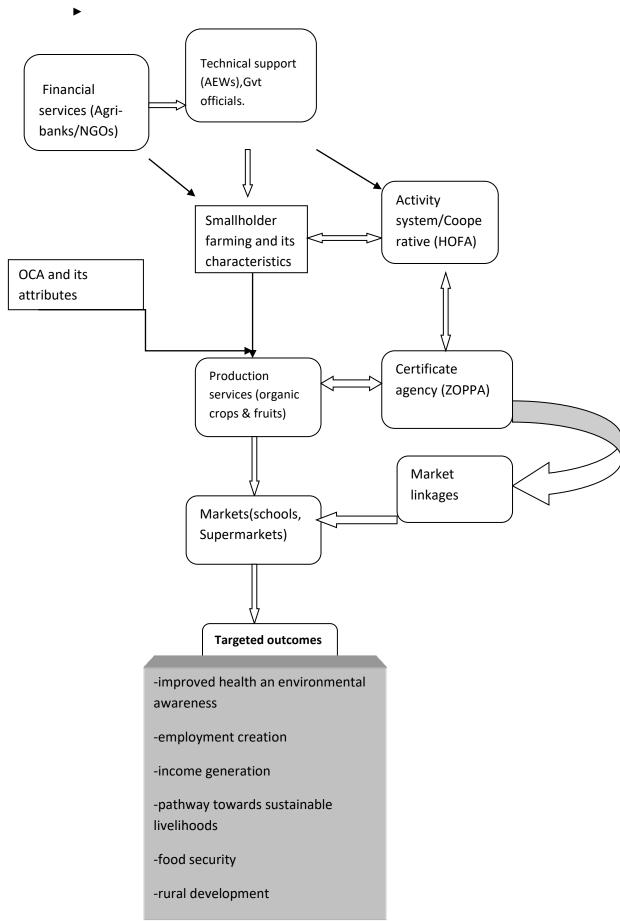
## 1.3 CONCEPTUALISATION

Glasbergn etal (2007) defines value chains as voluntary collaborative arrangements by multi stakeholder partnerships which have an institutionalized yet non hierarchical structure and strive for a sustainability goal. This definition gives the idea that an organic value chain is a

systematic relationship within relevant agricultural actors and other domains in society in an effort to ensure a flow from the production of organic grown foods to the end result of its consumption by the targeted population. This therefore previews an environment that enables such a flow of relations which is characterized by working financial, certification services and technical services which is inclusive but not restricted to actors such as farmers, N.G.Os, civil societies, government workers, private sector personnel and consumers. Organic farming is the use of non chemical substances on land, pest control and the produce.

This study used a system-based integrated approach associated with Mujeyi's (2007) line of thinking which dwells on creating sustainability within interventions that benefit rural communities and improve their livelihoods. The main focus of the study is the presence of integration and sustainability in business enabling environments in order to foster the success of organic value chains in Zimbabwe. This kind of approach is bound to translate to rural development, employment creation and income generation as well as food security over some time. **Fig 1.1** below shows the structure of a general Organic Value Chain with its targeted outcomes through indicating the flow of things with the use of arrows.

Fig1.1 Organic Value Chain structure in the case of Hwedza District



The working definition of a poor business enabling environment that compromises the success of organic production, marketing and consumption in this study is an environment that lacks access to necessary inputs, lacks business deliveries and financial services, an environment devoid of a flow of information and an environment with a lack of access to high value markets. Furthermore the working definition in this study will be evinced through a deficient lens that mars rural organic farmers in the Hwedza district.

# **1.4 RESEARCH OBJECTIVES**

**GENERAL OBJECTIVE:** To reveal the limitations and challenges faced by smallholder farmers in making a significant breakthrough in value chains in Zimbabwe

### **SPECIFIC OBJECTIVES:**

- To show how multi stakeholder partnerships or lack thereof have contributed to the failure of organic value chains
- To establish the relevance of the nexus between systematic relations of key stakeholders, value chains, economic growth and development.

#### **RESEARCH QUESTIONS**

- a) What are the underlying causes of poor relations within relevant multi stakeholder partners?
- b) How do these relations affect the growth of the organic value chain?
- c) How does the failure of organic value chains impact development for rural populations in Zimbabwe?

# 1.5 SIGNIFICANCE OF THE STUDY

By assessing the relationship within the key stakeholders relevant to the organic value chain in Zimbabwe there is a chance that the root causes of the failed relations are identified and addressed thus leading to a more comprehensive and effective form of establishing economic growth and sustainability. Finding the tumour hindering success of the organic value chain in Zimbabwe will give room to policy makers, farmers and marketing officials to establish a working system that will motivate participation and ensure a move towards a more progressive string of collaborative arrangements.

The area of the study is in a rural setting thus making it relevant to the rural population that make up 75% of the employed population in Zimbabwe since Zimbabwe does not have a strong functioning industrial service that caters for its population. Furthermore the rural population is the poorest population surviving under the poverty datum line therefore a study such as this offered an opportunity to assess the situation and come up with strategies to turn around the situation and ensure economic growth and sustainability.

# 1.6 DELIMITATION

The study was focused in Hwedza district where there is a concentrated number of smallholder organic farmers who represent a significant fraction of organic farmers in Zimbabwe who have abandoned traditional market systems and are focusing on organic value chains.

### 1.7 LIMITATIONS

#### FINANCIAL CONSTRAINTS

This study required meeting up with farmers, Agritex officers among other key players and this meant travelling to Hwedza and funds for accommodation and food as well.

However approached N.G.Os that were most likely to benefit from such a study and asked for funding to pursue it.

#### WITHOLDING OF INFORMATION

Some farmers were not forthcoming with information that they deem as exposing to the other stakeholders in the value chain in fear of overstepping and losing the already established relations. However there were efforts to sensitize relevant parties beforehand on the purpose of the study and how significant their contribution will be and above all to assure them of confidentiality and anonymity where relevant.

## 1.8 ETHICAL CONSIDERATION

The researcher observed confidentiality and anonymity where the participants were concerned so as to avoid conflict or altercations should the study be published. The researcher also observed honesty when translating information relayed in other languages which is crucial to the study. Also avoided socialization of the people involved so as to avoid creating inferiority complex within the participants and identities were protected unless the participant asked not to go by an alias or to have their identity hidden.

### **Chapter Summary**

This chapter has briefly reviewed the background of the study, objectives and the significance of the study and highlighted the importance of the focus of the study through the research questions and assessing the limitations among other crucial aspects.

#### **CHAPTER 2**

#### LITERATURE REVIEW

# 2.0 INTRODUCTION

The UNC college of Arts and Sciences define a literature review as a way of discussing published information on a particular subject in a simple overview of the sources that combines summary and synthesis. As such this chapter will have its main focus on the analysis of published information concerning agriculture, smallholder farmers and value chain development as these subjects are relevant to the researcher's study on the relationship between business enabling environments and organic value chains. The purpose of this chapter is to help the researcher produce an empirical study through assessing and analysing sources relevant to the research study so as to identify issues critical to the subject that were overlooked as well as to qualify some of the already identified issues.

## 2.1 Smallholder Agriculture in Africa

The Fair-trade Labelling Organisation defines smallholder farmers as producers who are dependent on family labour and produce mainly subsistence crops and a few cash crops on small-based plots. However the International Food Policy Research Institute (IFPRI) 2013 report states that smallholder farmers are not a homogenous group and have the potential to become vastly profitable in agriculture. This is supported by Tinsley (2004) who postulates that smallholder farmers are entrepreneurs who possess the element of being skilled practitioners of agronomy in-spite of their limited education. The observation by IFPRI and the assertion by Tinsley (2004) is a precise reflection of where the world of agriculture is moving towards or advocating for, as smallholder farmers are being fully recognised as

entities that have the potential and ability to push towards export led growth particularly in developing countries. This therefore explains why some governments and private sectors are advocating for the development of cooperatives in the world of agriculture as a way of pushing forward the element of export led growth. The South-African Department of Agriculture, Forestry and Fisheries concurs with this mindset of cooperatives as it recognizes that cooperatives offer prospects that smallholder farmers would not normally execute on their own like securing land rights and acquiring bigger markets which would mean possible food security and job opportunities with improved incomes. This cooperative mindset is what has been propelling the development and support of Hwedza Organic Farmers association by the N.G.Os it has been working with namely Garden Africa/ Comic Relief, Fambidzanai Permaculture Centre and ZOPPA. All this in a bid recognize the potential of these smallholder farmers in achieving food security as well as increased incomes for more sustainability.

According to Burger (2015) a third of the world's 7.3 billion people are smallholder farmers and their plight has for decades been contributed to by the Green Revolution. He is of the view that the green revolution contributed to the shift in attention for smallholder farmers to heightened focus on industrial farming particularly in developing countries. Consequently after years of industrial agriculture much damage has been done to the environment at large, to the soil fertility, health of consumers and as a result most nations realised the need to redress the problems brought forth by the green revolution. Hence the neglect and virtual invisibility of smallholder farmers and their farming methods are fast becoming a thing of the past and igniting a more positive agricultural outlook.

However for the full on recognition of smallholder farmers as contributors to exponential agricultural economic growth there is need to improve access to land, improved infrastructure and better financial inputs and investment and this is according to Salami etal (2009). This is further concurred to by the 2013 NEPAD report that states that smallholder farmers are the core guardians of natural heritage and environmental assets and thus should be provided with the impetus to nurture farming as a profession that will contribute to the well being of rural inhabitants and meet their employment needs. These scholars therefore provide guidance relevant to the case of Hwedza Organic Farmers association as a smallholder farmer conglomerate that has been provided with such an impetus required but somehow still appears deficient and devoid of the security it should be having at this present time. As such there is need to assess and analyse why this is the case.

# 2.2 Organic Farming And Agriculture.

# 2.2.1 General International understanding of Organic Agriculture.

Organic farming is the production of crops involving crop rotation, minimum tillage, composts and natural pesticides among other practices that ensure reduced negative impact on the environment and on the health of the humans that consume it. This is also alluded to by Kuepper (1998) who postulates that organic farming refers to an agricultural system that works to mimic and optimize natural processes for agricultural production through the use of a wide range of cultural practices and natural inputs to manage crops in ways that are safe for both the environment and consumers. Organic Agriculture therefore encourages crop variety as well as protects indigenous seeds and breeds more resistant and adapting crops to the local environment in which it is grown. In some places Organic Agriculture is known as ecological farming/agriculture because it reflects its dependence on the management of ecosystems as

compared to the use of external inputs as realized by Nicolas (1999). Organic farming therefore does not involve, promote or encourage the use of synthetic fertilisers and synthetic pesticides growth regulations, food irradiation nor additives on livestock feed among other environmentally unfriendly practices.

The indigenous characteristics of organic farming has led to the thinking of Svotwa etal (2009) who denotes that organic farming is compatible with the capabilities and smallholder farmers who normally lack resources to afford inorganic fertilisers and pesticides. Consequently this poor man's mentality where organic farming is concerned has greatly affected a significant number of smallholder farmers who continue to strain themselves with the conventional farming associated with the elite or with the supposed business minded at the risk of running a loss each season. The issue of smallholder farmers and their capabilities is of great concern as it plays a critical role in the Value Chain development and the success of that value chain as recognized by Gary Gerreffi (undated). He is of the view that capabilities in the supply base are one of the most important three variables that determine the governing of a value chain. In the case of Organic Value Chains smallholder farmers and their capabilities as a supply base play a pivotal role in how that value chain will be governed.

However it is the mentality of scholars like Svotwa and Gary Gerreffi that this research study tries to qualify and give more depth through recognizing the confines created by the poor man's mentality that makes up the core of smallholder farmer characteristic. In recognizing their capabilities in relation to making it in the global market eventually, smallholder farmers ought not to let their status core define how successful they can be as this will stunt their growth and potential should they continue to nurture a poor man's mentality however this should be done in a way that is not over zealous. Organic agriculture adheres to globally accepted principles, and these principles are practiced within local socio-economic, climatic

and cultural related settings. IFOAM (2000) therefore stresses the importance of these principles and their adherence while leaving room for institutions to determine the key factors to do with other software components particularly where trade is concerned and this has caused a rift in developing countries at some point. Concomitantly for organic farming to be taken to the next level which is their involvement in value chains according to this research study, there is need to have adherence to the IFOAM organic standards as a pre-requisite. There is also a great need to acquire significant input and support from various stakeholders including the government, multi lateral companies, financial institutions and the private sector just to mention a few. This view is also supported by Salami etal (2009). These various stakeholders mentioned here make up the business enabling environment in question in this research study.

### 2.2.2 Morden-day Definitions of Organic Agriculture.

- Organic farming is reduced costs of inputs in agriculture use of composts, natural or botanical pesticides and other local available inputs have reduced costs in farming and farmers see organic farming as a method that is affordable and manageable.
- ❖ It is the use of organic matter and its re-use, the element of composting (vermin-composts), liquid manure and other forms of creating organic fertilisers.
- ❖ In Zimbabwe organic farming is the conservation of natural resources in agriculture, this means the practising of water-harvesting techniques, conservation farming for the protection of soil nutrients and mulching.
- Organic farming is increased soil retention. It is double digging, deep digging and other alternative soil cultivation methods.
- ❖ It is increased food production and poverty alleviation; thus kitchen gardening as well as the use of naturally available pest and disease control elements.

- It is improved livestock production using herbal treatment and naturally balanced feed.
- Organic farming is appropriate technology and homemade technologies that make the farmer well versed, equipped and self sufficient.

# 2.2.3 Fundamental aims nurturing organic production and processing.

There are continuous improvements and updates of the IFOAM Basic Standards for Organic Agriculture and Processing. These standards continue to be adopted and adhered to all over the world as the scaffold of guidelines for organic agriculture. The principle aims of organic agriculture as expressed in the most recent revision (IFOAM, 2007)

- ❖ To produce high dietary and nutritionally balanced food in adequate quantities for the consumers.
- ❖ To relate in a positive and beneficiary manner with the ecosystem in a bid to improve life in its essence.
- ❖ To encourage and enhance biological cycles within the farming system, involving micro-organisms, soil flora and fauna, plants and animals.
- ❖ To maintain and increase long-term fertility of soils.
- ❖ To promote the healthy use and proper care of water, water resources and all life therein.
- ❖ To help in the conservation of soil and water
- ❖ To use as far as possible renewable resources in locally organized agricultural systems
- ❖ To work, as far as possible, within a closed system with regard to organic matter and nutrient elements

- ❖ To work, as far as possible, with materials and substances which can be reused or recycled, either on the farm or elsewhere
- To minimize all forms of pollution that may result from agricultural practice

## 2.2.4 <u>Major limitations to organic production by smallholder farmers.</u>

- \* Adaptation and conversion into organic agriculture: Managing land in an organic manner requires at lot of commitment to the Organic Standards. It involves record keeping of events and changes made in the farming processes ranging from crop rotation to conservation farming in accordance with Organic Standards. Production levels suffer and go down while the amount of labour increases when conversion is taking place. Moreover there is less income related to organic produce in-spite of the amount of labour it accrues in the first phases of conversion.
- \* High cost of certification. The high cost of certification charged by foreign certifiers as well as the one and only local certification agency in Zimbabwe (ZOPPA) discriminates smallholder farmers and fosters a general reluctance in converting to organic agriculture. It also discourages farmers who do not necessarily want to produce for selling and market related purposes but primarily for consumption and food security. However efforts to regulate the cost of certification have been made through the introduction of the Participatory Guaranteed System although its effects are still to be seen as they are still microscopic at this juncture.
- **Low local consumers awareness.** The ignorance present within communities on the difference between conventionally and organically produced foods lessens the motivation and vigour within farmers to want to produce organic food. This can be

attributed to the lack of government policies that support and encourage such form of agriculture and as such organic farming lacks support even from the technical advisors who their job entails helping farmers reach their ultimate agricultural potential.

❖ Low Price premiums. Prices fetched by organic produce should by right cushion the blows from increased labour and amounts spent on certification process but half the time such is not the case hence the limited number of farmers willingly engaging in organic farming.

# 2.2.5 What needs to be done to trounce these limitations?

- Creating awareness on the environmental, health and economic benefits of Organic Agriculture.
- Rolling out training programmes and workshops on the conversion of farming from conventional to organic farming on a maximum scale.
- iii. Mobilization of all agriculture relevant stakeholders for substantial engagement crucial for a successful agricultural environment.
- iv. Embracing and adoption of conservation and organic farming methods that will significantly reduce the need for external inputs.
- v. There is need to apply a bit of indigenization on organic certifying agencies so that they fit Zimbabwe's agricultural curricula and promote local growth first before inheriting foreign principles on reaching organic standards as these may not apply to the Zimbabwean case.

- vi. There is a great need for the government to come up with an agricultural policy reform that is centred on Organic Agriculture and this is bound to inflate the premium prices for organic produce locally.
- vii. Encouraging health organizations and institutes to promote organic foods as a healthy alternative thus creating a basis for organic produce consumer growth.

# 2.3 Organic Certification

For a product to attract a great market simultaneously accruing a great deal of premium recognition in terms of prices there is a great need for certification agencies to provide an environment conducive for such. Subsequently certification agencies or systems must ensure the following;-

- Warranty the quality of the organic produce and guarantee consumers value for the produce.
- ii. Increase competitiveness within trading entities so as to motivate innovation and better investment to make the cut.
- iii. Make sure of information asymmetry within the relevant parties particularly where market requirements and opportunities are concerned.

National or foreign certification systems are a source of protocol for the IFOAM regulation in relation to production activities and the standards associated with them. According to Vastola and Tanyeri-Abur (2009) EU has a very authoritarian certification process for the organic produce and its labelling that makes its markets. As a result of this, certification processes in Africa fail to penetrate the EU market particularly because the regulations for the EU organic standards are difficult to execute by the inspection bodies and authorities in Africa and Zimbabwe is no exception. According to the EU principles or standards farmers interested in organic farming must register with a recognised inspection body and undergo a

2year conversion period. These farmers then become subject to inspections by these acknowledged inspection bodies that they are registered with to ensure that they are working in accordance with the organic legislature. Once the stipulated period of overall inspection is reached those that successfully followed protocol and the regulations are then given the right to label their produce and in the case of HOFA they now have the right to label their produce with a *ZimOrganic* label. Getting to this particular stage for HOFA was not easy and for many farmers in this association the whole certification process made them envision greater things. Within this envisioned scope are things that have not come to pass for a number of reasons thus serving as one of the propelling reasons for this research study.

Jones (2004) postulates that the use of the terms inferring "organic" are restricted to products that have been subject to a series of regular inspections by the responsible certification bodies on those producing them ensuring that they meet their requirements. Certification processes also include auditing of quality assurance systems and the inspection of finished products with the aim of fostering product confidence within the consumers concomitantly improving trade possibilities and opportunities. However it has been noted that the intricacy of certification requirements has at some point or another compromised the rapid development of organic agricultural sector. This is because there is a degree of difficulty in harmonizing these certification standards and regulations while acknowledging the legitimate regional differences and reducing the multiple accreditation and certification costs and requirements that may block market access (Rural Advancement Foundation International, 2003). FAO,(2000) recognizes the essence of harmonization so that consumers get the same service regardless of where it emanated from. For such a state of harmonization to exist there is need to promote agricultural subsidies in Africa that will allow it to have a fair play in the international economic arenas. It will take decades if not centuries for this to take place

because there are other contributing factors that hinder the harmonization of certification standards that are not related to regional differences or certification costs.

The New World Order in agriculture has traders and farmers seeking to market their product in developed countries and this requires them to utilize the services of an organic certification organization, and the cost of doing so can prove exorbitant to small businesses and entrepreneurs. For this limitation to be dealt with accordingly there is need to improve the certification agencies making sure that they enhance the quality of produce and its capabilities in the global economy. This therefore brings into question that is the effort really worth it and will it not drain and stunt the growth of farmers particularly smallholder farmers who happen to be at the forefront of seeking such opportunities provided by the global economies. This concern is primarily founded on Webber's accession (2007) that there is a danger in this new agricultural enthusiasm as it may not last or it may even backfire if the high expectations associated with it are not met. His accession is brought to life by the lessons learnt from the Green Revolution that once an agricultural trend fails it is most likely to prove taxing in trying to rehabilitate farmers from its aftermath and that normally smallholder farmers is the largest population affected.

It is therefore imperative to analyze whether Zimbabwe is on its pathway to playing in the global agricultural arenas through recognizing and adhering to organic certification regulations and standards using Hwedza as a case study.

# 2.4 Organic Trade.

Organic trade is increasing in first world countries because of heightened organic produce and its sales due to its growing demand emanating from health consciousness and environmental awareness. The million dollar question is embedded on the ability for developing countries to follow suit. As much as organic trading screams economic growth it has its significant hurdles and barricades. This view is supported by Rural Advancement Foundation International (2003) as it acknowledges that traders have to manoeuvre through an intricate web of certification systems, adhering to regulations and observing the special needs of those they are exporting to in order to be recognized as a worthy contributor to trade. For smallholder farmers in developing countries to make a breakthrough in organic trade there is a huge need to increased domestic capacity. Keesing et-al (1992) supports the need to bridge the gap domestic capacity and expectations of export markets in relation to organic trade. Failure to bridge this gap will lead to smallholder farmers facing the present threat of being pushed out of mainstream value chains and trading opportunities (African Development Bank, 2013). The growing trend of farmer activity systems being certified as a group/cooperative is an example of bridging the gap and ensuring the strength of smallholder farmers against the threat of being considered as weak players in the organic trade as done by HOFA.

# 2.5 Contracts and Smallholder Farmers

Smallholder farmers have had the opportunity to embrace domestic and international market linkages through commercialization of their produce in the form of contract farming. Masakure and Henson (2005) are in support of this embracing of market linkages notion as they state that smallholder farmers have benefited immensely from contract farming. They have benefited inputs for production, they have developed substantial market relations and amassed information important for agricultural growth thus eventually good for rural development and these is shown by countries such as Uganda, Kenya, Zimbabwe and other Latin American countries.

Contract farming in Uganda according to Elepu et al (2007) has had its primary focus on plantation crops while in Zimbabwe it has its roots embedded in cash crops such as tobacco and cotton with the drivers of production being smallholder farmers. These type of contracts have set a precedence for contract farming for years but there has been a dimensional shift of goal posts with horticulture contract farming coming into focus with agribusiness firms such as Exhort and Mitchell being the instigators. Contract farming has been accredited with playing a pivotal role in increasing the premium prices and the profitability of crop farming and reducing marketing risks on domestic levels (Wiegratz et al., 2007) and to some extent this has been the case with HOFA but like any other form of interaction subject of contentions are bound to arise.

While contract farming has been credited with offering great commercializing opportunities for smallholder agriculture, smallholder farmers have allegedly run into problems that have at times resulted to their detest of contract farming and have encouraged them to flinch away from offers of such a kind. Similarly, agribusinesses have also purportedly come across difficulties with smallholder contract farming and this has in some cases contributed to their exclusion from their selection of production service providers. Wiegratz et al (2007) explains such a scenario as an attribute of failing to honour one's end of the deal as per the agreement on the contract. The playing out of these contracts is also dependent on the type of relationship present within the involved parties and many a times when things go sour there tends to be a blame game with the providers of the contract saying they did not get quality expected or the time frame for the supply was compromised while smallholder farmers blame the circumstances against the expectations among other reasons.

It can be noted that problems surrounding contractual farming might be a resultant of weak contractual laws or their enforcement or lack thereof. Consequently there is need to ratify contractual laws and policies that are favourable for both smallholder farmers and agribusiness entities in their production and marketing roles respectively. Moreover there is need for relevant stakeholders to identify trade policies that make contract farming attractive and appealing to smallholder farmers in an attempt to increase their income thus subsequently contributing to rural development. Once smallholder farmers get the basis of contract farming it will become much easier to fit into the world of value chains because these are mainly characterised by players assuming their roles and keeping in sight how this will prove beneficial be it in the long run or in the near future.

# 2.6 Value Chain Development

Value chain development has been over the past few years a subject of interest for curious business people as such it has managed to fetch a lot of attention thus translating to a number of definitions for it and what exactly it entails.

# 2.6.1 <u>Defining Value Chains</u>

Brooks (2013) defines a value chain as a full range of activities that businesses go through to bring a product or service from conception to delivery. Webber (2007) concurs through his view that value chains include vertically linked interdependent processes that generate value for the customers. These definitions bring forth an image of a relationship among a number of people who share the same end target goal but who have to ensure they play each of their parts accordingly. In the agricultural context these various stakeholders involve but are not to be limited to farmers, agricultural banks and other financial support systems, N.G.Os, government extension services and market institutes. Furthermore from the definitions of

value chains one can deduce that normally there is a consensus on the reasons to establish a value chain and this consensus is on the end goal or targeted result.

Glasbergen et-al (2007) defines value chains as voluntary contributions between actors or two or more domains of society with a non-hierarchical structure which strive for sustainability. His definition is more dogmatic in nature because in any form of relationship questions of power arise and it might not be apparent but it does not mean it is nonexistent hence his non-hierarchical structure when defining value chains is somewhat debatable. Humphrey (2004) in his assertion that value chains depending on how they operate, might not exactly be welcoming to newcomers helps the researcher realize that indeed an element of power struggles in value chains relationships is present and cannot be ignored and should in actual fact be acknowledge and analysed in a way that works to an advantage of the parties involved.

# 2.6.2 Characteristics of Value Chains in light of Organic Value Chains (OVCs)

Value chains involve a number of players or stakeholders in their execution and because of this they hold a barrage of characteristics depending on the environment in which they are created as well as the type of relationship available in that particular value chain. It is therefore important for the researcher to look at the characteristics of value chains in a bid to understand how these are applicable to the case of the Organic Value Chains in question and how these affect Hwedza Organic Farmers Association.

Sarah Drost and colleagues (2012) in their study believe that the main focus of value chains is on economic related effects since being included in commercial chains assumes being confronted with the logic of the market. This a precise reflection on the basis of the

establishment of value chains from the links in inputs to the outputs, it is based on the market target hence the shift from blind farming by smallholder farmers to a more market oriented type of farming. However this study assumes that inclusion into the commercial chains is solely dependent on economically related issues and this is not a true reflection in the Zimbabwean case given the traditional state it is. Consequently therefore inclusion into the commercial value chains especially in Zimbabwe is dependent on other variables like gender, traditional posts in society, wealth and political influence in the society as all these are believed to have a direct influence on one's economic stature. This lack of a black and white facet of commercial value chains is alluded to by Gereffi et al (2005) who emphasizes that the complexity of transactions make up one of the variables that determine how things play out in value chains. His assertion contends the thinking that only one phenomenon can determine the inclusion into commercial value chains as seen in the case of Zimbabwe.

Furthermore the study assumes that all smallholder farmers understand the logic of the market whereas this is not the case in Hwedza District since smallholder farmers have trouble retaining markets due to a variety of reasons inclusive of failed relations and information asymmetry among others hence understanding how the world of markets operate might be difficult to understand let alone relate to. Dannenberg (2014) recognizes that there is a proliferation of global standards in agricultural value chains and these bear a danger of excluding a large number of farmers especially in developing countries and one of the reasons for this is the lack of knowledge of these standards as in the case of the logic of markets particularly in the Hwedza District. Assumptions dominate most principles that govern value chains and some of these assumptions may foster the drive to accrue knowledge by smallholder farmers. However in most cases it creates the lack of enthusiasm and a defeatist attitude which is detrimental to the agricultural sector as the weakest of players are

fast eliminated in mainstream value chains and this is bound to impede economic growth (ADB report 2013).

According to the African Development Bank (ADB) 2013 report again, the sustainability of a Value chain is propelled by the characteristics of external factors influencing it such as the business environment and the support services in particular inclusive of the policy and regulatory environment. Such an environment is bound to breed an environment conducive for a fighting chance against the fierce competitive nature in acquiring and being able to retain the client base once established. Moreover this report acknowledges that Agricultural Value Chains (AVC) are based on integrated systems with differentiated roles spreading across risk management, information needs, production capacities and all these foster interdependency of farmers. This school of thought does well in explaining the phenomenon of cooperatives and the increased rate of activity systems which merge in order to live up to the targeted role of the supply base. However the structural organization and success of the supply base does not imply the success of the AVC as there are other constraints to be realized such as the software components of transaction costs. These components include but are not limited to non-conducive business environments, low population density and lack of proper infrastructure for production and processing purposes. This ADB report in this sense explains why HOFA despite its lucrative structural organization it has continued to accrue episodes of sickly profit margins for its organic produce.

Glasbergen further goes on to acknowledge the importance of external factors such as support services for a conducive business environment. His view differs in that he associates the support services with "voluntary" multi-stakeholder partnerships in eradicating constraints facing smallholder farmers in the agribusiness value chain which in turn will affect the ability of smallholder farmers to be successfully economically sustainable. His idea of value chains is correct and centred on a more relaxed approach to attaining sustainability

through value chains. However his study negates the African context where poverty alleviation cannot possibly be dependent on voluntary interactions but rather it is a necessity that should be a cause for concern for everyone and needs everyone to take up a stand and play a certain role. As such in Zimbabwe there is need to empower smallholder farmers such as those in the Hwedza District by not basing the success of organic value chains and the achievement of their sustainability on voluntary contributions but rather on creating environments that have role and responsibility driven collaborations relevant in agribusiness.

Antonio Rota (2010) is of the view that value chains ought to be characterized by the prospect of equity. This is to say that the said value chain will have fairly distributed economic gains. This is a theory supported by Kolk et al (2012) who believes a win-win situation is an integral part of the collaboration process which in-turn manifests into a collaborative advantage necessary for the success of a value chain. These two studies however in their bid to look at conditions necessary for a conducive business environment fail to appreciate human nature in its entity. This is greatly because humans are driven by the need for individual benefit even in a collaborative association. This realisation and acknowledgement of basic human traits is crucial in analyzing and assessing the reasons why HOFA fails to fully enjoy the benefits of activity systems and relationships with other stakeholders in the organic value chain. Gereffi (2005) comes in handy in explaining why some people fail to enjoy the benefits of value chains as he denounces the presence of winwin situations by saying that many chains are characterized by dominance of a certain party/ parties that hinder fair play as well as cripple equity. This would explain failed contracts between HOFA and some market linkages leading to the deficient livelihoods characterizing it at this point.

Organic value chains should be characterized by distinct governance and operating structures which are guided by a business oriented environment. Such an environment according to Altenburg (2006) is one that promotes value chain integration and success through policy formulation and intervention centred upon reliability, transparency and less bureaucracy. However Trienekens (2011) acknowledges the lack of such environments in developing countries and further goes on to point out the lack of such a milieu as the chief barrier of effective and efficient value chains in developing countries. Reasons for the lack of distinct governance and operating structures in OVCs can be attributed to the failure of smallholder farmers to take charge of the organic production and the continued dependence on other entities. It is this continued dependence that breeds captive value chains that see smallholder farmers being dependent on supermarkets/ lead firms in fear of facing switching costs that may involve a market dry spell for a certain period among other things. This dependency syndrome is most likely to continue crippling business enabling environments because there is somewhat a consensus within N.G.Os that categorizes smallholder farmers as the target population for projects. This is because they fundamentally make up the population with the most concentrated poverty levels. Consequently the development and success of OVCs in Zimbabwe relies on the extermination of the dependency syndrome through a series of behavioural change workshops that will see the emergence of smallholder farmers as forces to be reckoned with as compared to being weak players within a value chain.

McAllister (2012) suggests that an organic value chain centred approach for Zimbabwean agriculture should be characterized by an organic curriculum within the extension services. The agricultural extension services is predominantly modelled on conventional farming and as such AEWs find it difficult and taxing to provide technical assistance to smallholder farmers practicing organic farming. This study identifies the problem when it comes to the role that ought to be played by the extension services in the organic value chain however it

neglects the underlying causes that contribute to the situation being so. The underlying cause would be the lack of national organic policy on agriculture by the government thus evincing that the extension officers by not providing a curricula for organic farming they are only acting in accordance with the jurisdiction set by the government it represents. Mukute (2010) postulates that governments should ensure that extension systems are effectively equipped in order to support sustainable agriculture given that it has the potential to achieve economic sustainability.

However as much as the need to equip extension workers accordingly is identified by these two scholars it does little in changing the underlying causes of the lack of commitment from the Zimbabwean government. CAAPD had African countries pledging to allocate 10% of public expenditure to agriculture but to this date less than a quarter of the AU member states have reached or exceeded the targeted allocation (NEPAD, 2013). Zimbabwe despite being the current chair of the AU still has not allocated the targeted 10% of the public expenditure probably because its revenue is stringent and it is restricted to paying cumulative debts. Furthermore should Zimbabwe decide to invest in agriculture and provide it with subsidies it would most likely take the conventional route in a bid to revive its once Africa's bread basket state as identified by Makombe (2009) as the conventional route is a lot faster compared to the organic one. Moreover Zimbabwe would most likely invest in agricultural activities that spread across most sectors and have an economic ripple effect through industrialization over a short amount of time. It is imperative to study how the lack of commitment and other economic challenges faced by Zimbabwe is likely to influence the class of business milieus detrimental to the effectiveness and efficiency of value chains.

The prominence of OVCs is dependent on the development of local certifying agents as according to Edwardson et al (2013) as these would probably cut costs essential for a viable

atmosphere of business where value chains are concerned. Edwardson's view is quite relevant in Zimbabwe because in the past couple of years ZOPPA has been the only local certifying agent and to limit pressure on themselves they have been charging significant amounts for their services. This compromised an early take off for HOFA because it had challenges paying subscriptions and fees required. This therefore goes to show that the development of local organic certifying agents does not correlate with cutting transaction costs for smallholder farmers but rather it can cause challenges and limit success.

Until Africans make clear risk assessments before adopting innovations using principles and regulations distinct to them and applicable in their context, they will continue facing problems in development pathways. Global standards should serve as a motivating factor than the actual guideline to development as noted by Keesing et al (1992) as he postulates that Africans often attempt to meet requirements that do not apply to their domestic situations. As such a recurrent situation of trying to redress problems will always be the trend, some scholars have argued that the adoption of OVCs is actually an example of redressing problems caused by adopting toxic and redundant agricultural innovations. It is therefore pivotal that African countries wanting to participate in the global OVCs should carry out a value chain analysis (OVC risk assessment) as this would help in identifying if participation in such an innovation is lucrative or not. Simultaneously HOFA should assess the risks and challenges involved in participating in an OVC in Zimbabwe given the present environment in relation to how it would go about achieving its objectives in-spite of the said environment.

# **Chapter Summary**

This chapter mainly focused on literature relevant to the researcher's study with the aim of helping understand concepts making up the foundation of organic value chains. The researcher studied the literature in a bid to identify areas neglected that are important in understanding organic value chains, from what propels their existence, how they are governed and what makes them successful among other things. This was done so that the researcher could justify the purpose of the study in a concrete and tangible manner.

#### **CHAPTER 3**

#### RESEARCH METHODS

#### 3.0 Introduction

A research design is a master plan that specifically identifies techniques and procedures that were used to collect and analyse data to the research problem (Zikmund 1996). A research design helps a researcher to acquire relevant data while maintaining the bounds of the study in a bid to have an empirical research subdued with relevant detail. This chapter conceptualises the research and gives a synopsis of the research methodology and design that was used by the researcher during data collection. It also explores the diverse data collection methods that were used to collect data and their rationalization is also provided.

## 3.1Research Methodology

According to Goethal (undated) qualitative research is a type of scientific research which seeks to answer questions, collect evidence and produce findings that are applicable beyond the immediate boundaries of the study. As such the researcher saw it fit to use the qualitative research methodology because its design helps get more Intel necessary for a comprehensive analysis of the critical relations relevant to the enabling environment in question.

Charmaz (1995) notes that qualitative research is highly contextual since it is carried out in a life setting thus it is capable of showing how and why things happen the way they do. This element of the qualitative methodology is what makes it appealing particularly when studying intricate issues such as the variables involved in Value Chains. Furthermore this methodology is advantageous because it is holistic in its approach; it is inductive and can help generate theories and reasoning best equipped in explaining an intricate phenomenon as the one making the basis of this study. Since this methodology is quite subjective in its approach and breathes life into experiences it was best suited to give meaning to the experiences of Hwedza

organic farmers association and help give a cross section of events that take place in their agricultural life.

However since the basic element of analysis for this methodology are words it proves difficult at times implementing it in that the element of being substantive is compromised should the key informants decide to provide collaborated incorrect information in a bid to help their case particularly where process problems and the hope for their solutions are involved. They are tools and methods however that can be used to limit chances of such situations taking place and these involve but are not limited to strict selection criteria of the respondents as well as data audits.

#### 3.2 Research Design

The research design for this study was a case study and the reason for this choice of design is well articulated by Anastas (1999) who in his definition of case studies highlights that these narrow down a very broad field of study into one or few easily researchable examples while still providing an in-depth study. The case study as a design for this research study appealed because the area in question has prominent organic farmers that are grossly affected by poor business enabling environments thus examining this area would give insightful details relevant in answering questions related to the research problem. The case study proved useful in that it helped the researcher maintain the scope of the study and concentrate on the relevant data while saving time without losing the goal. According to Bell (1999) a case study approach is quite useful for an individual researcher because it gives an opportunity for one aspect of a problem to be studied in some depth within a limited time frame and the validity of this accession was proven by the research carried out on Hwedza Organic Farmers Association.

The advantages of using a case study include the fact that it is highly praised for helping researchers understand complex issues through analysing events and their relationships. Anastas (2000) believes the reason why social scientists make wide use of this design is that it is quite comprehensive when it comes to examining contemporary real life situations and it normally provides water tight thesis's for the application of concepts grounded in a research study. It is the pragmatic nature of case studies that gave the researcher the idea to use this research design in order to assimilate the effect of business enabling environments on the Zimbabwean organic value chains and the relationship within the variables involved in the value chain.

On the other hand case studies offer not much reliability in terms of findings and their applicability in a greater and vaster environment. Consequently some scholars have argued the validity of researches based on this descriptive type of research design claiming that it lacks the element of universal applicability thus rendering it redundant. However in the case of this research problem, this type of research design gathered up data with a probable high degree of relevancy to the majority of smallholder farmers as Hungwe (2004) recognizes that these make up the great bulk of the population in Southern Africa.

#### 3.3 Sampling Technique

Greenburg (2003) acknowledges that the target population of a study is the section in which a study will be concentrated and based. In this study the target population was chosen through the probability sampling technique known as stratified sampling due to its ability to ensure the credibility of the observations made from relationships between two or more subgroups and credibility is quite key to the trustworthiness of the data that's according to De Vault (2011). As such stratified sampling was used to select respondents for the research study and through this technique four classes of respondents where decided upon, these included

financial service providers, production services, technical advisors and certification services. These groups make up the world of agriculture and play a significant role in the rolling out of value chains as they make up the business entities that create an enabling environment for smallholder farmers.

# 3.4 Data Collection and Management

To answer the research questions that helped the researcher meet the objectives, various data collection methods, instruments and tools were used.

#### 3.4.1 Data Collection Tools/Instruments.

Primary and secondary data were used in this survey and this data was collected using various tools and instruments. Questionnaires were administered on selected members of Hwedza Organic Farmers Association to get their socio-economic status as well as their demographic details in order to analyse the trends in the relationships between different variables such as gender, age, production levels and income generation and how poor business enabling environments impact on them. Furthermore Focus Group Discussions (FGDs) were conducted with the smallholder organic farmers in Hwedza to allow a flow of views on the relationships they have with the stakeholders in Agriculture. Interviews with the support service providers and technical advisors who work with Hwedza Organic Farmers Association (HOFA) were conducted with a field officer from Fambidzanai Permaculture Centre (FPC) and an Agriculture Extension Worker (AEWs) respectively.

Secondary data was also collected through studying various published and unpublished literatures done on HOFA, this is inclusive of reports by funding partners of the Organic Conservation Agriculture (OCA) project in Hwedza, reports by FPC and ZOPPA

(certification and market linking organisation) as well as audiotapes on Most stories of Significant Change (MSCs) recorded by FPC field officers.

The documents review sought to establish the following:

- The socio-economic impact of organic farming on smallholder farmers.
- Observations of stakeholder engagement and relations in the district of Hwedza.
- The general success rate of agriculture through contractual farming in Hwedza.

#### 3.4.1.1 Questionnaire Survey

An open ended household questionnaire was designed for this empirical research study. It was designed in a way that would help the researcher acquire demographic detail favourable for an analysis of the socio-economic impact of organic agriculture across ages, gender, and number of family members among others. Furthermore the questionnaire contained questions on income generating activities, land ownership and production capacities as well as market availability in a bid to understand the concept of organic farming and its impact on the lives of smallholder farmers that make up HOFA as they represent a fraction of the country's organic farmers. The household questionnaire was administered to a total number of 89 out of the 125 organic farmers in Hwedza. Eight enumerators administered these questionnaires; these enumerators included two field officers and three interns from FPC, two AEWs from Hwedza district and the researchers. There was a brief training workshop on the questionnaire for the purposes of addressing questions that enumerators had on the household questionnaire. Furthermore the farmers were told beforehand about the questionnaires and briefed on the reasons for their being conducted. The whole administration process took a minimum of 3days with a feedback session at the end of each day for the purposes of sharing encounters and challenges faced in the administration of the questionnaire.

The advantages of using this type of open ended questionnaire were that it allowed farmers to express their views in a way that was not entirely restrictive and they were relatively cost effective and efficient in terms of time management. However the challenge faced by some of the enumerators was that scepticism took over when it came to some of the responses given by farmers as most of the enumerators had worked with the farmers previously. It is the anticipation of these sorts of challenges that had the researcher seek more than one research instrument.

Table: 3.1Sample distribution of respondents across Associations/ Activity system

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Jeri	4	4.0	4.0	4.0
	Zivai Kurima	7	7.0	7.0	11.1
	Journey of life	8	8.0	8.0	19.2
	Kushanda nesimba	8	8.0	8.0	27.3
	Save	8	8.0	8.0	35.4
	Garden of Eden	7	7.0	7.0	42.4
	Mt of Hope	31	31.3	31.3	73.7
	SOFA	26	26.3	26.3	100.0
	Total	99	100.0	100.0	

#### 3.4.1.2 Focus Group Discussions (FGDs)

Focus Group Discussions were conducted in efforts to qualify the data collected from household questionnaires as well as to get a more behaviour and emotional intuited form of data that could not be acquired through the administration of household questionnaires. Two groups of organic farmers with at least ten members each participated in the FGDs and there were also field officers from FPC representing the support services of the OCA project, technical advisors were represented by the two AEWs who were present for the FGDs as well. Three domains of the stratified sampling were represented by the people who participated in the FGDs namely the production services, support services and the technical advisors. The FGD guide was subsumed by the following topics:

- > Income Generating Activies (IGAs).
- ➤ Market availability and its challenges.
- Stakeholder engagement
- ➤ Activity systems and Production

These topics were the general focus of the FGDs in order to establish the impact of organic agriculture on the lives of the smallholder farmers and rural development on a whole. The challenge with this data collection tool was the whirlwind of emotions that were attributed to by significant difference in opinions or a consensus on a particular topic thus causing difficulties in time management. However it was generally a success in that it tackled controversial issues that could not be answered through questionnaires such as stakeholder engagement, viability of activity systems in relation to integrated production levels for bigger and more sustainable market opportunities.

#### **3.4.1.3 Interviews**

Interviews were conducted using an interview guide, a field officer from FPC who has worked with Hwedza smallholder farmers from the conception of the OCA project was interviewed as well as the AEW that works with the highest number of wards constituting smallholder farmers of HOFA. Carrying out these interviews proved advantageous in that they seemed to be a great tool for sequencing information as they gave room for the

interviewer to probe where it was necessary. The used interview guide despite having open ended type of questions seemed not to entice the interviewees much to give more interviews and the possible reason for this might be attributed to the fear of having their responses interpreted in a way that will sour relations in the context of Hwedza stakeholders.

## 3.5 Data Entry and Analyzing techniques/ tools.

The data collected through questionnaires was entered into SPSS version 16 an analyzed there giving out descriptive statistics. Interviews were analyzed using observations with a combination of the intensity of responses in conjunction with secondary data acquired from reports and publications from funding partners and supporting entities as well as ZOPPA the certification agent all in a bid to have a comprehensive research study. FGDs were analyzed using the thematic analysis.

Table 3.2: Summary of the matrix of objectives, research questions, research hypothesis, data used and analytic tools for that data.

Objectives	Research	Research	Data Used	<b>Analytic Tools</b>
	Questions	Hypothesis		
-to show how	-what are the	-lack of	-Secondary data	-intensity of
multi	underlying	effective policy	from Garden	responses and a
stakeholder	causes of poor	formulation and	Africa (OCA	S.W.O.T
partnerships or	relations within	regulatory	funding patner	analysis
lack thereof	relevant	systems of	working with	
have contributed	stakeholder	governance	Hwedza) reports	
to the failure of	partners?	among these	and publications	
organic value		multi	by Mtizwa	
chains		stakeholder	Mukute .	
		partners hinders		

		them form	-Primary data	
		assuming their	from an	
		roles	interview	
		accordingly	conducted with	
			an AEW.	
		-limited funding		
		and dilapidated		
		resources drains		
		any form of		
		motivation for		
		cooperation		
-to establish the	-how do these	-sustainable	-primary data	-thematic
relevance of the	relations affect	market linkages	from FGDs with	analysis
nexus between	growth of the	are dependent	the farmers and	
systematic	organic value	on information	AEWs	
relations of key	chain?	asymmetry		
stakeholders,		which requires		
value chains,		an environment		
economic		where people		
growth and		play their role in		
development		a value chain		
		accordingly.		

-how does the	-lack of	-socio-economic	-descriptive
failure of	subsidies for the	data	statistics.
organic value	agricultural		
chains impact	sector make		
development for	organic value		
rural	chains irrelevant		
populations?	to the global		
	market		
	-contract		
	farming has a		
	great impact on		
	smallholder		
	sustainability.		

# **Chapter Summary**

This chapter outlined the research design for this thesis citing the advantages of this employed design as well as its disadvantages and how they would most likely impact the

study. This chapter rolled out the relevance of the design and the research methodology in relation to the objectives of the study as well as the research questions that guided the research study from the onset. Furthermore a sampling technique for the respondents of the research instruments selected for the collection of data was explored and explained in this chapter. A summary of the contextual data collected in connection with the objectives and research questions was also outlined. The next chapter will then look at the analyzed data, interpreting it in the process and presenting it in forms of graphs and descriptive statistics among other things.

#### **CHAPTER 4 DATA PRESENTATION AND DATA ANALYSIS**

#### 4.0: Introduction

This chapter looks at the findings of the research and these findings were analyzed using various data analyzing tools from SPSS, thematic analysis and intensity of response models among others. After having analyzed the data, this chapter will then present it in forms of graphs and pie charts as well as descriptive statistics in a bid to provide answers to the research questions and achieving the objectives of the study in the process. The research explored and assessed the business enabling environments for organic value chains in Hwedza. This chapter summarizes the findings of this research study and goes on to discuss what these findings mean and supporting their analysis with some scholarly views in the process.

## 4.1 Demographic details of the respondents

Table 4.1Descriptive Statistics for beneficiaries and their families

	Ν	Minimum	Maximum	Mean
beneficiary age	94	21	80	48.46
number of people in the family	99	1	9	5.27
Valid N (listwise)	94			

The demographic data for the HOFA was collected through household questionnaires that were administered to 8 different associations/ activity systems. This data was then analyzed through the Statistical Package for Social Scientists (SPSS) version 16 thus giving out the

descriptive statistics as shown above. These descriptive statistics show the number of people interviewed the distribution of beneficiary family members across different age groups and their averages. The purpose of these statistics was to identify the number of people dependant on organic farming and its success in the Hwedza district in order to represent the scope of the fraction of smallholder farmers and their families depending on organic farming in Zimbabwe.

These statistics show that out of the 99 OCA project beneficiaries included in the Hwedza Organic Farmers Association that were interviewed 94 provided their ages and the average age of the participants is 49. This goes to show the lack of hands on youth participation in organic agriculture. This is detrimental to the future sustainability of activity systems and their established line of business as there are no youths to take over the reins once they are of retiring age and cannot fully participate in agriculture. Furthermore the lack of vibrant youths within the organic agricultural system might just be but one of the reasons for the emaciated take off when it comes to value chain development particularly in Zimbabwe. This is supported by Ojeduron (1997) in Daudu (2009) who is of the view that economic stability through agriculture in a country requires its youth to assimilate farming as a profitable and beneficial profession. However the maximum age of the 94 beneficiaries recorded gives hope that agricultural activities are seldom restricted to a certain age thus they do not run a risk of going into total extinction but rather infers success in-spite of old horses making up the spine of organic agricultural activities. On average organic farming/ agriculture supports 5 people in a family within the interviewed participants of the OCA project according to the descriptive statistics in **Table 4.1**.

The demographic data collected show that there is a lot of potential for youth oriented agricultural development particularly in organic agriculture given the number of youths already dependent on organic produce and its benefits under the wings of their guardians in the OCA project. There are 522 people dependent on organic production as shown by the descriptive data in **Table 4.2** below:

Table 4.2 Sum of people dependent on O.A across age groups

	N	Sum
number of males below 16	99	137
number of females below 16	99	103
males between 17 and 35	99	81
females between 17 and 35	99	61
males between 36 and 60	99	40
females between 36 and 60	99	59
males above 60years	99	24
females above 60years	99	17
Valid N (listwise)	99	

From this data it can be deduced that of the 522 people dependent on organic produce 142 of those are youths under the definition of the 2013 National Youth Policy. It is therefore imperative to note that is great potential in organic agricultural growth should these youths be oriented accordingly and one might say the foundation is already there since they probably are directly or indirectly involved in O.A. Furthermore it can be noted that organic agriculture has indirectly helped Zimbabwe adhere to the SADC principles on children and youth centred approaches to development. The data on **Table 4.3** below shows that 63 orphans depend on

organic farming and its inherent benefits and this is in accordance with the SADC Secretariat's proposal in 2008 which stipulated that development service providers and their practices should act in a way that is in the best interests of children and youths.

Table 4.3 Sum of orphans dependent on O.A

	Ν	Sum
number of people in the family	99	522
number of orphans	99	63
Valid N (listwise)	99	

Mpofu(2010) argues that the attrition of livelihoods and heightened levels of poverty have an atrocious bearing on orphans as they are most likely to have less access to health care, education and access to day to day necessities. However with the current trend in the socioeconomic benefits of O.A one can argue that such a scenario can be changed and should there be more support for organic business milieus chances are O.A would have far reaching ripple effects.

# **4.2 Gender cross-analysis**

More women were interviewed as compared to men generally because women participate more in projects and in it is no different in the OCA project that gave rise to HOFA. The percentage of males and females who had the household questionnaire administered to them is as shown below in **Table 4.4**:

Table 4.4: GENDER

<del>-</del>	-				Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Male	35	34.7	35.4	35.4
	Female	64	63.4	64.6	100.0
	Total	99	98.0	100.0	
Missing	System	0	0		
Total		99	100.0		

The reasons for the disparities in the percentages between males and females here can be ascribed to numerous reasons but the primary one would be that women participate more in projects and rural agriculture. According to Mucavele (undated) women comprise 43% of the world's agricultural labour force and over 60% in Africa subsequently this explains the gap between the two sexes in the data presented above. Johnson (2015) suggests that the reason for this gender based gap in agricultural participation is because production and income at household level would be used in a way that is in harmony with the woman's inclinations. This data suggests that women are the main drivers of organic production and selling in Hwedza thus inferring to the gender inequality present within this value chain.

However Mutopo (2012) argues that both men and women are involved in the agricultural value chain and as such value chains become engendered in that all actors are involved. One should acknowledge that gender representation is important for a viable business and full on recognition in this era of globalisation and such significant disparities in the representation cannot be good. This can be attributed to agricultural gender enforcing policies which are the

responsibility of policy formulators such as Government authorities and the private sector among other stakeholders. Should there be fewer disparities chances are there would be less limitation such as land accessibility in the production phase thus promoting a substantial supply base pivotal for the success of an organic value chain. Consequently therefore it can be argued that gender is somehow a limitation to the breakthrough of an organic value chain in Zimbabwe.

## 4.3 Organic Agriculture and Income Generating Activities

Data collected through both questionnaires and FGDs show that organic agriculture is a viable and lucrative income generating activity hence why it is concerning that despite its viability it is failing to establish a working successful value chain. The questionnaires administered revealed as shown in **Table 4.5** below that on average a smallholder farmer who is part of HOFA gets \$193 from organic agriculture which is the greatest income average as compared to those of other IGAs popular in the Hwedza district. The competing average is that from income generated through selling various things but the difference between the two averages is quite significant thus proving that organic agriculture is the best economic thing that has happened to the rural population in Hwedza.

**Table 4.5 Descriptive statistics on various I.G.As** 

	N	Minimum	Maximum	Mean	Std. Deviation
Average annual income from selling organic produce	79	\$.000	\$2,000.000	\$193.2531 6	\$344.550784
Average income per month from selling	87	\$.000	\$500.000	\$32.39080	\$86.902961
Average income per month from buying and selling	88	\$.000	\$1,000.000	\$27.15909	\$123.343729
Average salary per month	87	\$.000	\$350.000	\$16.08046	\$64.004400
Average income per month from building	88	\$.000	\$400.000	\$14.20455	\$61.564313
Average income per month from piece jobs	88	\$.000	\$300.000	\$11.01136	\$43.737854
Average income per month from mukando/ ISALS.	88	\$.000	\$60.000	\$3.67045	\$8.652581
Average income per month from sewing	88	\$.000	\$80.000	\$1.93182	\$10.378797
Average income per month from pension	87	\$.000	\$60.000	\$.68966	\$6.432675
Average income per month from brick moulding	88	\$.000	\$.000	\$.00000	\$.00000
Average income per month from carpentry	88	\$.000	\$.000	\$.00000	\$.00000
Valid N (listwise)	79				

This is supported by the intensity of responses that the researcher got from the conducted FGDs that were analysed using thematic analysis. The participants were quite enthusiastic about the income they get through selling organic produce as shown by the response intensity sign in **Table (4.6)** below:

FGD Topic	Sub domain of the topic	Response intensity +/-
		sign
Production	-availability of inputs (credit	-/+
	facilities, organic seeds, packaging	
	equipment)	
	-production coordination	+
	-processing and packaging facilities	-
Markets	-Market availability	-/+
	-Sustainability of markets acquired	-/+
	-establishment of lucrative contracts	-/+
I.G.As	-viability of O.A as an I.G.A	+
	-viability of ISALs as an I.G.A	+
	-asset generation (activity system)	+
	-increased household expenditure	+

The responses in **Table 4.6** also cut across other topics that were discussed, in production related issues it was noted that the responses to some sub domains were lopsided hence the use of both signs in measuring the intensity of responses. Issues to do with markets predominantly all had lopsided responses and this can be attributed to a variety of reason ranging from quality of production in relation to market needs to information asymmetry among other things. In production related issues availability of inputs sparked a great debate within participants as some argued that organic inputs are easily available while others argued that inputs for produce in harmony with market specifications were not accessible.

The greatest challenge in terms of inputs that was identified in these discussions was mostly to do with credit facilities for some activities necessary to please markets such as continued supply of produce despite being paid for produce delivered earlier after 90days which is the general trading rule with wholesale enterprises and supermarkets. McAllister (2012) is of the view that financial institutions do not formally acknowledge organic production systems and this creates a gap for stakeholders across the value chain. This lack of acknowledgement means farmers cannot access credit to take care of packaging material and transport costs or money for adequate seed purchases to meet the demand in the market. Failure of farmers to access credit compromises their ability to retain relations with the market and the market inturn fails to provide its consumers with locally grown organic produce. This partially explains the lopsided responses in the market sub domains particularly the sub domains on market sustainability and the one on lucrative contracts. Consequently the enabling environment that should be provided by financial services is deficient and as a result the whole organic value chain is compromised and it cripples rural economic development in the process.

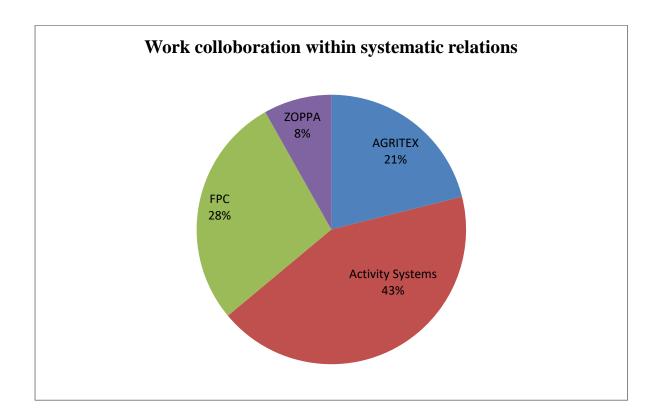
The asymmetrical responses in the data presented in **Table 4.6** surrounding production and marketing sub domains explain the high standard deviation on income generated through agriculture in **Table 4.5**. The high standard deviation explains how income from O.A varies across individuals or the rate of what is termed normal where organic related income is concerned. This can be attributed to a number of reasons such as the following:

- ➤ Length of time since certification
- Dedication to Organic Agriculture
- ➤ Participation in the association/ activity system
- ➤ Understanding the logic of the markets
- > Record keeping

There are many more other reasons besides those mentioned above that could explain the high standard deviation but nonetheless organic agriculture plays a pivotal role in improving household incomes and asset generation thus translating to some degree of positive impact on rural development as shown by the response sign in **Table 4.6**.

Information on the relations representing support, certification and technical and production services was acquired through the FGDs and coded into Microsoft excel in order to assess the quality of these relations. **Fig 4.1** below is a pie chart representing the data the researcher got across these four principal actors in the business enabling environment for organic value chains. The data represents working collaboration of these smallholder organic farmers within themselves as an association, with FPC, AEWs and ZOPPA the responsible agent for market linkages and overseeing certification processes.

Fig 4.1 Work colloboration within systematic relations



The chart shows that smallholders farmers relate relatively well within themselves as compared to other actors in the value chain this is primarily because of their targeted end result which is sustainable livelihoods. FPC was commended for their support but was also criticized for their poor communication when it comes to training programmes and workshop dates and execution. AEWs were said to be slacking in terms of garden visits that they should be doing in order to help and advise the farmers accordingly and in their defence the present AEWs in the FGDs credited this to the long distances and limited resources and reprimanding from their authorities over the immense focus on an unrecognized agricultural practice officially that is.

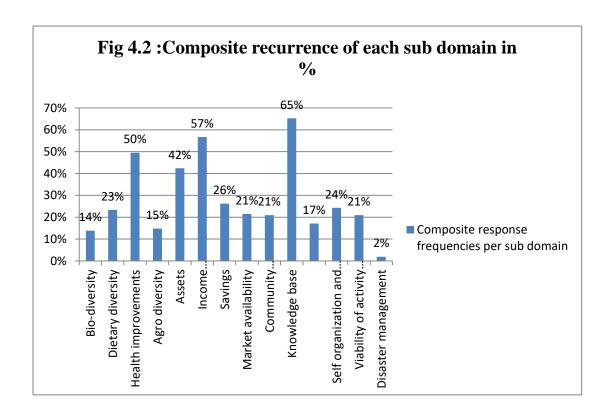
ZOPPA had the least percentage of work collaboration with the farmers and this explains the unbalanced responses on the market sub domains since ZOPPA ought to facilitate market linkages and ensure an information flow to the smallholder farmers on what is on demand and how much of it is needed among other things. Secondary data collected through reports from Garden Africa/Comic Relief throughout the life span of the OCA project also acknowledged a similar play out and pattern of relations as the one shown by the responses from the organic farmers. Data collected through interviewing FPC field officers and AEWs also supported these views on the work collaborations within the different stakeholders. Moreover the researcher had access to recordings of the farmers on their journey in organic agriculture through the OCA project that were recorded for the purposes of an MSC exercise the researcher partook in and these recordings concurred with the data collected through FGDs and reports on the present working collaborations. It is therefore imperative to note how these collaborations affect the production of organic produce and how this produce reaches the consumers in order to improve services accordingly to ensure beneficial

partnerships, viable value chains, economic growth and finally development in this exact sequence.

## 4.4 Impact of O.A on Hwedza smallholder farmers

The MSC exercise was conducted by FPC in a bid to tell the smallholder farmer's story on their organic agriculture journey from the inception of the first phase of the OCA project. Data collected through this exercise was used to ascertain the effects of organic agriculture on the lives of smallholder farmers using a variety of domains of change to conjure up the relevant data. From the recordings and the coding of the sub domains of change, the researcher managed to establish the impact of organic farming on the livelihoods of the smallholder farmers that participated in the exercise in a bid to identify this fraction of farmers with the rest of the smallholder farmers. **Fig 4.2** below shows the rate of the recurrence of each sub domain within the MSC recordings.

Fig 4.2: Composite recurrence of each sub domain in %



Three domains of change were used as the best way to identify the impact of organic agriculture on OCA beneficiaries and these were food security, income and social capital and this is where the sub domains represented in fig () were derived from. The data presented in **Fig 4.2** show that the area impacted on by O.A is the knowledge base within smallholder farmers followed by income generation. These two sub domains are important in the rural development prospective as they signify elements crucial for development which are social capital through eradicating ignorance and myths surrounding O.A as noted by McAllister (2012) and income generation an important aspect for rural economic growth.

The colossal impact of organic agriculture in Hwedza that cuts across different aspects of smallholder lives in Hwedza as shown in **Fig 4.2** shows the potential for growth appropriate for the establishment of sustainable livelihoods. It is this realisation combined with the need

to promote smallholder economic growth through organic value chains that facilitated the development of Zero Cooling Chamber systems also popularly known Packhouses according to the data collected through interviews. The development of a Packhouse in Hwedza was under the premise of ensuring that components such as organic produce supply and cutting transaction costs are well addressed. Consequently such infrastructural development is bound to improve the systematic flow of things in an organic value chain resulting in a well-oiled integrated system which is overly deficient at the moment.

Most of the sub domains represented in **Fig 4.2** are interconnected and the success of one domain can lead or translate to improvement in another. An example of this is how high income generation translates to higher household expenditure, asset generation and access to education as school fess seize to be much of a stress and this means increased knowledge base outside of O.A. Organic agriculture holds the key to food security and the mitigation of poverty in rural areas as noted by Mukute (2010) and this can be proven by the data in **Fig 4.2**. However in their stories farmers told of the hurdles they come across in their organic business and acknowledged that should there be more interventions from relevant stakeholders as a way of helping them over these hurdles. One hurdle that the farmers noted was the lack of contingency plans in their business as shown by the lowest percentage on **fig (4.2)** which is disaster risk management and this has negatively impacted on them. Lack of credit facilities to aid contingency plans which is attributed to lack of acknowledgement by financial services stunts the growth of smallholder farmers and the value chains they foster. It can be argued that the absence of a national organic agricultural policy is the sole reason why financial institutions do not recognize organic agriculture thus will not emit funds towards it.

Consequently the failure of concrete beneficial behaviour within stakeholders encumbers the success of organic value chains and as a result crippling rural development in Zimbabwe.

# **Conclusion**

The data collected by the researcher and its analysis helps to answer the research questions founding the purpose of the study on the business enabling environment and its effects on organic value chains. This data revealed that the reasons for the failure of noteworthy infiltration by OVCs in the agricultural sector can be attributed to meagre enabling environments facilitated by deficient work collaborations within stakeholders and the non-existent organic policies. The data also revealed the nexus between these systematic relations and work collaborations, the organic value chain, economic growth and rural development. HOFA through the data collected reveals that there is a strong relationship within these variables and should there be a proper business-like structure nesting, the present effects of organic agriculture are most likely to increase and promote sustainable livelihoods through poverty alleviation and foster rural development in its essence.

#### **CHAPTER5**

#### CONCLUSIONS AND RECOMMENDATIONS

## **5.0 Introduction**

This chapter summarizes the findings of the study giving a synopsis of these findings in light of the objectives of the study and how these findings counter the research questions designed to help deliver a pragmatic research study. It also presents the researcher's recommendations in a bid to augment the issues noted and discussed throughout this research study which might be noteworthy to those in a quest to improve smallholder livelihoods through value chains.

# 5.1 Summary of major research findings

To reveal the limitations and challenges faced by smallholder farmers in making a significant breakthrough in value chains in Zimbabwe.

- ➤ The researcher found out that there was a lot of the blame game within the key players that are supposed to make up the organic value chain in Hwedza signifying poor and deficient partnerships.
- The research revealed that there is a correlation in the systematic relations of the relevant group of actors within a value chain and economic growth.
- The researcher also found out that one of the chief reasons limiting smallholder farmers is the lack of credit facilities to support organic farming which was attributed to the absence of a national organic agricultural policy by the government.

> This study revealed that organic agriculture has the potential to provide the key to sustainable livelihoods and rural development.

#### **5.1.2 Conclusions**

This research has indicated that the way key players in a value chain interact has a great bearing on the way things will play out in a value chain, whether it will be beneficial for all parties or costly for all or some players and if it would be captive in nature among other characteristics. The study conveys the concerns harboured by smallholder farmers where penetrating the market is concerned should the business enabling environments remain as they are in that there are more restrictive than enabling in nature. Furthermore the research identifies the malignant nature of the government towards the organic agricultural sphere which is branded by nonchalance. Smallholder farmers in Hwedza seek to improve their livelihoods in a formal and recognized way that creates employment; provides sustainability and develops each and every relevant aspect of their lives through organic agriculture with fewer hindrances as compared to the current situation.

#### **5.2 Recommendations**

The findings of the study give a synopsis of the challenges and limitations faced by organic smallholder farmers in Hwedza when it comes to making a breakthrough in markets that will lead to a pathway of global markets through OVCs eventually. These findings helped the researcher come up with probable solutions and recommendations that might help minimize these limitations and challenges.

1. *Establishment of a national organic agricultural policy*- The government ought to create a national organic agricultural policy that will help facilitate organic agricultural growth both domestically and externally. This facilitation involves

possibilities of subsidies and credit input from financial institutions and increased investment from the 3<sup>rd</sup> sector. An all inclusive organic agricultural policy will help cement the availability of domestic markets through increased demand thus translating to an increase in organic agricultural revenue among other benefits. Furthermore such form of a policy would promote the development of an organic curricula from grassroots level thus in turn recognizing organic agriculture as a means to sustainability through youth involvement.

- 2. Improving the efficiency of certifying agencies- Certification for organic agriculture has proven to be an expensive procedure and the establishment of Participatory Guaranteed Systems in efforts to combat this has proved to be time consuming and tedious for smallholder farmers. This is in consideration that organic agriculture in its nature is time consuming and any further delays to market stages means delays in income generation which is not ideal for smallholder farmers. Consequently it is imperative that an efficient yet time conscious certification procedure should be at the core of certification agencies in order to lessen the burden on organic smallholder farmers.
- 3. Creating OVC awareness- The support services working with HOFA should host an organic agriculture value chain awareness campaign in collaboration with HOFA so as to inform the key players of their roles and enforce those who already know theirs. This would help each player identify their benefit from engaging in such an arrangement which in turn will propel a well-oiled system conducive for a successful organic value chain.

- 4. Fostering confidence within smallholder farmers- Support services and N.G.Os should ensure that their project outcomes are centered upon approaches that will perpetuate independence of smallholder farmers as compared to them having a dependency syndrome. The dependency syndrome seemed present in HOFA and should they take on a more hands on approach, organic value chains would not be captive in nature nor would they have problems establishing and retaining contracts. This is on the premise that confident organic smallholder farmers know their capabilities as an activity system and as such know which business to invest their produce and time in which will prove beneficial without taxing them unnecessarily.
- 5. Market consciousness- Farmers need to understand the logic of the markets in order to meet their requirements and retain them. This requires a magnitude of communication within market officers and the producers which will help curb information asymmetry that seemed to encumber HOFA and its efforts in making headway where markets are concerned. ZOPPA as the marketing agent for HOFA should ensure that there is a proper information trail which informs HOFA of lucrative contracts, the current market trends and how they can follow these trends and supply them accordingly as well as how they can achieve all this without facing absurd transaction costs.
- 6. *Minimizing transaction costs* Policy makers and support services should ensure that HOFA faces little transaction costs so as not to impede their growth as recognizable forces within agricultural value chains. The development of a Zero Energy Cooling Chamber system in the Hwedza district is a huge effort in minimizing transaction costs. However the lack of an organic policy framework leaves room for the failure of

this initiative because an organic agricultural policy translates to investment crucial for the development of roads and improved forms of communication.

## **Chapter summary**

The purpose of this research was to establish how poor business enabling environments present limitations and challenges for smallholder farmers in making headway in markets thus stunting their potential for engaging in global markets. The research revealed that there are a lot of contributory factors to these poor business enabling environments such as absent organic policies and emaciated relations and work collaborations resulting from ignorance among other factors. Hwedza Organic Farmers Association mainly found fault with the relevant enabling environments hindering their recognition in the agricultural sector particularly the agricultural value chains in spite of their potential to bring about sustainability and rural development. The researcher identified the areas to assess and change and provided suitable recommendations that would help promote HOFA's growth and ultimately the growth of smallholder farmers across Zimbabwe.

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# APPENDIX 1: HOUSEHOLD QUESTIONNAIRE

Dε	eme	ographic informati	on				
	1	Association name:					
						•••••	
		Beneficiary name:	••••••	•••••			
	3.	Gender:	4. Age:				
5.	Ar	e you the head of hou	ise (answer	with yes or	no):		
6.	Νι	umber of people in th	e family:				
7.	Ag	ge and gender within t	he family				
		Age groups	Male		Female	Т	otal
		17 and below					
		18 – 35					
		36 - 60					
		Above 60					
		umber of orphans und ne Generating Activitie		÷: (			
9.	Н	ow much income do you	u earn per mo	onth \$			
10.	. Inc	dicate the income genera	ating activitie	es that do yo	u do and the av	erage month	ıly amount yo
	ge	t from each activity in th	he table belov	w:			
	ľ	Piece jobs			Fishing		
		Carpentry			Building		
		Buying and selling			Sewing		
		Producing and selling			Pension		
		Organic Agriculture			Rentals		

#### **APPENDIX 2: FGD GUIDE**

# **Demographic information**

Da	te: Enu	merator's name	·:							
1.	Association name:									
2.	Total number of beneficiaries									
3.										
4.										
Work	ing Collaborations/	Relations								
5.	How would you rate	your relationshi	ps with the following:							
	Key stakeholder	Poor	Average	Good	Exceptionally					
					good					
	Activity									
	System/Association									
	AEWs									
	FPC									
	ZOPPA									
6. <b>Prod</b> u	How do u think these	relations affect	your progress as an ei	ntity?						
7.	What would you say	affects your pro	duction capacity most	ly?						
8.	8. How is your production coordination as an activity system?									
9.	What are the challeng	ges you face in t	he after production ph	ase?						
Marke	ets									

10. Are markets for organic produce available?

11. What are the challenges you face in retaining markets acquired?

12. What is your greatest achievement in terms of markets?

# **Income Generating Activities**

- 13. Are you generating significant income from O.A?
- 14. Are ISALs introduced in the OCA project beneficial or not?
- 15. Would you say household expenditure has increased or decreased due to O.A in your families?
- 16. What is your greatest challenge in terms of O.A income generation?

#### **APPENDIX 3: INTERVIEW GUIDE**

- 1. What would you say is your greatest challenge as key players in the OVC?
- 2. What would you do/ change concerning the identified challenge within the key players?
- 3. What is your take on the market spectrum for organic produce?
- 4. What are some of the challenges you have noted where the market spectrum is concerned?
- 5. Are there any efforts you are making in regard to your role in the OVC as a means to taking care of these challenges or lessening them?
- 6. How would you say organic farming has impacted on the livelihoods in the Hwedza district?
- 7. In your interaction with the organic farmers under the OCA project in Hwedza what would you like to see change or improve that is negatively affecting them as an activity system?
- 8. What are your projections for HOFA in the next five years in light of OVCs?