

**Title:** Sugar, People and Politics in Zimbabwe's Lowveld.

**Citation:** Ian Scoones, Blasio Mavedzenge & Felix Murimbarimba (2017) Sugar, People and Politics in Zimbabwe's Lowveld, *Journal of Southern African Studies*, 43:3, 567-584, DOI: 10.1080/03057070.2016.1187972

**Official URL:** <http://dx.doi.org/10.1080/03057070.2016.1187972>

**More details/abstract:** The expansion of outgrower areas linked to large lowveld sugar estates has been an important component of Zimbabwe's land reform since 2000. This has involved the transfer of nearly 16,000 ha to over 800 resettlement farmers on irrigated 'A2' plots of around 20 ha each. These farmers now produce around a quarter of the sugar output linked to the Triangle and Hippo Valley mills. Tongaat Hulett, a large South African conglomerate, is the dominant shareholder in Zimbabwe's sugar industry, and its Zimbabwe operation represents a crucial part of the overall multi-million-dollar business. The new outgrowers are a mix of former civil servants, sugar industry professionals and business people, with some politicians and security service personnel also with land. Through a detailed analysis over 12 years of the changing fortunes of a group of new outgrowers linked to Hippo Valley estate, the paper explores the patterns of production, employment and wider livelihood contexts of outgrowers and their workers. In particular the paper examines the tensions and conflicts that have arisen, particularly between the new outgrowers and the estate. The paper in turn explores the implications for sugar politics in Zimbabwe's Lowveld. The new outgrowers were drawn from a range of previous occupations and, compared to land reform beneficiaries in nearby dryland smallholder areas, were richer, better educated and more well-connected politically. The paper asks how this new group negotiated a relationship with a large-scale South African capitalist enterprise, and with what outcomes. More broadly, the paper examines how outgrowers, the state and capital brokered a politically and economically acceptable post-land reform deal, suiting all parties. Based on the longitudinal case study insights, the paper concludes with an assessment of whether Zimbabwe's very particular sugar outgrower model of land reform will work, and if it does, for whom.

**Version:** Published version.

**Terms of use:** © 2016 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

This is a download from OpenDocs at the Institute of Development Studies



## Sugar, People and Politics in Zimbabwe's Lowveld

Ian Scoones, Blasio Mavedzenge & Felix Murimbarimba

To cite this article: Ian Scoones, Blasio Mavedzenge & Felix Murimbarimba (2017) Sugar, People and Politics in Zimbabwe's Lowveld, *Journal of Southern African Studies*, 43:3, 567-584, DOI: [10.1080/03057070.2016.1187972](https://doi.org/10.1080/03057070.2016.1187972)

To link to this article: <http://dx.doi.org/10.1080/03057070.2016.1187972>



© 2017 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group



Published online: 15 Sep 2016.



Submit your article to this journal [↗](#)



Article views: 928



View related articles [↗](#)



View Crossmark data [↗](#)



Citing articles: 1 View citing articles [↗](#)

# *Sugar, People and Politics in Zimbabwe's Lowveld*

IAN SCOONES

(Institute of Development Studies, University of Sussex)

BLASIO MAVEDZENGE AND FELIX MURIMBARIMBA

(Masvingo Research Team)

*The expansion of outgrower areas linked to large lowveld sugar estates has been an important component of Zimbabwe's land reform since 2000. This has involved the transfer of nearly 16,000 ha to over 800 resettlement farmers on irrigated 'A2' plots of around 20 ha each. These farmers now produce around a quarter of the sugar output linked to the Triangle and Hippo Valley mills. Tongaat Hulett, a large South African conglomerate, is the dominant shareholder in Zimbabwe's sugar industry, and its Zimbabwe operation represents a crucial part of the overall multi-million-dollar business. The new outgrowers are a mix of former civil servants, sugar industry professionals and business people, with some politicians and security service personnel also with land. Through a detailed analysis over 12 years of the changing fortunes of a group of new outgrowers linked to Hippo Valley estate, the paper explores the patterns of production, employment and wider livelihood contexts of outgrowers and their workers. In particular the paper examines the tensions and conflicts that have arisen, particularly between the new outgrowers and the estate. The paper in turn explores the implications for sugar politics in Zimbabwe's Lowveld. The new outgrowers were drawn from a range of previous occupations and, compared to land reform beneficiaries in nearby dryland smallholder areas, were richer, better educated and more well-connected politically. The paper asks how this new group negotiated a relationship with a large-scale South African capitalist enterprise, and with what outcomes. More broadly, the paper examines how outgrowers, the state and capital brokered a politically and economically acceptable post-land reform deal, suiting all parties. Based on the longitudinal case study insights, the paper concludes with an assessment of whether Zimbabwe's very particular sugar outgrower model of land reform will work, and if it does, for whom.*

## **Introduction**

In 2000, as land invasions occurred around Zimbabwe, there were many calls for the sugar estates to be taken over. Indeed, there were a number of occupations of 'white' outgrower farms on the lowveld estates. This coincided with major strikes on the estates, and the burning of large areas of cane.<sup>1</sup> Yet high-level negotiations and political manoeuvring averted the wholesale takeover of the estates. Despite the rhetoric, the strategic importance of the sugar industry to the national economy was recognised and the state and the sugar companies brokered compromises.

---

1 Since 2000, there have been significant labour disputes associated with burning of cane. Over the last years these have recurred (available at <http://www.zimbabwesituation.com/news/zimsit-m-tonga-at-strike-govt-moves-in-the-herald/>, *The Herald*, 19 December 2015, retrieved 29 April 2016). However, there were very limited numbers of 'land invasions' of the core estates until recently (see below).

The result was the subdivision of former settler outgrower areas in Hippo Valley and Mkwazine estates and their transfer to now around 800 land reform beneficiaries who had applied through the A2 scheme, designed for medium-scale enterprises and suited to those with capital and expertise.<sup>2</sup> The sugar outgrower land reform represented nearly 16,000 ha, leaving about 30,000 ha as core estate land.

While there had been outgrowers linked to the estates, particularly Hippo Valley and Mkwazine, since the 1960s, this was on a different scale, and with a very different group of farmers. The outgrower-estate model is well established in sugar production, and offers a way of spreading risks and gaining economies of scale. Being linked to a sugar mill is essential, and only large companies can invest in such infrastructure. In Zimbabwe, the hold of the sugar industry on national economic and political affairs has been the case from long before Independence. Setting up in remote areas, providing much-needed infrastructure and services, and employing many thousands of people has meant that the sugar industry has strong bargaining power. In the Zimbabwe Lowveld, for example, Tongaat Hulett supports 18 primary schools and four secondary schools, and it employs around 18,000 people, plus several thousand casual workers, across the two mills and estates. Meanwhile, the 870 outgrowers employ a further 7,000 people.<sup>3</sup> For some, such arrangements are ‘win-win’ solutions, and are much promoted by those advocating for the role of large-scale capital in farming, while protecting livelihoods of smallholders.<sup>4</sup> Yet there are many questions raised about the equity of such arrangements. Who takes the risk, who appropriates the profit and who ultimately benefits in such ‘partnerships’?<sup>5</sup> ‘Living under contract’,<sup>6</sup> forever tied to a single company that can exert oligopolistic ‘market power’ and is usually connected to high-level political circuits, can be highly exploitative. Yet, as other cases discussed in this special issue show, how the balance of power plays out in these arrangements is dependent on the context; and Zimbabwe’s is very particular, given the impact of land reform and the social and political profile of the outgrowers.

The Zimbabwe case therefore offers interesting insights into estate-outgrower relations, as it emerged from a land reform, and a brokered deal between the state and a large-scale external investment. It demonstrates how negotiations with capital are not straightforward, and land reform dynamics influence the logics and imperatives of accumulation, both by large-scale capital and the land reform beneficiaries. For the new farmers, the land redistribution to these new outgrowers resulted in the gaining of access to high-value irrigated land, associated infrastructure and resident labour.

With the outgrowers not being classic ‘peasant’ farmers on small plots, as is the case in other smallholder land reform areas, but being richer, better educated, and more connected to political authority, the social, economic and political dynamic is different to other land reform areas in

---

2 Zimbabwe’s ‘fast-track’ land reform after 2000 had two ‘models’ (and many variations): the A1 smallholder model and the A2 medium commercial farm model (I. Scoones, J. Mahenehene, N. Marongwe, B. Mavedzenge, F. Murimbarimba and C. Sukume, *Zimbabwe’s Land Reform: Myths and Realities* [Oxford, James Currey, 2010]). Most A1 schemes emerged from processes of land invasion, while the A2 allocations were through formal (although widely abused) processes. The irrigated sugar plots, although small, fell under the A2 scheme.

3 Available at [http://www.tongaath.co.za/imc/annual\\_reports/ar\\_home.asp](http://www.tongaath.co.za/imc/annual_reports/ar_home.asp), retrieved 29 April 2016.

4 D.J. Glover, ‘Contract Farming and Smallholder Outgrower Schemes in Less-Developed Countries’, *World Development*, 12, 11 (December 1984), pp. 1143–57; J. Kirsten and K. Sartorius, ‘Linking Agribusiness and Small-Scale Farmers in Developing Countries: Is there a New Role for Contract Farming?’, *Development Southern Africa*, 19, 4 (October 2002), pp. 503–29.

5 C. Oya, ‘Contract Farming in Sub-Saharan Africa: A Survey of Approaches, Debates and Issues’, *Journal of Agrarian Change*, 12, 1 (January 2012), pp. 1–33; R. Smalley, ‘Plantations, Contract Farming and Commercial Farming Areas in Africa: A Comparative Review’, *Land and Agricultural Commercialization in Africa Working Paper* (Brighton, Future Agricultures Consortium, 2013).

6 J.C. Jackson and A.P. Cheater, ‘Contract Farming in Zimbabwe: Case Studies of Sugar, Tea, and Cotton’, in P.D. Little and M. Watts (eds), *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa* (Madison, University of Wisconsin Press, 1994), pp. 140–66.

Zimbabwe, and indeed other sugar outgrower contexts in the region (see other papers in this special issue), resulting in a particular form of negotiation with sugar capital, as we explore.

Company officials, government extension agents and others were sceptical that the new outgrowers would be able to supply sugar in amounts and at the quality required for the two mills at Triangle and Hippo Valley, and argued that the new settlers could not possibly achieve the results of previous white European and Mauritian outgrowers. Before land reform around 625,000 tonnes of raw cane was produced, with average yields approaching 100 tonnes per hectare. The mills' total capacity was 640,000 tonnes and the unrefined sugar was supplied to the local market, and to export, facilitated by generous export quotas under the EU Lomé Agreement with the African, Caribbean and Pacific group of countries. The mills have a refining capacity of 140,000 tonnes, and a power generation capacity of 53 MV. The sugar industry represented 1.4 per cent of national GDP, but a massive 95 per cent of Masvingo Province's accounted-for GDP. The sceptics argued that the new outgrowers were given portions of land that were 'unviable', and that commercial sugar growing could only occur on irrigated plots of more than 35 ha. Further, they argued that the land reform beneficiaries did not have the skills for the highly technical and demanding process of sugar production. And finally they suggested that a politically driven land reform process was inimical to economically successful production, and that the investors would flee, abandoning Zimbabwe for more stable contexts.

This paper is based on a detailed case study of 38 new outgrower farms linked to Hippo Valley estate in Masvingo Province in southern Zimbabwe over 12 years from 2002, combined with a wider analysis of the sugar sector in Zimbabwe. As explained below, although small our sample is broadly representative of the new outgrowers who gained sugar land as part of the land reform in 2000. The paper examines the particular politics of sugar in post-land reform Zimbabwe, investigating what happened, and whether the sceptical prognoses were borne out. Through this detailed case study analysis, we draw out the wider implications for the intersection of production, livelihoods and politics in the post-land reform sugar estates and their outgrower areas.

## **Sugar Deals**

Questions have been raised about the potentials of lowveld sugar production since the first attempts were made by Murray MacDougall in 1937,<sup>7</sup> when he planted 100 ha of cane thanks to water coming from the Jatala weir and tunnel system. In 1938 he established the Triangle company with the aim of expanding sugar production in the region. The sceptics were initially proved right, as the enterprise failed, and was taken over by the Sugar Board in 1944. It was sold on to a group of Natal planters in 1954, but development was slow and expansion limited. However, in 1957, the business was sold to the Hulett company of South Africa, and the growth of sugar in the Lowveld took off. The previous year, local resident and MP Ray Stockhill established Hippo Valley, largely for citrus production. Later there was a switch to sugar, and a settlement scheme was established. Triangle maintained an estate model, and had only a few planters linked to it. In the 1970s the Mkwasine estate became a joint venture of Triangle and Hippo Valley, having been run earlier by the Sabi-Limpopo Authority, and was the only area where 'African' plots were allowed, with small 10 ha allocations occurring in the Chipiwa scheme.

Over time, a hugely successful industry was established, backed by massive state investment in water supply and irrigation, combined with company investment in the mills, the estate towns

---

7 See 'Murray MacDougall and Story of Triangle' by C. Saunders (1977), Part 1, available at: <http://thestoryoftriangle.blogspot.co.uk/2010/11/part-1-story-of-mac.html> and Part 2, available at: <http://thestoryoftriangle.blogspot.co.uk/2010/11/part-2-triangle-after-macdougall.html>, both retrieved 29 April 2016.

and wider infrastructure.<sup>8</sup> The Zimbabwe sugar industry is regarded as one of the most efficient in the region – and indeed the world – and, given the increasingly intense competition from other players in the international market, notably Brazil, the low-cost, high-output operations in the Lowveld are highly valued.<sup>9</sup> The ownership of the estates and their mills has changed through the years, but this has been mostly foreign capital, supported by the Zimbabwean state – whether the rebel Rhodesian state of Ian Smith or the post-Independence state of Robert Mugabe. Today the dominant player is Tongaat Hulett, who bought out Anglo American's share in Hippo Valley in 2000, and is now a 51 per cent shareholder, and sole owner of Triangle. Over time, all political leaders have realised the crucial role the sugar industry had to play. The bizarre Murray MacDougall Museum on the hill above Triangle (Mac's Hill), where he and other sugar 'greats' of the Lowveld are buried and honoured, has a whole catalogue of photographs of important leaders visiting the estates, from British governors of Rhodesia to Smith and Mugabe, all offering the same support. For decades, sugar in the Lowveld has been deeply entwined with state-making, as the valuable resources of fertile soils, irrigation water and plentiful sunshine are transformed into sugar, and so money. The complex relationships between state and capital, and between different elite groups within and beyond the state, are all highlighted by the Lowveld sugar story over time.<sup>10</sup>

The gradual transformation of the dry landscape to the green chequered fields of irrigated sugar have been part of the folklore of the Lowveld, and particularly glorified in the hagiographies of its pioneers, from MacDougall to Hulett, Robertson and Goss. This was seen as a monumental task of modernisation that 'tamed' the wilderness, and transformed it to a 'land of promise', the 'showpiece of Rhodesia', with the new settlers and the sugar companies providing 'catalysts of progress',<sup>11</sup> but with heavy investment by the state.

With this came a new aesthetic of development, as order was imposed on chaos, and the brown of the bush was transformed to the emerald green of the irrigated sugar. Civilisation was brought to the Lowveld, with its 'rectangular grid'<sup>12</sup> of irrigated fields and neat estate townships. And of course, as the estates expanded and the mills increased their throughput, this provided much-needed revenue for the state, particularly in the Unilateral Declaration of Independence (UDI) era, when mineral revenues declined with the break-up of the Central African Federation. Of course in these epic stories of settler history, the way land was appropriated, labour exploited and environmental damage wreaked is not part of the picture. While many gained employment, resentments about exclusions and displacements persisted, especially among the local Shangaan community whose traditional burial sites were engulfed by the estates. As an ethnic group on the margins of the country and with few benefits from the state, both before and after Independence, these histories and memories have re-emerged in the recent period around land reform, and the contested rhetoric of 'indigenisation'.

Outgrowers have always been part of the Lowveld sugar story, but their role has frequently been controversial. As noted, the Natal planters who came in the 1950s were important, but their influence short-lived. In Hippo Valley, attempts to attract outgrowers in the 1950s and 60s got mired in a racialised controversy around who should be the legitimate beneficiaries to sugar land. Government officials backed the settlement of white, European World War II war veterans over Italians, South Africans and certainly Mauritians, whose racial identity was much

8 A.S. Mlambo and E.S. Pangeti, *The Political Economy of the Sugar Industry in Zimbabwe 1920–90* (Harare, University of Zimbabwe, 1996).

9 See A. Dubb, I. Scoones, and P. Woodhouse, 'The Political Economy of Sugar in Southern Africa', *Journal of Southern African Studies*, 43, 3 (2017), pp. 447–70 (this issue).

10 J. Fontein, *Remaking Mutirikwi: Landscape, Water and Belonging in Southern Zimbabwe* (Woodbridge, James Currey, 2015).

11 W. Wolmer, *From Wilderness Vision to Farm Invasions: Conservation and Development in Zimbabwe's South-East Lowveld* (Oxford, James Currey, 2007).

12 S.L. Robins, 'Contesting the Social Geometry of State Power: A Case Study of Land-Use Planning in Matabeleland, Zimbabwe', *Social Dynamics*, 20, 2 (1994), pp. 91–118.

debated.<sup>13</sup> Later, black Africans were allocated plots in Chipiwa, but primarily as a concession to independence struggles emerging at the time. Thus, who has rights to sugar land has always been socially and politically constructed, just as it is today.

After Independence, the outgrowers on Hippo Valley continued on relatively large plots of between 100 and 200 ha, but all were white or Mauritian. They employed many thousands of workers largely from compounds based on their farms, and were closely integrated into the estate.<sup>14</sup> They were skilled sugar producers, involved in tight, highly commercial operations. In the periods when sugar prices were high, and particularly in the post-Independence period when EU support was available, these were lucrative farming operations, particularly when compared to their other commercial farming colleagues in the Lowveld who struggled through repeated droughts with beef ranching or game farming operations.<sup>15</sup> Cheap water, supplied from government-built dams at Mutirikwi (formerly Kyle, opened in 1961) and Bangala (building started in 1963), and transported through rivers, canals and tunnels over many kilometres meant that sugar farming was massively supported by the state.

It is no surprise therefore that sugar plots, despite their distance from centres of population (Hippo Valley is 450 km from the capital Harare, and 200 km from Masvingo, the provincial capital), proved attractive during land reform. As the negotiations continued between company officials and the highest ranking politicians, a plan was drawn up for the 'A2' medium-scale commercial farm scheme to be part of the 'fast-track land reform'. A senior company official explained how, due to high demand, subdivisions ended up smaller than the 35 ha originally proposed. This involved a 'massive reorganisation' of the company's operations, and the company had to take on a 'midwife role' for the new outgrowers.<sup>16</sup>

The A2 application process involved – at least formally – potential beneficiaries submitting a business plan, and some evidence of their farming commitment, qualifications and levels of investment capital. For the sugar plots there was a particular rush from those in the know – in the land and agriculture ministries, and those who were managers in the estates. They met the criteria and were able to gain plots through the system. There were also some others (a small minority, but highly influential) who were able to jump the queue because of their links to the ruling party, the Zimbabwe African National Union (Patriotic Front) (ZANU[PF]), often also with strong security service–business connections. As discussed below, the district lands committee, under pressure from provincial party officials, notably the governor, allocated land to local Shangaan chiefs, in exchange for political commitment to the ruling party. These patronage connections were deployed to overturn the technocratic selection process, much to the frustration of Ministry of Lands and Agriculture officials who oversaw the formal process through the lands committee chaired by the District Administrator.<sup>17</sup> In the early phases of settlement war veterans were heavily involved and were central to the composition of the lands committees. A few – usually serving security service officers – managed to get access to sugar land, but most focused on invasions elsewhere in the district, becoming key players in the new A1 schemes.<sup>18</sup>

The Hippo Valley mill takes 26 per cent of total cane delivered by outgrowers to cover the costs of milling. Outgrowers also must pay for irrigation water, transport and other support.

---

13 J. Fontein, *Remaking Mutirikwi*, pp. 186–90.

14 J.C. Jackson and A.P. Cheater, 'Contract Farming in Zimbabwe: Case Studies of Sugar, Tea, and Cotton', in P.D. Little and M. Watts (eds), *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa* (Madison, University of Wisconsin Press, 1994), pp. 140–66; R. Loewenson, *Modern Plantation Agriculture. Corporate Wealth and Labour Squalor* (London, Zed Books, 1992).

15 W. Wolmer, *From Wilderness Vision to Farm Invasions*, pp. 93–115.

16 Interview, Tongaat Hulett, Harare, 29 November 2013.

17 Interviews, Chiredzi District offices, 2–3 December 2013.

18 J. Chaumba, I. Scoones, and W. Wolmer, 'From *Jambanja* to Planning: The Reassertion of Technocracy in Land Reform in South-Eastern Zimbabwe?' *The Journal of Modern African Studies*, 41, 4 (2003), pp. 533–54.

Credit arrangements with the mill, operating through a farm-based billing system, also exist. Investment by the company in rehabilitation of the sugar areas through the Sustainable Rural Sugarcane Farming Community (SusCo) programme has encouraged extensive replanting of cane, and provided cheap credit. Yields on estate land are now increasing again, and were estimated to be on average 83 tonnes per ha in 2013–14, up from around 60 tonnes per ha at the lowest point in the 2000s.<sup>19</sup>

While farmers complain about the contract deal, arguing that ‘the estate are not fair; they rip us off, cheating on the price’,<sup>20</sup> deliveries have increased. By 2012–13, some 852,000 tonnes of cane was being delivered to the mills, of a total throughput of 3.9 million tonnes. This was down from the 2002 peak when 4.6 million tonnes was delivered, which produced 580,000 tonnes of sugar, but up from the low of 290,000 tonnes of sugar in 2009, when production had declined due to economic conditions, and illegal exports of cane increased to 60–100,000 tonnes. This was a crisis period for the industry, a ‘near disaster’ as one senior company official put it.<sup>21</sup> However, it also prompted a change of attitude to the new land reform outgrowers. From a period when they were seen as a threat, the company realised that without their cane, the business would collapse. This meant finally accepting the land reform, and investing in the production of outgrowers as a central part of the business model.

The new outgrowers are producing in the context of a fast-changing market. In 2012–13, over 200,000 tonnes of raw sugar was exported to the EU under preferential market arrangements. Duty-free and quota-free exports to the EU through the ‘Sugar Adaptation Strategy’ are expected to remain around this level until 2015, and afterwards may continue, subject to the ‘safeguard clause’ of the Economic Partnership Agreement with the EU.<sup>22</sup> World market prices are very low due to high stocks and increased production in Brazil, India and elsewhere, so the EU market and the domestic market are crucial for economic viability. Sugar consumption in Zimbabwe is high and growing, but in 2013 substantial imports resulted in a flooding of the market, although this has now decreased due to import tariff restrictions. Ethanol production is seen as part of the market strategy for sugar firms, as cane sugar markets become increasingly saturated. While Triangle has a 40-million-litre ethanol production capacity, only around 26 million litres are being produced, which is mostly sold to the EU due to restrictions on domestic sales.<sup>23</sup>

Overall Tongaat Hulett makes considerable profit from its Zimbabwe operations (US\$30.6 million in 2014, down from US\$57.1 million in 2013).<sup>24</sup> Despite the uncertainties and sometimes difficult working conditions, constraints on water supply and competition on the domestic market due to imports, the company posted an increase in operating profit in 2014 of 11 per cent over all its activities in the region. Of its sugar businesses, 36 per cent of profit was

19 See USDA’s annual GAIN sugar report, available at <http://www.thefarmsite.com/reports/contents/ZimbabweSugar28April2014.pdf>, retrieved 29 April 2016.

20 Interview, Hippo Valley Farm 2, 7 February 2014.

21 Interview, Tongaat Hulett, Harare, 29 November 2013.

22 The European Union has supplied very substantial grant funding channelled via the company and the Canelands Trust, as part of the ‘adjustment measures’. This has directly supported the start-up of the A2 outgrowers. Available at [https://ec.europa.eu/europeaid/sectors/food-and-agriculture/sustainable-agriculture-and-rural-development/amsp\\_en](https://ec.europa.eu/europeaid/sectors/food-and-agriculture/sustainable-agriculture-and-rural-development/amsp_en), retrieved 29 April 2016.

23 The Green Fuel project involves a joint venture with Agricultural and Rural Development Authority (ARDA) and Madcom rates for production of ethanol from the Chisumbanje plant. Compulsory mixing was agreed for Zimbabwe to create a ready market (available at [http://www.zimbabwesituation.com/news/zimsit\\_ethanol-blending-cuts-fuel-import-bill-by-us20m-the-herald/](http://www.zimbabwesituation.com/news/zimsit_ethanol-blending-cuts-fuel-import-bill-by-us20m-the-herald/), retrieved 29 April 2016). The high-level political connections between Billy Rautenbach and ZANU(PF) were assumed to have supported this arrangement. The Chisumbanje project has already received \$200m in the first phase (available at [http://www.zimbabwesituation.com/news/zimsit\\_green-fuel-needs-2bn-to-complete-ethanol-plants/](http://www.zimbabwesituation.com/news/zimsit_green-fuel-needs-2bn-to-complete-ethanol-plants/), retrieved 29 April 2016). See P. Mutopo and M.K. Chiweshe, ‘Water Resources and Biofuel Production after the Fast-Track Land Reform in Zimbabwe’, *African Identities*, 1, 15 (July 2014).

24 Tongaat Hulett Annual Reports, [http://www.tongaat.co.za/imc/annual\\_reports/ar\\_home.asp](http://www.tongaat.co.za/imc/annual_reports/ar_home.asp), retrieved 29 April 2016.

from the Zimbabwe operations in 2014, down from 44 per cent in 2013. Outgrowers are crucial to this success. In 2013–14, over 1 million tonnes of cane was delivered from 870 outgrowers, contributing to US\$58 million of revenue.<sup>25</sup> In its annual report, the company waxes lyrical about its role as a good corporate citizen in Zimbabwe. It argues that ‘as the business continues to empower indigenous private farmers, it is positively impacting [*sic*] the communities that surround these cane growing operations’. Land reform beneficiaries who are outgrowers (‘private farmers’ in company code) are key to the operation, both economically and politically, and so the fortunes of land reform beneficiaries have become intimately bound up with the company’s operations.

## **Outgrower Production and Livelihoods**

How then did these new land reform beneficiaries fare 12 years on from the allocation of plots (mostly in 2002)? The story has inevitably been varied. Some failed almost completely, others have thrived, and there are many in between. Overall though, and to the surprise of many, the sceptics have been proven, so far at least, largely wrong.

Despite massive declines in output during Zimbabwe’s economic crisis in the 2000s, which resulted in drops in yield due to lack of fertiliser application, a failure to replant, and the diversion of production to illegal cross-border sales, the situation has massively improved since 2009 with the stabilisation of the currency and reinjection of funds, both from the company and from farmers themselves. While production is not up to previous levels, yield levels are improving, particularly in the outgrower areas.

Since 2002 we have been tracking 38 farms, recording production each year. Detailed surveys took place in 2008 and again in 2013 to look at wider livelihood issues. The sample focused on former outgrower farms around Hippo Valley that were subdivided. Average plot size was 24.3 ha (with a range from 9.8 to 58.1 ha),<sup>26</sup> with on average 20.9 ha under sugar. Four had centre pivot systems for irrigation and 13 had access to an original farmer’s or manager’s house. Farm labour compounds existed on these farms, where 128 male and 91 female permanent workers and their families were resident. Worker compounds were subdivided, and the new farmers took on the buildings and the responsibility for their residents, many of whom subsequently worked on the land reform plots (see below). Available data on farm sizes, sugar areas and irrigation equipment show that our sample is broadly representative of the wider pattern in the A2 outgrower areas.<sup>27</sup>

Two-thirds of the sample gained land through the formal process, and settled in 2002. Others came between 2004 and 2006, as land holdings were transferred when some abandoned plots at the peak of the economic crisis. Those arriving in 2002 inherited standing cane from the former farmers, and the original harvest still remains disputed.<sup>28</sup> All have replaced the cane since, as part of a rotation. Originally, in all sample farms the former outgrower was allowed to keep a portion of land and their main dwelling. However, since then all have left or been evicted. A spate of politically motivated evictions occurred leading up to the 2008 elections when a number of new farmers to each of the sites arrived, all of whom were politically connected.

Who then are the new outgrowers? In our sample, the average age in 2008 was 53. They were all educated, at least to secondary school level, many at tertiary level. Fifty-three per cent had farming qualifications (Master Farmer certificates). In terms of occupations at settlement, 47 per cent were civil servants, 34 per cent were estate employees (mostly professional cadres), 8 per

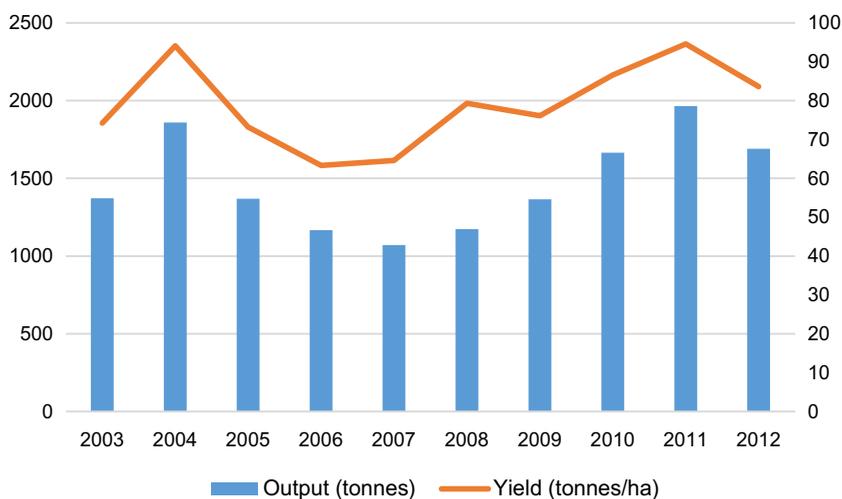
---

25 *Ibid.*

26 The average in our sample is identical to that for all A2 irrigated plots in Chiredzi District, although the wider population has a wider range, from 10 to 90 ha.

27 Discussion with Hippo Valley officials, November 2014.

28 See [http://www.zimbabwesituation.com/old/may1a\\_2004.html](http://www.zimbabwesituation.com/old/may1a_2004.html), *Zimbabwe Independent*, May 2004. Retrieved 29 April 2016.



**Figure 1.** Average per farm cane output (tonnes) and sample farmers' yield levels (tonnes/ha). *Source:* Field surveys.

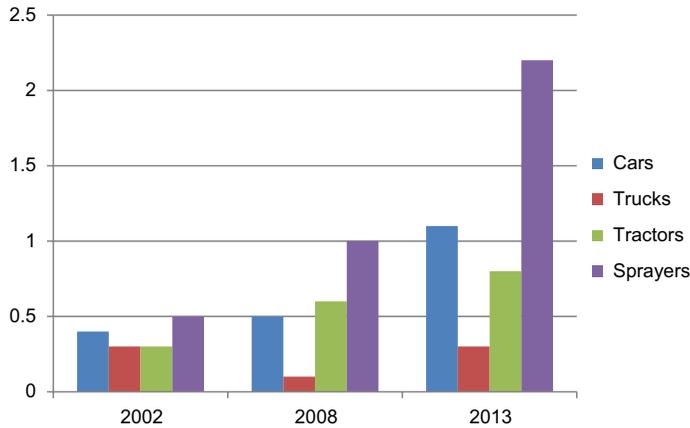
cent were business people, 3 per cent were politicians and 3 per cent were non-governmental organisation (NGO) workers. Overall 10 per cent were 'war veterans', all of whom were civil servants. In 2013, 39 per cent stayed at the plot, an increase from 2002 and 2008, and 29 per cent were employed elsewhere, a decline from earlier surveys. All landholders were men, although this proportion decreased over time as five men died and their wives inherited the land. This was not always recognised in the 'offer letter', the certificate of occupancy issued by the state to all beneficiaries.

Figure 1 provides some of the basic production data for this sample. This shows a significant dip from c.2004 to 2009, although to nowhere near as low as some have claimed. This is in part explained by the pattern of fertiliser use. During the whole period, fertilisers were applied below recommended levels,<sup>29</sup> but this was particularly so at the height of the economic crisis in 2008–09 when average AN (ammonium nitrate) application was only 63 kg per ha, down from 350 kg per ha in 2003, while SSP (single super phosphate) was 38 kg per ha, down from 185 kg per ha. By 2008 hyperinflation had hit 230 million per cent, and the formal cash economy was no longer functioning. This made sugar production and marketing impossible, and many abandoned their plots or cleared them for vegetable or maize production. Average yields were lowest in 2006–07 at 63–64 tonnes/ha, after 2009, the average climbed to 86 tonnes/ha, and across the period from 2003 yields averaged 79 tonnes/ha. With the stabilisation of the economy and a switch to a multi-currency environment that eliminated inflation, production recovered. The pattern shown for the sample farmers is reflected in the estate-level statistics, and the national picture.

Over the full period, yield levels averaged 79 tonnes per hectare, but since 2009 they have risen to 86 tonnes per ha. Indeed, in recent years, outgrower yields have exceeded those derived from estate land (average 83 tonnes per ha). The cane/sugar ratio index has also been high, averaging 11.7; again, a respectable level compared to the estate average of 8.0.<sup>30</sup> While fertiliser applications have improved somewhat, they remain significantly below recommended levels.

29 Per ha recommendations are 200 kg SSP (Single Super Phosphate), 500 kg AN (Ammonium Nitrate) and 200 kg potash. See M.S.J. Clowes and W.L. Breakwell, *Zimbabwe Sugarcane Production Manual* (Chiredzi, Zimbabwe, Zimbabwe Sugar Association Experiment Station, 1998).

30 See <http://www.thefarmsite.com/reports/contents/ZimbabweSugar28April2014.pdf>, retrieved 29 April 2016.



**Figure 2.** Per household ownership of farm assets over time.

The increases in yields have occurred in part through major investment in replanting sugar areas, as well as the ability to have focused labour-intensive management on small plots. Although costs are high and rising, making credit support essential, gross revenues have been strong. Over four years from 2009, these have averaged around US\$142,000 per household across the sample, resulting in an average of US\$42,000 net income once costs have been removed. As one Hippo Valley farmer commented: ‘The sugar cane business pays far better than all jobs I have had. The challenge is cash flow, as you go for 12 months without being paid’.<sup>31</sup>

Replanting has occurred on all the sample plots. Eighty-seven per cent of sample farmers have been beneficiaries of the estate-led rehabilitation plan SusCo that is in part supported by the company and the BancABC, and in part by the EU through the Canelands Trust. Due to the ‘restrictive measures’ that were applied to the government of Zimbabwe by the EU, financing of sugar rehabilitation came through a convoluted route. European finance was not allowed to focus on so-called ‘contested areas’ (all ‘fast-track’ land reform areas), and was notionally at least targeted elsewhere (such as Chipiwa and Pezulu) or infrastructural development (such as the Mkwasine railway line), dam rehabilitation, or training and environmental conservation, pending a full land audit and resolution of compensation claims.<sup>32</sup>

The company, however, is more concerned with overall production, and has invested in the SusCo plan that offers preferential credit and technical support to all outgrowers, including the A2 farmers, with the aim of increasing outgrower production to 1.4 million tonnes through the rehabilitation of 12,000 ha of land. Around US\$40 million of preferential credit has been offered through the BancABC to around 670 of 872 outgrowers. In addition, there are plans to increase land under sugar so that the mills run at full capacity, and 100,000 ha of expansion is targeted, to including outgrowers.<sup>33</sup> The Canelands Trust, an organisational arrangement that involves all farming unions (including representatives of former outgrowers and the state),<sup>34</sup>

<sup>31</sup> Interview, Hippo Valley, 7 February 2014.

<sup>32</sup> T. Sierevogel, B. Carruthers, J.P. Llabres, and B. Mukamuri, *Elaborating an Adaptation Strategy in Zimbabwe in Light of Changes to the EU Sugar Regime: Final Report* (Harare, Zimbabwe, European Commission, 2007). Available at [http://www.europarl.europa.eu/RegData/docs\\_autres\\_institutions/commission\\_europeenne/comitologie/ros/2012/D023766-01/COM-AC\\_DR\(2012\)D023766-01\\_EN.pdf](http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/comitologie/ros/2012/D023766-01/COM-AC_DR(2012)D023766-01_EN.pdf), retrieved 29 April 2016.

<sup>33</sup> Tongaat Hulett Annual Report, 2014. [http://www.tongaathulett.co.za/imc/annual\\_reports/ar\\_home.asp](http://www.tongaathulett.co.za/imc/annual_reports/ar_home.asp), retrieved 29 April 2016.

<sup>34</sup> Until 2014, the Canelands Trust president was former vice president Joice Mujuru, but she was replaced by Shuvai Mahofa, following the purge of Mujuru’s faction within ZANU(PF).

**Table 1.** Income-earning activities by outgrowers (percentage of households)

Income-earning activities	2008	2013
Off-farm employment	46	21
Livestock sales	20	8
Remittances	6	45
Business	12	11
Crafts	0	5

and the company provide oversight, with the Trust acting as a vehicle through which external donor funds from the EU can be channelled. Considerable resources are available under the Sugar Adaptation Strategy, with 31 million euros allocated.<sup>35</sup>

As production has increased, so too has investment on the farms. Figure 2 compares the average per household ownership of a number of key assets for farming among our sample households in 2002, 2008 and 2013. Increases have occurred on all fronts. And some of these investments are not small. A second-hand 1.5 tonne truck and medium-horsepower tractor, for example, cost around US\$8,000 and US\$15,000 respectively.

Sugar farming is of course not the only livelihood activity of the new outgrowers. Particularly during the economic crisis in the mid-2000s, farmers had to diversify in order to survive. Many established vegetable and maize gardens on their plots and went into irrigated horticulture. In our sample around a quarter of farmers established such plots. This production has continued, as the income from horticulture smooths flows over the year. In 2013, 21 per cent were growing maize, 21 per cent leafy vegetables, 18 per cent tomatoes and 16 per cent beans. Also grown were bananas, cabbage, onions and wheat.

This is complemented by livestock production. Although there are no extensive grazing areas in the sugar farms, grazing by roadsides, around compounds and along waterways is possible; and water is never in short supply from the irrigation canals. Outgrowers brought with them a stable herd of cattle of around ten animals, while goat numbers have increased from on average four per household in 2002 to around 14 in 2013. Pig and sheep rearing remain specialist occupations for a few, but numbers are small.

Off-farm income earning remains important. When the economy was in dire straits, off-farm employment was important for nearly half the outgrowers. This has reduced since, although remittance flows from relatives have picked up, as the cash economy has returned. Other income-earning activities are shown in Table 1.

## **New Communities: Farmers, Labour and Compounds**

In addition to the challenges of farm production, investment and wider livelihoods, one of the complexities faced following land reform was how to manage the reconfigured farm space, its infrastructure and the resident labour. On the former farms there was usually a farm house, possibly one for a manager, and a labour compound. In some farms there were also small stores or butcheries supplying groceries and meat to labourers in the vicinity. Some farms had additional irrigation equipment, including centre pivots, pumps and storage tanks. With land reform, how were these resources to be divided?

Each farm ended up with a different pattern, but to illustrate the issues, we focus on one farm in Hippo Valley. At land reform the original outgrower, a farmer of French origin, was allocated a portion of c.90 ha of the 215 ha of land along with five others, who got land in roughly equal proportions (20–30 ha). He retained his house, that for the farm manager and

<sup>35</sup> See [http://eeas.europa.eu/delegations/zimbabwe/eu\\_zimbabwe/trade\\_relation/index\\_en.htm](http://eeas.europa.eu/delegations/zimbabwe/eu_zimbabwe/trade_relation/index_en.htm), and <http://www.herald.co.zw/%EF%99%8E31m-boost-for-sugarcane-farmers/>, *The Herald*, 2 June 2014, both retrieved 29 April 2016.

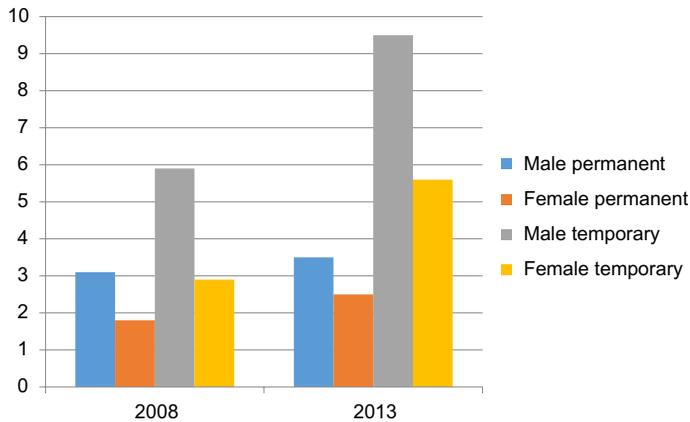


Figure 3. Changing levels of employment.

the butchery/store, along with his equipment. He also had a ranch plot elsewhere in Mwenzi run by his manager and a further farm in the Eastern Highlands. The farm compound, which consisted of 24 houses, was divided between all the farmers, and the group took on collective responsibility for paying for the services and general upkeep.

The original French outgrower, however, largely abandoned his plot, keeping only a minimal presence. He concentrated his effort instead on his ranch, and eventually moved to the Eastern Highlands. The white farm manager also left, and is now working for a local businessman involved in transport. The original group of land reform beneficiaries who were allocated land in 2002 included two civil servants (from the Ministry of Agriculture and Ministry of Youth), a retired headmaster, and two estate workers (a supervisor and a member of the estate police).

In 2007 there were two new arrivals who took over the main farm house and the manager's house, evicting the former owners. One was a former local government employee and the other a member of the security services. These two got 45-ha plots, dividing the land of the white outgrower. They were also allocated a portion of the labour compound houses, and one took over the centre pivot. These were politically mediated acquisitions, and the new arrivals were regarded with some suspicion initially by the other farmers. One outgrower commented: 'We get along now, but we did not know who these people were when they arrived. We were fearful'.<sup>36</sup> Four of settlers have moved into successful production, while one of the initial settlers and the two new arrivals only got going after 2009 with the stabilisation of the economy.

In the compound houses, some rooms are used for storage by the outgrowers, but many are used as accommodation for labourers. There are some areas for families, others for single men, and others left for seasonal labour who come for the cutting season. In total there can be up to 150 residents, including women and children, on the compound, although this varies seasonally. Given the location, there is a constant through-flow of visitors, relatives of the labourers from the communal lands, who come for fishing and sometimes illegal hunting. Around the compound there is space for gardening that families very often develop for vegetable growing. Many also keep chickens, and one keeps a large flock of ducks.

Issues of security, crime and occasional violence are ones that have to be dealt with in this new arrangement. In the early years this was a challenge. Large populations of single men, often on extremely poor or no pay, resulted in a rise in crime levels, as well as cases of sexual violence. Theft of cane from the outgrowers' fields was frequent, and a vigorous illegal trade

36 Interview, Hippo Valley, 4 December 2013.

in fresh cane developed. Disputes over pay, protests about the condition of housing and lack of services, and complaints about the safety of residents (given the large mobile populations) were frequent. At this time many of the new outgrowers were absent, and were unsure about the future of the land reform. The economic crisis added additional burdens as sugar production became uneconomic, and farmers had to diversify. But as conditions normalised, and outgrowers became committed to their farms and sugar production, new forms of cooperative organisation have emerged to address the collective challenges of the new farm arrangements.

In 2009, a farm committee was established on the initiative of the A2 farmers. This involved workers and new outgrowers. The current chair is a supervisor on one of the farms. This initially dealt with pressing compound matters, and worked out systems for dealing with collective problems, such as paying service bills and so on. It also addressed security, and some farm security guards were employed who worked with the local police force. Later the committee has addressed production issues, including up- and downstream water management, organising collective transport arrangements so all farmers can get their cane to the mill on time, and so that one is not disadvantaged by others using the chains, tractors or trailers. Most of this is now organised among farm supervisors or managers who have now been employed by most farmers. One outgrower commented: 'We are organised now, even when the farm owners are away, issues can be dealt with. This is much better than before'.<sup>37</sup>

These skilled supervisors have usually been drawn from the pool of labourers who had been left in the compounds. The expertise of workers has, all farmers agree, been essential in the re-establishment of sugar production. A range of specialist skills, often seasonally required and differentiated by gender, is required. The amount of labour employed per farm has increased over time. Figure 3 compares the data for 2008 (at the peak of the economic crisis) with 2013.

Temporary labour has been especially in demand for a range of tasks including weeding, fertilisation and specialist jobs such as cutting. Temporary labour is recruited from the farm compound, but also from nearby estate compounds, as well as from communal areas further afield. Wage rates are fairly standard and comparable to other employment. In 2013 wages were on average US\$116 per month for male and female permanent workers, and for temporary workers, US\$7 per day for men and US\$4.4 for women on average across the sample, with some variations between tasks.

## Uncertainty, Dispute and Conflict

As the new land reform farms have been established, production and investment increased, and labour and compounds became more organised, a more stable pattern has emerged. Day-to-day routines have been established, relationships forged between farmers, workers and the estate, and with the post-2009 stabilisation of the economy through 'dollarisation', a less volatile situation has emerged.<sup>38</sup> Travelling through the new outgrower areas there are now very few plots that are abandoned, and the multiple livelihoods associated with sugar production are thriving. Yet in this period, the institutional and organisational basis for sugar production has remained in the balance, creating uncertainty, dispute and conflict. Politics have intervened from all sides. In this section we examine a number of dimensions.

---

37 Interview, Hippo Valley, 4 December 2013.

38 Others have argued that this period – from the establishment of the Global Political Agreement and a coalition government between ZANU(PF) and the opposition Movement for Democratic Change – has seen a period of 'formalisation' of ZANU(PF) rule through party–business–military connections, see B. Raftopoulos, 'The 2013 Elections in Zimbabwe: The End of an Era', *Journal of Southern African Studies* 39, 4 (2013), 971–88. However, while this may be the backdrop, the impact of changing national politics on the day-to-day practice of sugar farming and local claims over land and resources was not visible, except at moments of political competition, usually around elections, when the power of such alliances were exerted (see below).

With land reform accepted as irreversible, and the sugar beneficiaries doing well, some Shangaans initiated new calls for redistribution. Restitution however has very explicitly never been part of Zimbabwe's land reform approach: all land is for all Zimbabweans, at least officially, and no particular ethnic group can make particular claims.<sup>39</sup> Thus the arguments of Shangaan leaders initially fell on deaf ears. Some Shangaan chiefs profited from close connections to ZANU(PF), and benefited from allocations of valuable housing in the sugar areas, in a battle dubbed the 'war of the houses'.<sup>40</sup> However the majority of Shangaan people were excluded, and this generated intense resentment. In mid-2014, there were high-profile invasions of the sugar estates by angry villagers arguing that they had been issued 'offer letters' for land on the estates. Deals made during the previous year's elections had apparently not been honoured.<sup>41</sup> The group was arrested and charged with illegal entry, but behind-the-scenes negotiations between the state and the company resulted in promises of new land allocations for land reform. In November 2014, the Tongaat Hulett managing director in Zimbabwe, Sydney Mutsambiwa, was reported to have identified 6,000 ha of estate land for clearance for sugar, which was to be handed over to the state as part of the land reform programme, with local chiefs reportedly to be involved in the allocation of plots.<sup>42</sup>

Shangaan claims are inevitably wrapped up in local political competition between different factions of the ruling party, and reflect the complex interweaving of patronage politics and ethnically based claim-making. During 2013, in the build-up to national elections, key political figures, including the then governor, the provincial party chairperson and several prospective local MPs proclaimed their support, arguing for an allocation of sugar land to Shangaan people.<sup>43</sup> This alliance however unravelled, as the group was accused of siding with the company, taking funds, and being associated with the former vice president, Joice Mujuru, who in December 2014 was expelled from the party for allegedly plotting against the president.<sup>44</sup> The vocal political support base for Shangaan restitution has since fallen apart. Patronage politics and the intense in-fighting within the ruling party have meant that at different times Shangaan identity has been hailed as a vote winner, but at other times association with the cause has become a liability. Tongaat Hulett has been accused of backing the 'wrong' side, and local government officials, security service personnel and technocrats have had to tread very carefully. The sugar lands are of course especially contested because of their value, nationally and for particular individuals, and for this reason political patronage relations are especially intense.<sup>45</sup>

The 2008 elections, and to a lesser extent the 2013 elections, also saw evictions and takeovers of land held by white outgrowers on the larger farms still remaining in the sugar estates, as

39 While this is the official position, in practice 'autochthonous' claims have been importance since the colonial era. For example, early allocations in 'African Purchase Areas' were often linked to forms of restitution rather than the official rhetoric of providing land for an emergent farming class, see A.K. Shutt. 'Purchase Area Farmers and the Middle Class of Southern Rhodesia, c.1931–1952', *International Journal of African Historical Studies*, 30, 3, 1997, pp. 555–81.

40 Interview, Masvingo, 7 December 2015.

41 The Lowveld has traditionally shown strong support for ZANU(PF), but in 2013, the party was not leaving anything to chance. In the end, the results were: Chiredzi South: MDC-T 1,937, MDC 508 and ZANU(PF) 8,148; Chiredzi East: MDC 400, MDC-T 2,094 and ZANU(PF) 8,926, with comfortable victories being achieved. See <http://nehandaradio.com/2013/08/03/full-2013-zimbabwe-election-results/>, retrieved 29 April 2016.

42 See [http://www.zimbabwesituation.com/news/zimsit\\_chaos-in-sugar-land-as-chiredzi-villagers-demand-farms/](http://www.zimbabwesituation.com/news/zimsit_chaos-in-sugar-land-as-chiredzi-villagers-demand-farms/), SW Africa Radio, 22 May 2014, retrieved 29 April 2016; <http://www.zimbabwesituation.com/news/zimsit-m-villagers-target-tongaathulett-the-herald/>, *The Herald*, 4 December 2014 retrieved 29 April 2016; <http://www.herald.co.zw/zim-to-impose-duty-on-sugar-imports/>, *The Herald*, 21 November 2014, retrieved 29 April 2016.

43 See [http://www.zimbabwesituation.com/news/zimsit\\_zanu-pf-lures-chiefs-with-promise-of-sugar-cane-farms/](http://www.zimbabwesituation.com/news/zimsit_zanu-pf-lures-chiefs-with-promise-of-sugar-cane-farms/), SW Africa Radio, 28 November 2013, retrieved 29 April 2016.

44 See <http://www.zimbabwesituation.com/news/zimsit-m-zanu-pf-masvingo-chair-booted-out-the-herald/>, *The Herald*, 31 October 2014, retrieved 29 April 2016; <http://www.zimbabwesituation.com/news/zimsit-m-war-vets-mps-fight-over-sugar-estate/>, *New Zimbabwe*, 16 December 2014, retrieved 29 April 2016.

45 J. Alexander and J. McGregor, 'Introduction: Politics, Patronage and Violence in Zimbabwe', *Journal of Southern African Studies* 39, 4 (2013), 749–63.

people used patronage connections to gain access to sugar land. This resulted in some high-profile court cases and battles with the authorities. In this period the established outgrowers resented outsiders being imposed, as many had established good relationships with the remaining whites, a number of whom were major figures with long-established reputations in the Lowveld community. For example, the Nesbitts, local businesspeople and sugar and crocodile farmers, had long-running battles with an assistant police commissioner who demanded to take their land, despite support for the Nesbitts from local war veterans, the governor and others.<sup>46</sup> Thus the axes of such conflicts were not so obviously racially defined as before. Indeed, local police and other authorities – including the district land committee, Ministry of Lands and Agriculture officials and some local war veterans – often backed the ‘approved’ whites who had been allocated land under the A2 schemes against newcomers; even if they eventually had to relent under pressure from powerful politicians and party officials with provincial and national connections.

But beyond these political wrangles, perhaps the largest tension since land reform has been between the new outgrowers and the estate, particularly in the early years. Following the deal brokered during the land reform that largely protected the core estates, the company regarded the new outgrowers with open contempt. One farmer observed: ‘Their input prices are too high. They make deductions and don’t bother to inform us. This really cripples our operations. This has taught farmers a lesson. We are now organising ourselves to buy inputs in bulk, so we move away from dependence on the company’.<sup>47</sup> Of course unfair treatment is the permanent complaint of all outgrowers everywhere when locked into a contract with a powerful company. But in this instance there do seem to be good grounds for complaint. Insiders suggested that the company expected the outgrowers to fail, and so did not support outgrowers at first.<sup>48</sup>

This all changed during the economic crisis when the commercial operations in Zimbabwe were on the brink. Tongaat Hulett weathered the storm, and even increased its holding by taking on Anglo American’s stake in Hippo Valley, gambling on a longer-term, brighter future. In the post-crisis period, a recognition that the land reform was permanent took hold, and an accommodation with outgrowers was attempted. There were ongoing disputes about prices, grading and so on, but the commitment by the company to rehabilitation through the SusCo programme was witness to a change of tune, reflected equally if rather more tentatively with the EU’s stance.

The unions that formed after land reform to represent new outgrowers have been at the forefront of these disputes. Today, three sugar unions exist – the Zimbabwe Sugar Cane Development Association (ZSCDA), the Zimbabwe Commercial Sugar Cane Farmers Union (ZCSFU), and the Zimbabwe Cane Farmers Association (ZCFA). All are approved by the state, but none show any clear political affiliation. Two, the ZCFA and ZCSFU, are involved in the Canelands Trust and have received funding from the EU. There has been much in-fighting within the unions, regular accusations of corruption and poor leadership and struggles for control. For example, discontent rose with the ZCSFU in the mid-2000s, as accusations of embezzlement flew around, and farmers argued that the union was not effectively representing their interests that the estate was getting a too good a deal, and they were unable to pay their workers.<sup>49</sup> Soon after, new unions were established by disgruntled members. Nevertheless, on issues where the estate management has to be confronted, there is a solidarity, and an increasingly effective bargaining capacity. The estates need the outgrowers and vice versa. This is not the

---

46 See [http://www.zimbabwesituation.com/mar20b\\_2008.html](http://www.zimbabwesituation.com/mar20b_2008.html), Nehanda Radio, 20 March 2008, retrieved 29 April 2016; [http://www.zimbabwesituation.com/apr8a\\_2009.html](http://www.zimbabwesituation.com/apr8a_2009.html), *The Herald*, 8 April 2009, retrieved 29 April 2016; and [http://www.zimbabwesituation.com/old/mar25\\_2010.html](http://www.zimbabwesituation.com/old/mar25_2010.html), Radio VOP, 25 March 2010, retrieved 29 April 2016.

47 Interview, Hippo Valley, 7 February 2014.

48 Interview, Hippo Valley, 4 December 2013.

49 Scoones, Marongwe, Mavedzenge, Mahenehene, Murimbarimba and Sukume, *Zimbabwe’s Land Reform*.

sort of benign mutuality depicted by some in the sugar industry, but a pragmatic deal based on convergent interests.

## **The Sugar Industry's Delicate Political Balancing Act**

In many ways the Canelands Trust, discussed earlier, is the epitome of the delicate political brokerage that surrounds the Zimbabwe sugar industry. High-level political involvement is combined with representation from senior company management and multiple farmers' unions. While keeping an arm's length, the EU provides backing, but this is complemented by company funds. Despite the disputes, the bottom-line commitment to keeping the sugar industry going remains, and the mechanism has proved remarkably effective. The political-economic imaginary of sugar as a transformative project, firmly linked to state-making and political fortunes, is as alive today as it was in the early days. Elite alliances between the state, party, capital and outgrowers are essential, and these have to be nurtured carefully.

For decades the closely integrated Triangle, Hippo Valley and Mkwazine estates have had a monopoly on sugar (and ethanol) production. With increasingly joint ownership through consolidation and merger over time, this has become even more apparent. As discussed, this has been supported extensively by the state, through major infrastructural investment, and by the EU since Independence through guaranteeing markets and offering price support. But there are also new entrants who are upsetting the tidy arrangement, and generating new forms of sugar politics in the Lowveld.

Since 2000, the notorious entrepreneur Billy Rautenbach has proposed a number of major investment projects in the Lowveld, involving the production of sugar cane largely for ethanol. These projects have had the backing from the highest political office, and have been regarded as strategic responses to perennial fuel shortages. There have been multiple disputes about the location of new cane plantations, but the first has developed in nearby Chisumbanje on a former state farm. A large state-of-the-art ethanol plant was built, and, after much political contestation, the government agreed to mandatory blending, making the operation viable after a faltering start. The project has encountered many obstacles, not least the objection of villagers living on the land to being displaced. Controversy has also engulfed the owner, given his political connections to ZANU(PF), his blacklisting by the EU and US,<sup>50</sup> and his pursuit by South African and Democratic Republic of Congo authorities on various charges. Rautenbach's original plans to expand sugar production on the Nuanetsi ranch now under control of the Development Trust of Zimbabwe (DTZ), and establish an ethanol plant were put on hold, as disputes erupted over the land,<sup>51</sup> and delays in water provision from the long-delayed Tokwe Mukorsi Dam occurred. The dam was completed in 2013, and rapidly filled with the good rainfall. This is the first major infrastructural investment since the 1960s, and presents a major opportunity for sugar expansion on the existing estates and elsewhere. Indeed on the DTZ Nuanetsi ranch, 100,000 ha has been demarcated for sugar growing, but some of this has now been settled by people displaced from the dam catchment. All this has resulted in intense disputes between Rautenbach, the DTZ and the Masvingo ZANU(PF) provincial leadership.<sup>52</sup> The role of sugar in this local politics is ever present.

Thus in the Lowveld sugar areas, old conflicts – between estates and outgrowers, workers, farmers and mills, and between different companies – have re-emerged in new guises in the

---

50 These targeted sanctions however were removed by the EU in 2012 and the US in 2014.

51 I. Scoones, J. Chaumba, B. Mavedzenge and W. Wolmer, 'The New Politics of Zimbabwe's Lowveld: Struggles over Land at the Margins', *African Affairs*, 111, 445 (2012), pp. 527–50.

52 [http://www.zimbabwesituation.com/news/zimsit\\_w\\_bhasikiti-rautenbach-cross-swords-the-zimbabwe-independent/](http://www.zimbabwesituation.com/news/zimsit_w_bhasikiti-rautenbach-cross-swords-the-zimbabwe-independent/), *Zimbabwe Independent*, 11 July 2014, retrieved 29 April 2016.

post-land reform era. There has however been strong continuity with earlier eras when the state provided the backing to commercial enterprise in the Lowveld. As we have shown, ‘the state’ and ‘the party’ are not monolithic, and different factions and groupings compete for power in a highly volatile context where alliances between the state, the party, and a business–military elite are important.<sup>53</sup> This presents challenges for local negotiations, as the complexion of politics and patronage (national and provincial) is always changing, making it difficult for local state officials – whether in local government, or technical ministries such as Lands or Agriculture – to manoeuvre, often not knowing which way the wind will blow. Political-economic settlements are thus always contingent, and always subject to change, just as has been the case in the past.<sup>54</sup> Today debates about indigenisation, restitution and resettlement colour the politics, and result in much rhetoric and frequent threats usually linked to the electoral cycle.<sup>55</sup> But in essence the story is the same as it always has been; one about how the state (in its variegated forms) makes deals with capital, and how farmers, and other local people, including workers, are incorporated, and on what terms.

## Conclusion: Zimbabwe’s Sugar Politics

Zimbabwe’s sugar politics since land reform – and indeed much earlier – involves a complex balance of competing forces. Large-scale international capital, seeing the opportunities for accumulation from the excellent climatic conditions and top-quality infrastructure and increasingly guaranteed supplies of irrigation water, has invested in the area over decades, despite the political and economic challenges. Tongaat Hulett sees Zimbabwe as central to its ability to make profit in the region, and so is prepared to weather the storms of economic and political crisis, and broker deals which are far from ideal. In its 2013 annual report the company comments: ‘While the macro-economic environment in Zimbabwe has settled significantly, the political environment remains turbulent as many political factions continue to compete for ascendancy, which may impact operations’.<sup>56</sup>

Politically and economically, sugar is vital for Zimbabwe. Together with tobacco, these export commodities create a particular dependency politics, are central to the imaginaries and processes of state-making, and so are deeply implicated in both national and local politics. Despite the high-sounding socialist–nationalist rhetoric of redistribution and indigenisation from party officials, there are limits. Sugar is less visible than tobacco, and requires a different form of production and processing chain that incorporates smallholders in different ways. The estate-outgrower model, with the linked mill, is really the only option, especially in irrigated systems. And this requires a large investment, with good market connections, and so a company like Tongaat Hulett. That the president and his allies prevented a more radical land reform of the estates in 2000, and continue to resist calls for indigenisation, is witness to the strategic importance of the industry, and the acceptance that alliances with capital are required, even as part of ‘revolutionary’ moments.

Of course the rhetoric remains at a high pitch, and is accelerated with threats at various points to gain political advantage, and to help position the state in bargaining, but so far at

53 See J. Alexander and J. McGregor, ‘Introduction: Politics, Patronage and Violence in Zimbabwe’, p.754, on how ‘patronage’ is constructed in Zimbabwe, and influenced by the strong legacies of a centralised state bureaucracy and narratives and practices of the liberation war in politics. For a wider treatment of ‘stateness’ and its complexities, see T.B. Hansen and F. Stepputat, ‘Introduction: States of Imagination’, in T.B. Hansen and F. Stepputat (eds), *States of Imagination: Ethnographic Explorations of the Postcolonial State* (London, Duke University Press, 2001).

54 J. Fontein ‘Remaking Mutirikwi’, p. 288.

55 See [http://www.zimbabwesituation.com/news/zimsit\\_sugar-plantations-to-be-seized-chikovo/](http://www.zimbabwesituation.com/news/zimsit_sugar-plantations-to-be-seized-chikovo/), *The Zimbabwean*, 25 September 2013, retrieved 29 April 2016 or <http://www.zimbabwesituation.com/news/zimsit-m-zanu-pf-demands-30-million-from-hulett/>, *The Zimbabwean*, 19 February 2015, retrieved 29 April 2016.

56 <http://www.hulett.co.za/au/introduction.asp>, p. 1, retrieved 29 April 2016.

least this remains a war of words. This may of course change, and the demand for a piece of the sugar riches is high. The politics that dominates Zimbabwe today means that deals have to be struck, especially with those who demand their share. This has seen the insertions of new people and the eviction of others, and a growing, if belated, demand from a vocal Shangaan constituency to play a part in the sugar success story.

The land reform in the sugar outgrower areas was not a 'land to the people' redistributive move to combat landlessness and poverty. This was part of an accommodation of a middle-class demand for land, creating a very particular type of outgrower arrangement, quite different to other sugar outgrower relationships in the region, and more widely in Africa.<sup>57</sup> The A2 beneficiaries are certainly not universally powerful and well connected, but the sugar allocations were definitely not addressing the poor, disadvantaged masses. Nationally, the land reform had to accommodate multiple class interests, and one was the middle-class aspiration for land, particularly in the context of declining living standards, wages and job opportunities in the post-structural adjustment period.<sup>58</sup>

Land for such people, as we have seen, is part of a portfolio of interests including formal employment. Incorporating and enlisting civil servants, and the wider bureaucracy, was also an essential political strategy, as land reform required commitment, compliance and individual investment on a massive scale. Offering land as an alternative compensation to the absence of meaningful salaries was important, but it also brought a number of highly skilled technicians, managers and businesspeople into the sugar industry.

Despite the scepticism around sugar production potentials and skill levels voiced by the company, donors and others, this outgrower model of land reform has proven, against multiple odds, surprisingly successful. Industry officials now talk in glowing terms about the potentials of smallholders to produce. As our survey data has shown, the patterns are varied: some are achieving internationally competitive yield levels and outputs; they are investing in their farms, replanting cane and improving varieties; they look after their workers and pay them relatively well; and they are accumulating in ways that allow them to invest in other business, property and their families' education and well-being. These tend to be the resident farmers (or those who have employed a resident manager) and those with technical or business backgrounds. There are others, of course. Those who thought the rich pickings were easy were disappointed. Sugar production is hard work and requires a very careful business acumen and savings ability, given the upfront costs and the seasonality of payment. Those who barged their way in through patronage connections often appropriating houses and equipment are among this group, as well as the absentee farmers who have insufficient capital and too little time to make a go of it. In our sample, this 'failing' group is a minority (currently only two or three individuals), and in aggregate terms is hitting overall performance only at the margins, particularly as new cane land comes into production.

The political moment for a thorough audit of such underperforming beneficiaries has yet to arrive, but in time there will be a shake-out, either through the application of performance requirements or more likely through market forces, as land lease fees and taxes are applied. Meanwhile, the opportunities for expanding the smallholder-based outgrower model may increase. This may be in the context of new initiatives (such as those of Billy Rautenbach), or through the release of further estate land, as the company realises that passing the costs and risks of production to outgrowers makes sound financial sense, and it can concentrate on where the

---

57 See other papers in this special issue, and C. Oya, 'Contract Farming in Sub-Saharan Africa'.

58 S. Moyo, 'Land Concentration and Accumulation after Redistributive Reform in Post-Settler Zimbabwe', *Review of African Political Economy*, 38, 128 (2011), pp. 257–76; S. Moyo and N. Nyoni, 'Changing Agrarian Relations after Redistributive Land Reform in Zimbabwe', in S. Moyo and W. Chambati (eds), *Land and Agrarian Reform in Zimbabwe: Beyond White-Settler Capitalism* (Dakar, Codesria Book Series, 2013).

real value addition occurs, which is in processing. The longer-term trajectories of change will be driven in part by economics – where profit can be derived will depend on prices, technology, production efficiencies and labour costs, and conditions for European market access<sup>59</sup> – but also, crucially, by ever-changing political conditions, where contingency, chance and the changing fortunes of political coalitions all play a role.

As we have shown, it is political-economic dynamics, rooted in often fragile, contingent elite alliances, that have driven the transformation of the sugar industry, and with it the agrarian landscape, in Zimbabwe since land reform, and that did so in the preceding years. As has been the case since 1937, when MacDougall first planted cane in the Lowveld, a contested political economy will continue to shape sugar, people and livelihoods over the next decades too.

## **Acknowledgements**

This paper was originally presented at a workshop of the Southern African Sugar Research Network in Johannesburg, 24–25 November 2015, funded by funded by the UK Economic and Social Research Council (ESRC) and UK Department for International Development (DFID) joint programme on poverty alleviation, grant no. ES/1034242/1. We would like to thank participants at this workshop, plus two anonymous reviewers for their comments. The paper draws on work since 2002, funded by various sources, including during the 2000s by the ‘Sustainable Livelihoods in Southern Africa’ and the ‘Livelihoods after Land Reform’ projects, both involving the Institute for Poverty, Land and Agrarian Studies at the University of the Western Cape, Cape Town, and funded by the ESRC and DFID. Over this period the sugar work has been developed by a team, including Ian Scoones, Blasio Mavedzenge, Felix Murimbarimba, Jacob Mahenehene, Chrispen Sukume, Joseph Chaumba and Will Wolmer, among others. This work would not have been possible without the involvement of the farmers in our Hippo Valley sample, as well as the support of Agritex and Tongaat Hulett officials.

IAN SCOONES

*Institute of Development Studies, University of Sussex. E-mail: [i.scoones@ids.ac.uk](mailto:i.scoones@ids.ac.uk)*

BLASIO MAVEDZENGE AND FELIX MURIMBARIMBA

*Masvingo Research Team, PO Box 192, Masvingo, Zimbabwe. E-mails: [blasiomavedzenge@gmail.com](mailto:blasiomavedzenge@gmail.com); [felixmurimba@gmail.com](mailto:felixmurimba@gmail.com)*

---

<sup>59</sup> Dubb, Scoones and Woodhouse, ‘The Political Economy of Sugar in Southern Africa’.