

Value Chain Analysis for Development: providing evidence for better policies and operations in agricultural value chains

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Beef Value Chains in Eswatini and Zimbabwe: A Comparison and Synthesis from the Perspective of Value Chain Governance

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Question and issues



- **Capitalising and expanding on two studies of beef VCs in Southern Africa – Eswatini and Zimbabwe**
- **Common features in:**
 - multifunctionality and cultural value of cattle
 - dualistic land tenure with communal grazing of cattle
 - sensitivity to EU meat import policy
- **Contrasts in:**
 - political response to dualistic land tenure
 - extent of animal disease control achieved
 - and success in export to Europe
- **Analysis using a value chain governance approach**
- **Identification of risks**

Context: EU Policy on Meat Imports from Southern Africa



- **Global trade in meat regulated by the WOAHA (ex-OIE) and through standards agreed between nations**
- **Beef trade between Europe and Southern Africa subject to reduced tariff quotas originally agreed under Lomé IV in 1989 – 9,100 tonnes for Zimbabwe, 3,363 tonnes for Eswatini**
- **Conditional on freedom from Foot and Mouth Disease (FMD) through proven FMD-free zones, traceability and externally verified veterinary control infrastructure**
- **Zimbabwean market access lost. Eswatini built markets especially in Norway but recently lost access**
- **Previous analysis shows vulnerability of these systems to rent capture by larger producers and traders**
- **Criticisms made of policy incoherence**

Context: Political Economy of Land



- **Both countries are marked by legacy of expropriation of farmland by white settlers, and confinement of Africans to overcrowded reserves in areas of lower potential, under modified customary tenure**
- **In Zimbabwe, this became the defining political issue, leading to Fast-Track Land reform associated with brutality, corruption and disruption of successful farming, but also significant benefits to African smallholders, especially in semi-arid regions**
 - FMD controls (fencing) broke down in the 2000s: attempts to restore them would present risks to equity
 - Farming systems now map to tenure in complex ways, and differences in market destinations for cattle are a matter of degree
- **In Eswatini, Title Deed Land (TDL) - for local companies and individuals, and foreign investors subject to procedures - is 39% of total area**
- **Land is not a salient political issue**
 - But there is a clearer separation of domestic and export market chains by tenure of production area
- **In both countries, “Communal Areas”/Swazi National Land suffer from issues of land governance, insufficient/degraded grazing and poor access to extension**
- **And are characterised by multifunctionality and high cultural value of cattle**



Context: The Role of Cattle

In both countries, cattle have multiple benefits:

- **Cash income from sales (on a needs basis)**
- **Draught power**
 - especially in Zimbabwe – 64% of economic value (Muvirmi and Ellis-Jones 1999)
- **Bridewealth and use in rituals**
- **Security and as a store of wealth**
- **Manure for soil fertility (especially valued by women in Eswatini)**
- **Direct consumption of milk and meat**
- **Payment of traditional dues to chiefs (in Eswatini)**

Rankings of these benefits are highly subject to farming system, income opportunities, gender and individual preferences, and change over time

These multiple benefits hold down offtake rates, and drive high seasonality of sales

Findings: Value Chain Governance



- **The value chains operating in Zimbabwe and Eswatini can be characterised under a modified version of Gereffi's (2005) framework, using:**
 - The complexity of knowledge and information used to sustain transactions
 - The codifiability of that knowledge and information
 - The capabilities of suppliers

Form of coordination	Strict market-based		Hierarchy
Countries	Zimbabwe		
	Eswatini		
Types of markets	Reputation-based spot market in communal areas	Domestic market	Export Market
Complexity of transactions	<i>Low</i>	<i>High</i>	<i>High</i>
Codifiability of transactions	<i>Low</i>	<i>High</i>	<i>Low</i>
Capabilities in the supplier node	<i>High</i>	<i>Low</i>	<i>Low</i>
Degree of explicit coordination and power asymmetries			

Findings: Value Chain Governance (2)



- **Coordination of spot markets in rural areas (Zim and Esw) is based on trust, reputation, and price mechanisms. Small-scale commercial farmers can be price-makers**
- **Co-ordination of more formal domestic markets (Zim and Esw) is also partly reputation-based, but main buyers elaborate quality arrangements based on the visible aspects of the animals (shape, conformation, size, apparent or real weight) Farmers are mainly price-takers**
- **In the export market (Esw only) quality and sanitary standards are controlled by the buyers of the products and to some extent by the national government, but the market is also characterised by informal state-business relations and rent capture**
- **Professional organizations and cooperatives (Zim and Esw) try to provide technical and economic assistance for horizontal coordination, but their resources and impact are limited**

Findings: Risks



- **External to the VCs:**
 - inflationary pressure, declining infrastructure (Zim)
 - rent capture (Zim and Esw)
- **To be managed through vertical integration and proactive government policies:**
 - Climate risks – declining cattle numbers and supply volatility (Zim and Esw) – to be managed by insurance, climate information services, emergency purchase
 - Localised overgrazing through poor governance of grazing lands (Esw)
 - Animal health-related – mortality, human illness, loss of exports (Zim and Esw) – to be managed by improved preventive services and surveillance at community and national level
- **To be managed through better horizontal integration (with government support):**
 - Youth exodus from VC, worsening exclusion of women, low levels of trust and farmer organisation



Implications for supporting beef production in Southern Africa:

- **Investment in infrastructure and risk management**
- **Tailored support to small producers**
- **Food safety measures for domestic and imported meat**
- **EU meat import policies that allow innovations such as commodity-based trade rather than remaining based on disease-free areas**

Implications for VCA4D methodologies



- **Increased flexibility in analyses of multi-functional commodities**
- **Increased consideration of historic inequities in land tenure and inequality and environmental risk with smallholder tenure systems**
- **Analysis of governance to be more in-depth and to bring more nuance, especially on hybrid forms of coordination.**



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for your
attention!**

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