



The Impact of China's Agricultural Investments in Zimbabwe

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In recent years, Chinese agricultural engagement in Africa has been growing rapidly, and has had an increasing impact on development and agrarian change on the continent. There are three main divergent narratives describing China's engagement in Africa: China as a new colonizer, China as an economic competitor, and China as a development partner.

I am Tang Lixia from the College of Humanities and Development Studies at China Agricultural University, located in Beijing.

Today I would like to share with you stories from my fieldwork in Zimbabwe to provide perspective on this issue. First, I will provide a brief overview of the Chinese presence in Africa. Second, I will introduce several Chinese agricultural enterprises in Zimbabwe and discuss what they have been able to achieve. Third, I will introduce China's agricultural aid programmes in Zimbabwe, especially the impact of an agricultural technology demonstration center. Finally, based on my research in Zimbabwe, I would like to discuss the future role China can play in African agricultural development,

Chinese companies have been investing in agriculture in Africa since the mid-1980s. In more recent years, the Chinese government has encouraged investments overseas, and as a result, the flows of investments to Africa have increased rapidly. More and more agricultural companies have begun to invest in Africa. In fact, in 2011, China's agricultural investments were valued at around 800 million dollars.

Ever since China pledged to exempt most African agricultural products from tariffs, trade between China and Africa has flourished. Now, China has become an important market for tobacco, cotton, sesame and palm oil, all produced in Africa. Africa is also the largest recipient region for China's international aid. According to a new white paper on Chinese aid, 52% of Chinese aid was directed to Africa. China has also supported the construction of 14 agricultural technology demonstration centers in various African nations.

Now let us turn to observations on the situation in Zimbabwe, where I have spent almost two months, on two separate visits. To date, seven Chinese agricultural enterprises have invested in Zimbabwe. One focuses on tobacco, two on grains and four on cotton. In my study, I examined three of these seven enterprises: the Anhui Wanjin company is state-owned and cooperates with local commercial farms that were urgently in need of capital. The main products include soybean, maize and wheat for the local market. Tianze tobacco is also a state-owned company. The third company, China-Africa Cotton is a private enterprise, which has received financial support from the China-Africa Development Fund. Tianze and China-Africa Cotton have adopted a contract farming model and provide local farmers with agricultural inputs like seeds, fertilizer, pesticides, diesel and technology services, such as training and supervision.

I interviewed Chinese company managers and workers as well as local farmers and officials, with the aim of better understanding the impact of China's agricultural investments on local agricultural development. A major conclusion of my study has been that Chinese investments have provided local African agriculture with much-needed financial resources. The three companies I referred to earlier have invested several million dollars every year in agricultural development. The local farmers - including some white farmers - told me that without Chinese investment they would not have been able to continue being involved in agriculture. While many Western and local enterprises have also adopted the contract farming model, they charge around 12% interest from farmers for pre-payment for agricultural inputs. In contrast, China does not charge any interest.

Chinese investments have benefited many groups of farmers and Chinese firms now have considerable experience working with many different types of actors. For example, Anhui Wanjin worked with larger commercial farms, while Tianze tobacco worked with medium-size farms, and China-Africa cotton worked with small-household farms.

Another significant impact is that Chinese enterprises provide increased employment opportunities to local labourers. Typically, you will find only about 10 to 20 Chinese staff working in the three enterprises I have mentioned. A large majority of the staff are locals. Indeed, these three companies have hired more than a thousand local farmers and labourers.

Looking at the situation in Zimbabwe, I believe we have evidence to argue that Chinese investments can contribute to food security and GDP growth in many African contexts. Since Zimbabwe implemented radical land reforms, many large commercial farms have been transferred to local groups who do not have access

to capital to maintain agricultural production. These groups believe that without the required capital, they cannot use machinery or afford the high costs of agricultural labour. And without the intervention of the Wanjin company, and the ensuing cooperation, they were risking enormous debts that they would not be able to repay. Indeed, many Zimbabwean farms have gone bankrupt in recent years, having failed to find suitable partners and attract the required capital needed to continue operations.

In many instances, we also find that the grain produced by Chinese enterprises have been crucial for the stable supply and flow of materials to local food processing enterprises. Furthermore, a country like Zimbabwe is highly dependent on the export of its agricultural products and tobacco and cotton are the main cash crops. Currently, the main destination market for these products from Zimbabwe is China.

Zimbabwe adopted the “Look East Policy” following its isolation by the West after embarking on its radical land reform programme in the late 1990s. Responding to offers of friendship from Zimbabwe, China scaled up various types of agricultural aid programmes to Zimbabwe. These included emergency food aid of rice and wheat in 2012, donations of agricultural machinery such as farm trucks tractors and water pumps, and a loan agreement with the Export-Import Bank of China. Further emphasis was placed on the training of key staff in Zimbabwe’s Ministry of Agriculture and dispatching agricultural experts from China to Zimbabwe to provide advice and assistance. As a result, the most important agricultural aid programme undertaken by China in Zimbabwe has been an agricultural technology demonstration center established in 2009.

In the past year, this demonstration center has carried out the following four broad sets of public service activities:

First, pilot demonstrations were conducted, including the experimental cultivation of nearly 20 kinds of local maize seeds in cooperation with local seed enterprises, the experimental cultivation of a dozen varieties of potatoes jointly with domestic potato research institutes, and the promotion of diced potato cultivation technology.

Second, the Centre has displayed its state-of-the-art agricultural machinery all over the country and conducted numerous training sessions with farmers and other groups.

Third, the Centre has regularly hosted and interacted with numerous visiting delegations of students from local agricultural colleges, local farmers’ associations, provincial officials and other delegations

Fourth, the Centre has offered everyday supervision and guidance to local farmers. As one farmer told me, *“There is no any other institute that came to our farm to help us to design useful and affordable equipment. We would like to develop our agriculture and we need to use some new technologies. But usually no organization comes down to the grassroots level to discuss our needs, except for this one centre.”*

Conclusion

It is not easy to generalize the overall impact of China’s agricultural engagements in Africa from my findings in Zimbabwe. However, there is now a growing body of evidence to suggest that China’s agricultural involvement in Africa is having a major impact on poverty reduction among local farmers. Even though numerous challenges remain, China is at least providing African farmers with an alternative source of finance. It is also transferring development experience and technology, in addition to providing access to a very large domestic Chinese market. I believe such engagement holds promise for the immediate future.