

This is lateral thinking of the first order

 By [Paddy Hartdegen](#)

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Some people seem to think that South Africa is the king of oddities and curiosities, particularly when it comes to the many schemes aimed at fleecing unsuspecting and gullible consumers of their money. But there are oddities all over Africa and there just as many crooks, thieves and scammers in other parts of Africa as there are in South Africa.

As many African politicians and leaders keep assuring us, Africa must find its own solutions to its own problems and this might be absolutely true. Sometimes the schemes are so ingenious one can only marvel at the idea.

One of these is unfolding in Zimbabwe where an enterprising man by the name of Tawanda Nyambirai has founded the Cattle Bank (it's actual name is TN Bank named after him) where farmers can deposit their cows or bulls and borrow money against them or earn interest for having them in the bank's custody. Interest can be paid in cows or in cash.

How the Cattle Bank works is that owners call the bank and arrange for the cattle to be viewed and inspected. Then they open a cattle deposit account (as anyone would normally do with cash) and for many rural Zimbabweans this is probably the very first bank account they have ever held.

Then they use the animals as collateral against cash loans from the bank that are equal to the value of cattle deposited. According to bank executive Charles Chakoma if the owner fails to repay the loan then the bank keeps the animals.

Chakoma says that owners accrue interest on the animals that have been deposited and can get those animals back after an initial two-year period or once they have repaid any loans.

If the owner of an animal dies, a member of the family can take over responsibility for repaying the loan or can take the animal away as long as the loan is paid in full.

The Cattle Bank - which oddly enough owns several fast food outlets across the country - says it will even slaughter some of the animals for beef and replace them with more productive cattle of the same value.

William Mukurazita, 69, and his wife Elizabeth, 66, had about 70 head of cattle in the village where they lived, but poor health stopped them both from being able to tend the cattle. As a result at least 20 animals have been stolen or have died in the past year.

So they deposited 24 cattle with the Cattle Bank and the couple now have cattle to the value of \$10 000 (R100, 000), which earns interest for them each year.

When the cattle are deposited, a veterinarian checks the animals before the bank pays to transport them back to their paddocks that are used for fattening the animals and for cross-breeding purposes. Owners are given a Certificate of Cattle Deposit as proof of the transaction.

While the transaction is underway - with all the cattle being carefully logged and recorded by the bank officials and the veterinarian - the Mukurazitas are concerned by a scrawny-looking calf that was orphaned when its mother died a few days before. The starving calf tries to steal some milk from other feeding cows but is kicked away. It wanders off to graze on a small patch of grass and if it remains untended it will probably die within the next few days.

Witnessing its behaviour the veterinarian decides that the calf is worth keeping and values it at \$49 (R490). It gets carried away along with the other cattle to the paddocks for safekeeping.

Of course Zimbabwe once used to be one an important producer of beef and had some of the largest cattle ranches in Africa but that has sadly been curtailed by land grabs and indigenisation policies so now only about 20% of Zimbabwe's cattle are in commercial ranches.

The rest, estimated at about 3,5-million animals, live in rural areas and villages scattered across the country. These animals have a collective value of about \$1-billion (R10-billion).

For much of Africa, cattle have long been regarded as a symbol of wealth, and the animals are an important part of African society where they are used as marriage dowries, sacrificed at funerals or slaughtered to appease ancestral spirits.

Chakoma points out that for this reason, rural people don't want to part with their animals so the Cattle Bank solution resolves that for them. He says that often farmers will part with just a few cattle but as the system becomes more widely accepted, they are likely to more readily pass on their cattle to the bank.

It sounds to me that this is the cheapest and easiest way I have ever encountered to start a magnificent cattle ranch at almost no cost other than a bit of transportation to get the animals into paddocks. It's ingenious, even brilliant.

And, once the bank starts reaping the benefits of exported beef products, selling millions of litres of milk each day and even earning occasional stud fees for the best-of-breed bulls, it will have more than enough money to pay the rightful owners who have lent their cattle to the bank in the first place.

As the contract provides for the animal to be replaced with a similar animal if it is slaughtered or dies while in the bank's custody, there can be no repercussions on what may soon be the biggest cattle ranch in Africa.

What an astonishing way of starting a cattle farm with someone else's cows.

ABOUT PADDY HARTDEGEN

Paddy Hartdegen has been working as a journalist and writer for the past 40 years since his first article was published in the *Sunday Tribune* when he was just 16-years-old. He has written 13 books, edited a plethora of business-to-business publications and written for most of the major newspapers in South Africa.

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