

FOOD SECURITY RESEARCH PROJECT – ZAMBIA

Second Quarter Report, 2009

(April 2009 to June 2009)

A Collaborative Research, Capacity Building, and Policy Outreach Project

between

The Ministry of Agriculture and Cooperatives (MACO)

The Agricultural Consultative Forum (ACF)

The Central Statistical Office (CSO) / Ministry of Finance

Michigan State University's Department of Agricultural Economics (MSU)

United States Agency for International Development/Zambia (USAID)

Swedish International Development Agency (SIDA)

In Pictures: First ever Zambia Food Balance Sheet Announcement Lock-up Session



Food Security Research Project Web Site
<http://www.aec.msu.edu/fs2/zambia/index.htm>

Acronyms

ACF	Agricultural Consultative Forum
AFS	Agriculture and Food Security
AIM	Agricultural Input Marketing
AMIC	Agriculture Marketing Information Centre
COMESA	Common Market Eastern and Southern Africa
CSO	Central Statistics Office
ECAPAPA	Eastern and Central Africa Programme for Agricultural Policy Analysis
FANRPAN	Food Agriculture and Natural Resources Policy Analysis Network
FRA	Food Reserve Agency
FSRP	Food Security Research Project
GART	Golden Valley Agricultural Research Trust
INESOR	Institute for Social and Economic Research
MACO	Ministry of Agricultural and Cooperatives
MATEP	Market Access, Trade and Enabling Policies
MCTI	Ministry of Commerce, Trade, and Industry
MoFND	Ministry of Finance and National Development
MSU	Michigan State University
NAIS	National Agriculture Information Service
PSD	Private Sector Development Group
SAKSS	Strategic Analysis and Knowledge Support System
SIDA	Swedish International Development Agency
UNDP	United Nation Development Programme
UNZA	University of Zambia
VAT	Value Added Tax
ZBF	Zambia Business Forum
ZNFU	Zambia National Farmers Union
ZARI	Zambia Agricultural Research Institute
FoDiS	Food Crop Diversification Support Project

1. Brief Overview and Facts

Cooperating Institutions

Ministry of Agriculture and Cooperatives (MACO), Economics and Market Development Department: Policy and Planning Branch and Marketing Development Branch

Ministry of Finance and National Development (MFND)

Ministry of Commerce, Trade, and Industry (MCTI)

Agricultural Consultative Forum (ACF)

Central Statistical Office (CSO), Agriculture and Environment Division

Golden Valley Agricultural Research Trust (GART)

University of Zambia (UNZA), Institute for Social and Economic Research (INESOR)

Food Reserve Agency (FRA)

Agency for International Development, Zambia Mission (USAID/Zambia)

Agency for International Development, Bureau for Economic Growth, Agriculture and Trade, Office of Agriculture and Food Security (EGAT/AFS)

Department of Agricultural Economics, Michigan State University (MSU)

2. Objectives

FSRP's mandate is to contribute to effective policy dialogue, capacity building, and ultimately an improved agricultural policy environment in Zambia, through collaboration with government and the private sector. The FSRP aims to achieve these objectives through in-service capacity building, applied analysis, and policy outreach. A hallmark of the MSU/FSRP approach is the "joint products" approach, whereby training, applied research, and outreach are undertaken collaboratively with in-country stakeholders and government counterparts. The "joint products" approach is designed to achieve these broad results:

Capacity building for local Zambian counterparts, including training in the design, implementation, and analysis of household-level and market-level data collection for policy analysis and priority-setting purposes. This is accomplished mainly through in-service training of public and private sector collaborators, but also through training courses and seminars targeted to specific government organizations where improved analytical capacity is most needed;

Applied research to provide baseline information on smallholder production patterns and crop mix, input use, marketing behavior, measures of farm productivity, farm and non-farm incomes, food purchases and consumption, and other basic household-level information necessary to monitor the impacts of changes in the agricultural policy environment on selected socio-economic and regional groups in Zambia; and

Outreach activities to liaise with ACF, MACO, and other public and private policy making groups in Zambia on strategies for promoting smallholder agricultural productivity and income growth, and household food security in support of improved agricultural policy making in Zambia.

To carry out its research mandate, the FSRP in Zambia aims to: (a) strengthen the capacity of MACO, ACF, and other local institutions and government agencies responsible for food security in Zambia to carry out applied research and policy analysis on food security; (b) strengthen the capacity of MACO, Ministry of Finance and National Development, and Ministry of Commerce, Trade, and Industry to help coordinate research on national food security issues; (c) strengthen the Central Statistical Office (CSO) to carry out surveys, manage

and process data, and perform basic analyses useful to policy makers; and (d) strengthen MACO's management and implementation of agricultural marketing information services.

3. Implementation Approach of the Food Security Research Project

The FSRP's main base is its field office in Lusaka. Field office research fellows and research specialists collaborate intensively with MSU campus-based staff on analysis and outreach efforts. This is complemented by frequent TDY visits of campus faculty to Zambia to work with the Lusaka-based team and officials from local collaborating organizations.

The FSRP's substantive research and outreach activities are guided by the FSRP's semi-annual Advisory Board consultations. From these Board meetings, an agenda for research, technical support, and outreach activities is identified and approved. Members of the Advisory Board include MACO, ACF, INESOR/UNZA, CSO, USAID, and FSRP.

4. Status of FSRP Activities in the Second Quarter 2009

I. Public Investment Allocation for Promoting Agricultural Growth

- Nijhoff continued work on CAADP and related Zambia agriculture budget work. There are signs of renewed commitment to the CAADP process by GRZ, and FSRP is likely to be asked to provide assistance in making the next round of national development planning compatible with the CAADP framework.
- Began preparations for the ACF/FSRP consultation with high level government officials (specifically, ministers of Agriculture, Livestock, Finance, Trade and Commerce, and the economic advisor to the President) to discuss issues pertaining to Agricultural development in Zambia and the challenges that the government of Zambia needs to overcome to achieve tangible growth in agriculture. The consultation meeting is planned for July 2009.
- Chapoto, Jayne and Weber collaborated with Dr. Gelson Tembo, Lecturer from the University of Zambia on a paper entitled "[Fostering Agricultural Market Development in Zambia](#)". Presented at the Zambia National Symposium, Harnessing the Potential of Agriculture to Meet the Increasing Demands from a Growing Population at the University of Zambia, Lusaka, Zambia. April 7-8, 2009. Presentation has been posted on the FSRP website. The presentation by Dr. Tembo attracted some local press coverage and a report can be found at <http://www.lusakatimes.com/?p=10911>. The paper is being edited and will come out as a FSRP working paper before submission to the Journal of Food Policy.
- To initiate work on the study of returns to research on sweet potato and cassava, FSRP worked with MACO's Crop Forecast Survey, in April and May 2009, to include sufficiently detailed varietal information to permit estimates of improved variety adoption for both crops. Later in the quarter, in June 2009, Crawford and Haggblade travelled to Lusaka and Luapula. Following discussions with relevant stakeholders, FSRP has agreed to conduct this study in collaboration with ZARI and FoDiS. The objective is to evaluate the rate of return on past cassava and sweet potato research and extension. ZARI and FoDiS will conduct field studies of yield gains under improved varieties between August and October 2009. A draft report will be circulated in the second quarter 2010 and outreach activities will include presentations to ZARI, ACU Task Force and other stakeholders.
- Commenced data collection exercise for work on measuring the impact of rural roads investment on smallholder livelihood in Zambia. In order to do household/village

analysis with this data, FSRP is collaborating with the Road Development Fund and CSO mapping department to incorporate road investment information into the CSO/FSRP supplemental survey data base. A draft report will be circulated first quarter 2010.

- Preliminary work was completed for adding a new subheading to the ACF/FSRP website to contain as downloadable documents the output and background documents for the returns to research on sweet potato and cassava.

II. Productive Assets: Options for Sustainably Increasing Productivity and Incomes

1. Land access, agricultural growth and poverty dynamics in Zambia

- The study on “[Access to Land, and Poverty Reduction in Rural Zambia: Connecting the Policy Issues](#)” was finalized and updated on the website as working paper number 34. FSRP continued to use this output in various outreach activities with relevant stakeholders. Issues of how constrained access to land is affecting the poverty reduction objectives of the GRZ and policy strategies for addressing these land constraints will be a topic of discussion in the upcoming Ministers retreat scheduled for July 2009. The report can be downloaded at: http://www.aec.msu.edu/fs2/zambia/wp_34.pdf.

2. Alternative strategies for maintaining soil productivity

- During this reporting period work continued on a linear programming model of CF in order to measure the prospective gains to smallholder income by adopting CF and shifting peak season land preparation labor to the dry season. In June 2009, the FSRP team received detailed feedback from the CFU. In response to their suggestions, the team will be conducting additional analysis of herbicide use alternatives. The team expects to finalize this report during Q3 2009.

3. Labor supply, HIV/AIDS and agriculture

- With the availability of a 3rd wave of panel data ACF/FSRP will be able to examine the longer-run impacts of HIV/AIDS on smallholder agriculture and rural livelihoods. Two new studies have been added to the work plan: the first one will look at whether the relationship between poverty and mortality has been changing in Zambia. During the early years of the epidemic, AIDS disproportionately affected the more educated and wealthier segments of society, but there are indications that this might be changing. The results of this study are intended to guide future AIDS mitigation and HIV prevention strategies in Zambia as well as inform future rural poverty reduction strategies. The second study will look at the longer run impacts, adjustments, and potential recovery by rural farm households to prime-age morbidity and mortality in Zambia. So far, almost all studies of the impacts of AIDS has been over a relatively short time duration and there is limited knowledge of the longer-run impacts on agricultural production and rural household welfare.
- Chapoto, Jayne and Mason condensed their FSRP working paper “Security of Widows’ access to land in the Era of HIV/AIDS” into a journal submission which was recently accepted by Economic Development and Cultural Change. This study will be presented to Zambian policy makers in a workshop on HIV/AIDS and agriculture in Lusaka being planned for February 2010.
- Work on impacts of food aid on AIDS afflicted households has gathered momentum since the 3rd Supplemental Rural Survey data was cleaned and now ready to be used for analysis. A draft working paper is expected in the fourth quarter and will be circulated to relevant

stakeholders for comments. We expect to feature results from this study during the proposed FSRP HIV/AIDS workshop in February, 2010.

- A report on Cross country work on “Characteristics Associated with Prime-Age Mortality in Eastern and Southern Africa: evidence from Zambia and Kenya was finalized and is currently being formatted for publication as a MSU international development paper and a variant of this study has been submitted to World Development for publication. Awaiting for reviewers’ comments.

4. Natural Resource Management

- Tschirley, Richardson and Haggblade completed the review and revision of a Master’s thesis produced by graduate student Ana Fernandez on the impact of Game Management Areas (GMAs) on rural household welfare. The analysis measured the effect of GMAs on household income, self employment, wage employment, and the value of crop damage. Preliminary findings suggest that households living in prime GMAs (with high levels of wildlife stock and diversity) benefit from higher levels of income and employment than households living in non-GMA rural areas, but are also more likely to suffer crop losses from wildlife damage. The final report is expected Q3 2009.
- We plan to finalize an FSRP working paper and policy brief based on the analysis of the impact of GMAs on household welfare in Q3 2009. We have drafted a manuscript for publication in a scholarly journal, and also plan to prepare 1-2 additional manuscripts from this research for publication.
- Richardson began an analysis of the determinants of household income from fuelwood and other non-timber forest products based on data from the third supplemental survey. A draft report is expected in Q3 2009.
- Richardson continued the examination of urban household survey data for an analysis of household energy use, cooking fuels, and demand for charcoal. Preliminary results are expected in Q3 2009.

III. Marketing and Trade: Policies Affecting Input and Output Markets

1. Maize Value Chain

- During this quarter FSRP continued to monitor the maize grain and mealie meal prices in Zambia and other neighboring countries so as to provide counsel to MACO and FRA on rising maize prices and why the government subsidy in 2008/09 was not effective in lowering consumer prices.
- During the month April and May, the FSRP outreach team met with the Minister of Agriculture and Cooperatives, Dr, Brian Chituwo to provide him with some basic information on: likely maize supply and demand in the Southern Africa region in the forthcoming marketing season; why it was important for FRA to set policies consistent with protecting some potential export options, and to especially, not announce any FRA indicative prices until the crop forecast is finished and balance sheet announced.
- FSRP Team spent the month of April and the first half of May providing technical support to MACO and CSO clean the CFS data before the announcement of the crop forecast by the Minister of Agriculture. The exercise was time consuming because of many issues regarding data collection and entry which affected the quality of the data. Our Trainer Margaret Beaver had to delay her return to the USA by one week and Chapoto had to cancel a planned trip to Nairobi Kenya because of the delayed completion of CFS data cleaning exercise. MACO and CSO greatly appreciated our assistance but promised to work with FSRP research team in order to improve future data collection activities.

- At our invitation, the Minister of Agriculture officially opened the Crop Forecasting Survey data cleaning workshop.
- Jan Nijhoff assisted MACO with generating more accurate estimates for Zambia's human consumption, industrial utilization, and stock levels for food grains and tubers. He also assisted MACO by preparing a supply and demand estimation worksheet for food grains and tubers (the so-called food balance sheet) that calculates estimated surpluses or deficits for the various commodities. This information enabled MACO to make pronouncements on maize exports during the first announcement and subsequent communications.
- FSRP encouraged dialogue between the stocks committee and MACO's Early Warning Unit responsible for the CFS and the food balance sheet, and proposed a lock-up session to discuss and agree on the estimates before the minister announces the crop estimate and food balance sheet results. For the first time in the Zambian history the crop estimate was announced by the Minister after a 3 hour lock-up of the Stocks Committee and other key stakeholders. The committee was only allowed to leave the room after the food balance sheet was announced. FSRP was part of this history-making event and the Minister acknowledged our assistance.
- Mason et al, finalized the report on "Are Staple Foods Becoming More Expensive for Urban Consumers in Eastern and Southern Africa? Trends in Food Prices, Marketing Margins, and Wage Rates in Kenya, Malawi, Mozambique and Zambia" This paper is posted on the website as an International Development Working Paper (IDWP) number 98. Also, the paper was presented at the Institute for African Development Conference, "Food and Financial Crises and their Impacts on Achievement of the Millennium Development Goals in Africa" on May 1-2, Cornell University, New York. The paper has also been submitted to Food Policy for publication. The paper received widespread circulation by the CTO of the FEWSNET program to its national representatives in eastern and southern Africa highlighting the findings of the report. The working paper can be downloaded at: <http://www.aec.msu.edu/fs2/papers/idwp98.pdf>
- Chapoto and Jayne finalized the study on the impacts of FRA operations and government trade policies on the level and volatility of maize prices in Zambia. This paper is posted on the website as Working Paper 38. Results of this study indicate that certain government trade policy actions, while intending to stabilize maize prices, actually appear to destabilize them, e.g., export bans and delays between announcing intentions to import and actual timing of imports. FSRP continues to use this work in outreach activities of how certain trade policy changes could help stabilize maize prices, especially in years of production shortfalls. This can be downloaded at : <http://www.aec.msu.edu/fs2/zambia/wp38.pdf>
- Weber, Kabaghe and Chapoto met with the Chief Executive of FRA to share with him some insights on issues to consider when dealing/discussing the maize indicative price or rather maize floor price for marketing season 2009/10, stocking up of FRA strategic reserves, maize production costs and Zambia National Farmers Union (ZNFU) and private sector participation. Most of the stakeholders were happy with the announcement of FRA buying price of K65, 000 per 50kg bag. Unfortunately, ZNFU still persists that this price is low compared to farmers production costs and is advocating for an increase in the floor price up to k85,000. We trust that the notes FSRP provided to the FRA Chief Executive will continue to be handy as the issue of maize pricing is being discussed. Jayne, Nijhoff and Kabage prepared a short brief on the maize pricing issue in late June which was subsequently picked off the FSRP web by The Zambian Economist magazine and will be published in its July issue. In this way, FSRP has succeeded in injecting its analysis into mainstream media in Zambia.
- As a result of FSRP continued effort in highlighting the problems with the MACO/CSO data weighting files due to enumerator under listing, CSO and MACO finally CSO agreed to review the weighting procedures. Chapoto and Kabwe attended a meeting at CSO were CSO and MACO reached an agreement to update the weights for 2008/09 crop estimates. As collaborators, FSRP provided technical assistance to the discussion.

- Chapoto presented some insights from the cross-country price instability study at the FAO Regional Expert consultative meeting on the use and impact of trade and domestic policy interventions on cereal value chain in Eastern and Southern Africa to be held in Tanzania June 3-4, 2009. Chapoto and Jayne continue to work on the study and draft report will be ready by end of third quarter.
- Lungu, Weber and Chapoto drafted and circulated for review a policy brief on changes in small and medium –scale household maize production and marketing patterns between CSO/MACO/FSRP National-Level Supplemental Survey Periods 2004 and 2008. This will be finalized and published in Q3 2009.
- Work on the maize value chain work in Zambia was initiated in June and will extend to late July 2009. The data collected from this exercise will be analyzed and preliminary results presented at the upcoming Ministers Retreat in August.

2. Cassava Value Chain

- FSRP continued in this quarter efforts of market monitoring prices, volumes, and sources of cassava continued in Lusaka and Copperbelt, since these are big markets of cassava. The market monitoring has provided vital information on the trends in prices and volumes in major markets. In June of 2009, FSRP began collecting price on sweet potatoes as well, both as an input into the returns to research study (1.1.b) and to permit future analysis of staple food markets and opportunities for consumer substitution among food staples.
- Chinyama and Weber contributed to 3 cassava sector planning sessions during Q2. This included cooperation with the planning efforts for the forthcoming ACU/ICT (International Trade Center) effort in Zambia towards developing a cassava sector development plan.
- Chinyama and Weber participated in the PAM/FAO handover ceremony of the womens cassava processing and marketing center in Kanakantapa. This included preparation and baking of cassava-cheese bread samples for participants at this ceremony.
- Lungu, Chinyama and Weber prepared and circulated for review an ACF/FSRP Policy Brief on “Changes in Small and Medium-Scale Household Cassava Production and Marketing Patterns Between CSO/MACO/FSRP National-Level Supplemental Survey Periods 2004 and 2008”. This document will be presented for comments at a forthcoming ACU/ITC planning meeting in August in Lusaka
- Haggblade, Crawford, Chinyama traveled to Mansa with Dr. Martin Chiona of ZARI to conduct preliminary field work for a study of the returns to investment in sweet potato and cassava research.
- In response to a request from the ACU Task Force, FSRP has agreed to pull together information on the economics of cassava production and processing. This effort will involve interaction with Zambian farmers and processors. But given the low levels of processing domestically, it will also require processing information from more advanced cassava processors in the region (South Africa, Mozambique) and internationally (particularly Brazil and Thailand). We expect this study to be completed by Q4 2009.

3. Horticulture Value Chains

- *Wholesale market monitoring and mobile phone based market information system:* Gained agreement from ZNFU to take over the market information reporting on the basis of their new funding. Good quality pictures of different standards of tomato, rape and onion have been developed and have been arranged into a brochure for discussion with stakeholders. This brochure will be used to raise awareness of quality standards among farmers and traders, at the same time that prices are reported on the basis of these standards once transmission of SMS prices commences.
- *Tomato value chain:* Work involving characterization of tomato production and marketing system serving Lusaka and comparative analysis of Soweto price behavior and assessment of price variability on the level and variability of farmer returns has been completed as

Mukwiti's M.S. thesis. Additional work on tomato price variability in Zambia has continued and will be presented as an FSRP policy Synthesis.

- *Horticultural price dynamics and trade flows*: Hichaambwa completed a rough first draft of a working paper entitled "The Structure and Behavior of Vegetable Markets Serving Lusaka". Final draft expected third quarter 2009.
- Based on work with Hichaambwa and other colleagues from MSU and Kenya, Tschirley presented a paper entitled "Modernizing Africa's Fresh Produce Supply Chains without Rapid Supermarket Takeover: Towards a Definition of Research and Investment Priorities" at the conference "Towards priority actions for market development for African farmers", sponsored by International Livestock Research Institute, Nairobi. May 13-15, 2009 and will also be put out as an FSRP Working Paper. The presentation can be downloaded at:
- <http://www.aec.msu.edu/fs2/zambia/index.htm#pp> or <http://www.aec.msu.edu/fs2/zambia/presentations.htm>
- Tschirley and Mwiinga began producing a paper based on their presentation at the conference on "Socio-Economic research in vegetable production and marketing in Africa", organized by ICIPE in Nairobi, Kenya. The paper will be put out as an FSRP working paper and also a chapter in a CABI Science monograph.

4. Cotton Value Chain

- Working with Kabwe, Tschirley created a powerpoint on the regulatory framework for cotton in Zambia and presented this powerpoint at a virtual workshop on cotton sector regulatory approaches in Africa, sponsored by World Bank. This work is part of a broader regional effort growing out of the previous work that FSRP did with colleagues from across the continent on cotton sector reform.
- Kabwe was appointed by International Cotton Advisory Committee to represent Zambia on a seminar on sustainable cotton production from 6th to 16th April 2009 in Washington DC United States. He made a presentation on the Evolution of Cotton and Textile Industry in Zambia. A report highlighting important points and recommendations from the seminar was prepared and submitted to MACO.
- Kabwe and Tschirley (by skype) participated in a meeting with Cotton Association of Zambia to strategize on how to move forward with an information system on the credit status of smallholder cotton farmers in the country. This system is expected to be the precursor to a credit bureau for the sector. As part of its role as a non-voting advisory member of the Board, FSRP agreed to initially host the database on its server and to strategize with the newly formed Cotton Board on how to use the resulting data to improve understanding of and programs in the sector.
- At the request of CAZ and GAZ, FSRP prepared a profile of activities the project undertakes in the cotton value chain for the benefit of the newly seated Cotton Board.

5. Fertilizer Value Chain

- ACF/FSRP continued active efforts to inform FSP reform options in Zambia in April, May and June.
- Meeting with Donor Cooperating Partners for preparation of background materials to be used in Donor discussions with GRZ on FSR reform.
- At the invitation of the Parliamentary Committee on Agriculture and Lands, ACF/FSRP prepared written and oral testimony (presented on April 4, 2009) on FSP reform. Written materials and the oral presentation were also published on the ACF and FSRP web sites.
- ACF/FSRP researchers also reappeared a second time at the Ag and Lands Committee (on May 5, 2009) to continue the discussion of FSP reform.
- Weber and Chapoto did additional work with Donor CP in preparation of a second round of written communication between Donor CP and GRZ on FSP reform options. This involved preparation of additional analysis from the Crop Forecast data for 2008/2009 on fertilizer

use and source by District. This information was incorporated into Donor CP communications with GRZ.

- ACF/FSRP researchers (Kabagahe, Nijhoff, Jayne) prepared outreach materials and made presentations at a COMESA sponsored AAMP meeting at Victoria Fall organised under the theme ‘Getting Fertilisers to Farmers: How to do it, who should do it, and how it should be done’.
- ACF/FSRP materials published during this reporting period on fertilizer reform are as follows:
 - [Factors Influencing the Profitability of Fertilizer Use on Maize in Zambia](#). Zhiying Xu, Zhengfei Guan, T.S. Jayne, and Roy Black. FSRP Working Paper No. 39. Lusaka, Zambia. June 2009.
 - [Agricultural Consultative Forum \(ACF\) & Food Security Research Project \(FSRP\) News: Information on the Fertilizer Support Programme \(FSP\) Review 2009](#). ACF and FSRP. June 2009
 - [Coming Policy Attractions – An Overview of On-Going Research & Potential Outreach](#). Presentation for Discussion at a Meeting of Donor Cooperating Partners and The ACF/FSRP Research/Outreach Team. By the ACF/FSRP Team. ACF Offices, June 2, 2009.
 - Comments and Handouts to Inform Discussion of Rural and Urban Food Security Issues in Zambia. By The ACF/FSRP Research/Outreach Team, Presented by Michael Weber & Hyde Haantuba. Presentation at a Meeting To Introduce the EU Food Facility For Rapid Response the Soaring Food Crisis- Chrismar Hotel, 6 May, 2009
 - [Comments to Inform Discussion of Rural and Urban Food Security Issues. PowerPoint presentation.](#)
 - [Characteristics of Small and Medium-Scale Crop-Growing Households in Zambia: Preliminary Comparison of Results from CSO/MACO/FSRP National-Level Supplemental Surveys in 2003/04 and 2007/08 Crop Marketing Seasons](#). Tadeyo Lungu, Antony Chapoto, Margaret Beaver and Michael Weber. (Draft for Review, 4 May, 2009). Handout 1.
 - Testimony to the Parliamentary Committees on Agriculture and Lands on Performance of the Fertilizer Support Programme in Zambia. Hyde Haantuba and Nawiko Masiye, Agricultural Consultative Forum, and Antony Chapoto and Michael Weber, Food Security Research Project. National Assembly, Parliament Building, Lusaka. 22 April 2009
 - Written Submission - 1) [On Fisheries](#); and 2) [On Performance of the Fertilizer Support Programme](#)
 - Oral Presentation - [On Performance of the Zambian Fertilizer Support Programme](#)
 - [Fostering Agricultural Market Development in Zambia](#). Gelson Tembo, Antony Chapoto, T.S. Jayne and Michael Weber. Presented at the Zambia National Symposium, Harnessing the Potential of Agriculture to Meet the Increasing Demands from a Growing Population. Held at the University of Zambia, Lusaka, Zambia. April 7-8, 2009
- Press coverage on ACF/FSRP and Donor CP input and discussion of FSP reform during this reporting period was as follows:
 - [COMESA bemoans poor attention to agriculture - Post June 27,2009](#)
 - [Zambian Economist FSP Reform](#)
 - [MACO Sent Packing on FSP April28 09 Times of Zambia](#)
 - [ACF on-FSP April28 09 Zambia Daily Mail](#)
 - [OpenFSPtoCompetition Times 42609](#)
 - [FSP Post Daily Mail April28 09](#)
 - [Crop Forecast Kickoff Times Apr_17_09](#)
 - [Crop Forecast Kickoff Daily Mail Ap_17_09](#)
 - [Minister Chituwo on Food Costs and FSP - Post, April 8/09](#)
 - [Editorial - On Fertilizer Support Programme. Times, April 8/09](#)

6. Livestock Value Chain

- Kabwe, Lungu and Weber attended and contributed empirical findings at an ACF organized workshop on livestock sector development held at Siavong on May 20-22, 2009.
- Lungu, Hichaambwa, Kabwe, Sikombe, Weber, Chapoto and Beaver prepared and circulated for review a draft Policy Brief in support of the ACF livestock sector development work. “Zambia Livestock Sector Information from CSO/MACO/FSRP Surveys: 2007-2008 Urban Consumption Patterns and 2007/2009 Rural and Urban Livestock Numbers for Small, Medium and Large-Scale Households”. This will be finalized and added to the ACF/FSRP web site in Q 3 2009.

7. Regional Trade Perspectives on Food Staples and Input Markets

- This section has been deleted from the new work plan. Work related to trade of staples and inputs has been incorporated into the appropriate value chain

8. Alternative Instruments for Stabilizing National Food Availability and Prices

- This section has been deleted from the new work plan. Work related to stabilizing national food availability and prices is under maize value chain

IV. Consumption Behavior of Urban and Rural Households

- Mason and other FSRP researchers continued to work on the analysis of the urban survey data for a study of staple food consumption patterns in four urban areas covered in the urban survey. The study highlights the rising importance of wheat in urban staple food consumption patterns, and the extent to which consumers pay unnecessarily high prices for maize meal resulting from scarcity of grain in informal markets during the hungry season. This analysis will also be presented to Zambian policy makers at the upcoming Ministers Retreat in August and subsequent outreach.
- Hichaambwa, Chapoto and Beaver developed a preliminary version and circulated for review a report based on the urban consumption data: “Patterns Of Urban Consumption And Expenditure In Zambia: A General Report Based On The Cso/Maco/Fsrp Urban Consumption Survey In Urban Areas Of Lusaka, Kitwe, Mansa And Kasama, 2007-2008”. This will be finalized and published in Q3 2009.
- Spatial dimensions of staple food consumption, production and marketing Zambia operates in a regional economy. In good harvest years, Zambia exports food. In bad years, the country requires imports. Even in normal seasons, Zambia’s proximity to the DRC makes it economical for surplus commercial farms in northern and central Zambia to supply large urban markets in Katanga and Kasai provinces of DRC. This policy synthesis provides a visual map of Zambia’s population, food consumption, production and trade flows in a regional context in order to help policy makers understand spatial interactions in staple food markets. By presenting market information visually, this policy syntheses aims to help animate an ongoing dialogue on key market flows, key bottlenecks and key opportunities for improving food security in good and bad harvest years. Most of the mapping work for this study was completed in Q2 of 2009. The team expects a policy synthesis in Q3 2009.

V. Household Impact and Behavior

- FSRP in-country researchers (Chapoto, Weber and Lungu) continued working with ACF to refine, distribute and discuss the smallholder categorization tables developed to examine various rural household socio-economic characteristics according to household land and assets access attributes.
- Weber and Haantuba presented insights from the smallholder categorization analysis at workshop “To Introduce the EU Food Facility For Rapid Response the Soaring Food Crisis”- Chrismar Hotel, 6 May, 2009. The presentation was: “Comments and Handouts to Inform Discussion of Rural and Urban Food Security Issues in Zambia. By The ACF/FSRP Research/Outreach Team, Presented by Michael Weber & Hyde Haantuba.
- Drawing on insights from ongoing household and market-level analysis, the ACF/FSRP research/outreach team organized on June 2, 2009 at ACF for Donor Cooperating Partners a meeting on “[Coming Policy Attractions – An Overview of On-Going Research & Potential Outreach](#)”.
- Haggblade and Chapoto in collaboration 2 lectures with UNZA department of Sociology and Agricultural Economics commenced work on a study that aims to improve the understanding of households' pathways into, and out of, poverty, with poverty defined from both the communities' own perspective and poverty indicators such as household welfare (asset holdings and income). Specifically, the study aims to a) provide an empirical understanding of how initially poor smallholder farmers have risen out of poverty, and the extent to which this involves interactions between agricultural markets, improved farm technology, and non-farm earnings and b) examine the dynamics of commercialized smallholder agriculture, particularly the background of households selling in staple food markets, how this changes over time, and how and if net buyers graduate to become net sellers of staple foods. A draft report from this study is expected first quarter 2010.

VI. General Policy Research and Outreach Support, Including Zambian Collaborator In-Service Strengthening

- FSRP researchers continued to prepare outreach materials for use in USAID Zambia, SIDA Zambia and other Donor presentation in AID/Washington and other meetings. This was heavily driven in the Q1 by interactions on fertilizer reform in Zambia and on maize marketing.
- CSO/MACO Survey Research Interactions and Strengthening : Various Activities this Quarter to prepare of the upcoming 2008/09 crop forecast survey and to prepare for the in-service training that FSRP will provide to CSO/MACO in April, 2009
 - FSRP Team spent the first half of May providing technical support to MACO and CSO clean the CFS data before the announcement of the crop forecast by the Minister of Agriculture.
 - Jan Nijhoff assisted MACO with generating more accurate maize grain utilization estimates.
 - FSRP provided technical assistance to the discussion that resulted into CSO and MACO reviewing the weighting procedures for the CFS crop estimates.
- FSRP analysis on the maize price situation in Zambia and policy issues concerning the setting of FRA maize prices was picked off the web by The Zambian Economist magazine, which published the FSRP report in its July 2008 issue. This underscores the indirect way in which FSRP analysis is seeping into mainstream media in Zambia.
- Collaboration/Strengthening of Agricultural Consultative Forum (ACF). Work continued with ACF, including:
 - Finalized the draft subcontract and development of a workplan for moving forward with an ACF/MSU(FSRP) subagreement.
 - Planning of high level policy dialogue with 5 key government ministers –
 - Participated with ACF and other team members in the write up of a FSP Reform Study Tour. At Siavonga working session in Feb. (Keep for now)
 - Collaborated with ACF in oral and written submissions

- Joint with ACF briefed the Ministry of Agriculture numerous times in April and May 2009 on the status of options for reforming the FSP
- Continued to work with ACF to organize and coordinate various ACU (Accelerated Cassava Utilization Task Force) activities held during this quarter.
- Collaboration with Zambia National Farmers Union.
- Continued work to arrange details of the new horticulture information to be added to the ZNFU commodity price web site: <http://www.farmprices.co.zm/> See item III 3 above.
- Collaboration with Conservation Farming Unit
- Continued consultation with CFU researchers on the development of key data parameters for a linear programming model being developed by FSRP researchers to examine economic benefits of selected conservation farming practices.
- Presented a draft of this paper to CFU leaders for review
- MACO Collaboration
 - Worked with MACO Data Base Management Unit on CFS data cleaning and food balance sheet.
 - Worked closely with MACO and CSO -- improving weights
- Ministry of Finance and National Planning (MoFNP) Collaboration
- Collaboration with numerous donor studies and consultants working on Zambian issues

VII. Staff changes

- Chance Kabaghe joined FSRP as Director.
- Michael Weber returned to MSU but will continue to provide technical support to FSRP

VIII. Project Visitors

- Beaver, March 29 to May XX, to provide technical support to MACO and CSO during CFS data cleaning before the announcement of the crop forecast by the Minister of Agriculture
- In June 2009, Steve Haggblade and Eric Crawford visited Lusaka and Luapula provinces to interview cassava and sweet potato farmers as well as stakeholders involved in promoting improved varieties of these two food staples. During this trip, the team came to agreement with ZARI and FoDiS on the specifics of a collaborative study of returns to research on sweet potato and cassava in Zambia.
- Jayne, June 13 to July 2, 2009 to work on fertilizer policy and outreach issues and to work with colleagues on maize pricing issues. He also assisted Kabaghe in assuming his new duties as FSRP Director.

IX. Most Recent Research and Outreach Publications Added to Web Site -2nd Quarter - 2009

Policy Syntheses

- [Factors Influencing the Profitability of Fertilizer Use on Maize in Zambia](#). Z. Xu, Z. Guan, T.S. Jayne, and Roy Black. Number 32, February 2009.

Monthly Notes on Current Topics and Events

- [The Challenge of FRA Maize Pricing](#). Report prepared by Jayne, Nijhoff, and Kabaghe for FRA, subsequently published by the *Zambian Economist*.

Research Reports

- [Factors Influencing the Profitability of Fertilizer Use on Maize in Zambia](#). Zhiying Xu, Zhengfei Guan, T.S. Jayne, and Roy Black. Working Paper No. 39. Lusaka, Zambia. June 2009.

- [Are Staple Foods Becoming More Expensive for Urban Consumers in Eastern and Southern Africa? Trends in Food Prices, Marketing Margins, and Wage Rates in Kenya, Malawi, Mozambique, and Zambia.](#) Nicole Mason, T.S. Jayne, Cynthia Donovan, and Antony Chapoto. IDWP 98. June 2009.
- [Effects of Maize Marketing and Trade Policy on Price Unpredictability in Zambia.](#) Antony Chapoto and T.S. Jayne. Working Paper No. 38. June 2009.
- [Methodology for Two Weighting Applications for the 2008 Zambia Supplemental Survey.](#) David J. Megill. Working Paper No. 37. April 2009.

Policy Presentations

- [Cotton Sector Regulation in Zambia. A Preliminary Case Study.](#) David Tschirley, Stephen Kabwe. Presented at "Virtual Workshop on Cotton Sector Regulation in Africa" sponsored by the World Bank. 29 June 2009.
- [Agricultural Consultative Forum \(ACF\) & Food Security Research Project \(FSRP\) News: Information on the Fertilizer Support Programme \(FSP\) Review 2009.](#) ACF and FSRP. June 2009.
- [Measuring the impacts of trade barriers and market interventions on maize price instability: Evidence from Eastern and Southern Africa.](#) A. Chapoto and T. S. Jayne. Presentation at the Regional Consultation Workshop on: "The Use and Impact of Trade and Domestic Policy Interventions on Cereal Value Chain Stakeholders in Eastern and Southern Africa". Dar es Salaam, Tanzania, June 3-4, 2009.
- [Coming Policy Attractions – An Overview of On-Going Research & Potential Outreach.](#) Presentation for Discussion at a Meeting of Donor Cooperating Partners and The ACF/FSRP Research/Outreach Team. By the ACF/FSRP Team. ACF Offices, June 2, 2009.
- [Presentation on how to prepare cassava cheese bread.](#) M.T. Weber. May 23, 2009.
- [Modernizing Africa's Fresh Produce Supply Chains without Rapid Supermarket Takeover Towards a Definition of Research and Investment Priorities.](#) David Tschirley, Milton Ayieko, Munguzwe Hichaambwa, Joey Goeb. Wayne Loescher. Presented at the Conference on Agricultural Markets, organized by the CGIAR system and Alliance for a Green Revolution in Africa (AGRA), May 13-15, 2009. Nairobi, Kenya.
- Comments and Handouts to Inform Discussion of Rural and Urban Food Security Issues in Zambia. By The ACF/ FSRP Research/Outreach Team, Presented by Michael Weber & Hyde Haantuba. Presentation at a Meeting To Introduce the EU Food Facility For Rapid Response the Soaring Food Crisis- Chrismar Hotel, 6 May, 2009.
- [Comments to Inform Discussion of Rural and Urban Food Security Issues. Powerpoint presentation.](#)
- [Characteristics of Small and Medium-Scale Crop-Growing Households in Zambia: Preliminary Comparison of Results from CSO/MACO/FSRP National-Level Supplemental Surveys in 2003/04 and 2007/08 Crop Marketing Seasons.](#) Tadeyo Lungu, Antony Chapoto, Margaret Beaver and Michael Weber. (Draft for Review, 4 May, 2009). Handout 1.
- [Are Staple Foods Becoming More Expensive for Urban Consumers in Eastern and Southern Africa? Trends in Food Prices, Marketing Margins, and Wage Rates in Kenya, Malawi, Mozambique and Zambia.](#) N. Mason, T. Jayne, C. Donovan and A. Chapoto. (Draft for Review, 24 April, 2009) Handout 2.
- [Are staple foods becoming more expensive for urban consumers in eastern and southern Africa?](#) N. Mason, T. Jayne, C. Donovan and A. Chapoto. Presentation at the Symposium on Food and Financial Crises and Their Impacts on the MDGs in Africa. Institute for African Development. Cornell University May 2, 2009.
- [Exploring the Logic Behind Southern Africa's Food Crises.](#) T.S. Jayne and David Tschirley. Presented at the Symposium on The Food and Financial Crisis and their Impacts on

Achievement of the Millennium Development Goals in Africa. Institute for African Development. Cornell University. 2 May 2009.

- Testimony to the Parliamentary Committees on Agriculture and Lands on Performance of the Fertiliser Support Programme in Zambia. Hyde Haantuba and Nawiko Masiye, Agricultural Consultative Forum, and Antony Chaptot and Michael Weber, Food Security Research Project. National Assembly, Parliament Building, Lusaka. 22 April 2009
 - Written Submission - 1) [On Fisheries](#); and 2) [On Performance of the Fertiliser Support Programme](#)
 - Oral Presentation - [On Performance of the Zambian Fertiliser Support Programme](#)
- [The Evolution of the Cotton and Textile Industry in Zambia](#). Stephen Kabwe. A presentation at ICAC Research Associate Program, Washington DC, 10 April, 2009.
- [Fostering Agricultural Market Development in Zambia](#). Gelson Tembo, Antony Chaptot, T.S. Jayne and Michael Weber. Presented at the Zambia National Symposium, Harnessing the Potential of Agriculture to Meet the Increasing Demands from a Growing Population. Held at the University of Zambia, Lusaka, Zambia. April 7-8, 2009

FSRP II/PROACTIVE Work Plan Activities and Performance Element and Indicator Tracking Schedule for 2008

FSRP Work Plan Focus Areas and Sub Areas	PMI USAID Zambia Indicators		FSRP WP/PS # s	1.1. Trade and Investment Enabling Environment					1.2. Trade & Investm. Capacity			3.4 Agriculture Enabling						3.5 Agriculture Productivity				4.6 Private Sector Competitiveness		
	4	1		1	2	3	4	5	2	3	5	1	2	3	4	5	6	3	4	5	6	1	2	
(USAID Indicator Numbers per Element)																								
(USAID Indicator Targets for FY 08)				3	2	6	3	5	3	3	5	5	2	2	2	2	2	5	2	9	2		2	5
1. Public Investment Allocation for Promoting Agricultural Growth																								
<i>1.1 National Agricultural Expenditure Accounts</i>																								
<i>1.2 Returns to alternative agriculture expenditures</i>																								
2. Productive Assets: Options for Sustainably Increasing Productivity and Incomes																								
<i>2.1 Land access, agricultural growth and poverty dynamics in Zambia</i>																								
<i>2.2. Alternative strategies for maintaining soil productivity</i>																								
<i>2.3 Labor supply, HIV/AIDS and agriculture</i>																								
<i>2.4 Natural resource management</i>																								
3. Marketing and Trade: Policies Affecting Input and Output markets																								
<i>3.1 Maize value chain</i>																								
<i>3.2 Cassava value chain</i>																								
<i>3.3 Horticulture value chain</i>																								
<i>3.4 Cotton value chain</i>																								
<i>3.5 Fertilizer value chain</i>																								
<i>3.6. Regional trade perspectives on food staples and input markets</i>																								
<i>3.7. Alternative instruments for stabilizing national food availability and prices</i>																								
4. Consumption Behavior of Urban and Rural Households																								
<i>4.1. Trends in rural and/or urban consumption</i>																								
5. Household Impacts and Behavior																								
<i>5.1. Characteristics of emerging commercial smallholder farmers</i>																								
<i>5.2 Smallholder income and growth dynamics</i>																								
<i>5.3. Improved emergency response</i>																								