

# FOOD SECURITY RESEARCH PROJECT – ZAMBIA

## First Quarter Report, 2009

(January 2009 to March 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)



Food Security Research Project Web Site

<http://www.aec.msu.edu/fs2/zambia/index.htm>

## Acronyms

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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

## 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 First Quarter 2009**

#### **I. Public Investment Allocation for Promoting Agricultural Growth**

##### *1. National Agricultural Expenditure Accounts*

- FSRP staff worked in early January with ACF to plan the annual ACF agricultural budget review breakfast workshop.
- FSRP staff worked with MACO and ACF colleagues to review the budget yellow book for 2009 in preparation for the 2009 budget review session
- FSRP and ACF researchers participated in the ACF Annual Agricultural Budget Review Workshop held on Feb 4, 2009. Presentations were made to discuss the proposed budget.
  - [Discussing the 2009 National Budget for Zambian Agriculture. ACF/FSRP Research Staff](#). Presentation by Antony Chapoto and Michael Weber at the Agricultural Consultative Forum Annual Stakeholders Breakfast Budget Workshop, Pamodzi Hotel, Lusaka, Zambia. 04 Feb. 2009
  - [Background Materials to Support the Feb 4, 2009 Budget Analysis Presentation: Small and Medium-Scale Household Income and Other Characteristics by Quintile of Household Per-Capita Land Use - 2004](#). Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber.
- Local press coverage of 2009 agriculture budget review discussions
  - [Discussions with Minister of Agriculture at 2009 ACF Ag. Budget Workshop](#)
  - [Closer Look at 2009 Agricultural Budget in Zambia](#). Zambia Daily Mail.
  - [Zambia Maize Subsidy Not Sustainable](#) - ACF/FSRP (Post-Feb 16, 2009)
  -
- [Public Agriculture Spending: Trends & Key Trade-offs](#). Jones Govereh
- FSRP completed the working paper: [Trends and Spatial Distribution of Public Agricultural Spending in Zambia: Implication for Agricultural Productivity Growth](#). Jones Govereh, Emma Malawo, Tadeyo Lungu, Thom Jayne, Kasweka Chinyama and Pius Chilonda. Working Paper No. 36. February 2009.
- Jan Nijhoff began work on CAADP and related Zambia agriculture budget work.

## 2. Returns to alternative agriculture expenditures

- FSRP staff conducted informal discussions with Zambian policy makers as follow up at the annual ACF Budget Review Breakfast.
  - [Zambia Maize Subsidy Not Sustainable](#) - ACF/FSRP (Post-Feb 16, 2009)
- Work continued in this area as part of the fertilizer subsidy programme review activities in this quarter. Informal discussions on this topic were held with the Ministry of Finance study team member. (See section III.5 (Fertilizer Value Chain) for details.

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

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

- Interacted with World Bank analysts to integrate comments/feedback on the draft land paper.
- 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.

### 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. The team completed a rough first draft of this report, for review by the CFU and others, in the 1<sup>th</sup> Q of 2009.

### 3. Labor supply, HIV/AIDS and agriculture

- There has not been much activity under this theme during this quarter because of the need for an additional wave of panel data to examine the longer-run impacts of HIV/AIDS on smallholder agriculture and rural livelihoods. With the 3<sup>rd</sup> supplemental survey data ready for use a study on the Dynamics of the impacts of prime-age morbidity and mortality on rural farm households in Zambia is underway. A draft working paper is expected by the end of 1<sup>st</sup> quarter 2010. Community-level outreach and feedback will be done with PANOS Southern Africa via community radio programme and other stakeholders.
- With the availability of the 3<sup>rd</sup> supplemental survey data, work on impacts of food aid on AIDS afflicted households is progressing well. A draft will be circulated by the beginning of the 3<sup>rd</sup> quarter.
- Due to data issues, the report on Cross country work on “Characteristics Associated with Prime-Age Mortality in Eastern and Southern Africa was revised taking out comparisons from Ethiopia. The report is still awaiting feedback for publication as MSU International Development Working Paper as well as possible publication by World Development.

### 4. Natural Resource Management

- Tschirley, Richardson and Haggblade continued 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 to be completed in Q2 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 June 2009. We also plan to prepare 1-2 draft manuscripts from this research for publication in scholarly journals.
- 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.
- 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 Q2 2009.

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

#### *1. Maize Value Chain*

- FSRP continued to interact with stakeholders in trying to gather more information about how the government of Zambia is dealing and responding to the domestic rising retail maize grain and maize meal prices as well as provide guidance on how to deal with the crisis. In the month of January, GTAZ Chairman and Secretary General visited with FSRP to give an update and seek council on their predicament regarding FRA reluctance to buy their stocks but rather give millers preferential treatment. FRA, with pressure from various groups and politicians, had begun to sell subsidized maize to millers and arrange imports of 35 000 metric tones of non-GMO maize. Unfortunately, up until end of January no agreement on the price at which FRA would buy traders' stocks had been yet reached but discussions to buy expensive excess millers maize stocks before selling it back to them at subsidized prices were concluded. Traders remained optimistic that FRA would agree to buy traders stocks. This fact-finding work by FSRP is necessary to simply understand the policy decisions that are being taken -- the first step toward being able to analyze their impacts.
- FSRP started to initiate discussion for the sector to look into the future, for example urging the industry and government to look at the future implications of the current maize fiasco. For example, how will FRA sales of subsidized stocks affect the market of early maize crop that was soon to come on the market; how will FRA deal with the issue of strategic reserves given their limited current stocks; what will be the size of the main maize crop coming in April-May; how much is FRA likely to buy (depends on the size of the budget allocation); will traders be motivated to aggressively go out and buy grain from farmers as they did last year given the current stocks they are holding?
- The International Development Working Paper by Jayne et al on, "The 2008/09 Food Price and Food Security Situation in Eastern and Southern Africa continues to attract attention in the region. For example, the International IRIN news service in February 2009 published an article on Malawi/Zambia food crisis drawing mainly from this study (see <http://www.irinnews.org/Report.aspx?ReportId=82987>). The paper is also getting a great deal of attention in the Malawian press, for example, see: <http://www.alertnet.org/thenews/newsdesk/IRIN/c58f6508f060f2726f83e2826db88147.htm>
- Given the important new developments in Zambia and other countries in the region, Jayne, Chapoto and Donovan worked during the first quarter of 2009 to prepare an update of the 2008/09 food price and food security situation in the region, drawing out lessons learned from experiences in this volatile year. We anticipate finalizing the report in May 2009.
- Chapoto and Jayne a completed a draft working paper on, "Effects of Maize Marketing and Trade Policy on Price Unpredictability in Zambia will soon be circulated for comments.

- FSRP continued to monitor the maize grain and mealie meal prices in Zambia through interaction with stakeholders. Work continued on a policy synthesis analyzing the impacts of government response in dealing with the rising maize prices in Zambia.
- FSRP provided technical support to MACO Early warning unit to prepare for the Crop forecast survey. In addition, the project will assist the ministry to do data cleaning and timely dissemination of the crop estimates.
- MSU has worked on a maize model to estimate projected maize price levels this coming season in Zambia in light of the most recent CFS production forecasts and estimates of national maize demand. These price projections will be shared with the Ministry of Agriculture to provide guidance on proposed FRA activities to lessen the potential for disruptions in the functioning of the maize marketing system in the 2009/10 marketing year. In addition, we are planning to undertake focus group discussions and interviews of maize traders in June/July to better understand farmers' options for selling maize, the degree of competition among first buyers in remote rural areas, and their reasons for preferring to sell to alternative types of buyers. FSRP/MATEP has worked in March on the methods and survey design aspects of this study.

## 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.
- FSRP as the vice chair of the ACU, participated in a meeting at ACF in January 2008. The purpose of this meeting was to discuss the way forward on how the ACU would make an appointment with the new Agriculture minister, Hon. Brain Chituwo, and enlighten him on the essence of promoting the utilization of cassava.
- In January 2009, Kasweka Chinyama and the ACU members met the new minister of Agriculture Hon. Brain Chituwo and briefed him on the ACU works. The many issues discussed among other things were that the government should intervene in the cassava industry just like it does with the maize industry through the Food Reserve Agency. The ACU also mentioned to the Minister the possibility of including 10% cassava flour in every bakery product just like its done in Nigeria. The Minister was very happy with the presentation and said that it was a pity that the ACU met him after the budget for the year had already been made, but he had taken note of the points the ACU had come up with and he said that he will look into the issues discussed with MACO staff. He also made a request that the ACU should continue briefing him through out the year.
- In February 2009, FSRP attended a FAO workshop on the reviewing the FAO project that FAO runs in collaboration with MACO. The Project is called “Enhancing Food Security in Cassava – based Farming systems.” The overall objective of this project is to increase the incomes of rural farmers through market access and commercialization of cassava. The purpose of this workshop was to review the impact of this project. There were also FAO representatives from Rome. This project is implemented in Mansa, Serenje and Samfya. The project was coming to an end, hence the FAO representatives needed the input from ACU and other cassava stakeholders to see how the project can improve in the next phase.
- In March 2009, FSRP attended a meeting at FAO under the ACU to brief the FAO representative from Rome, who is a Food Technologist on the works of the ACU. The FAO Representative was in Zambia to give training to the Zambian rural Cassava Farmers on cassava processing.

## 3. Horticulture Value Chains

- Mukwiti Mwiinga and David Tschirley participated in a conference on “Socio-Economic research in vegetable production and marketing in Africa”, organized by ICIPE in Nairobi, Kenya. The two presented work from Ms. Mwiinga's M.S. thesis and are working now to develop a paper for publication in a CABI Science monograph.
- *Wholesale market monitoring:* Continued work in horticultural wholesale market monitoring and development of quality standards. During this activity, horticultural conversion factors were developed for use in the analysis of Urban Consumption Survey and Third Supplemental Survey data.
- *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 was completed as Mukwiti's M.S. thesis.
- *Mobile phone based horticultural price and supply information system:* Consultations continued with ZNFU and between ZNFU and PROFIT on the implementation of the mobile phone based horticultural price and supply information system. ZNFU is revising the proposal for funding from PROFIT.
- *Horticultural price dynamics and trade flows:* This work has continued and is focusing on main sources (districts) and volume flows, price variations, season effects, quality and broker effects, linkages to retail systems in terms of sources of produce and price linkages (differentials) among others for rape, onion and tomato.
- A working paper entitled “**The Structure and Behavior of Vegetable Markets Serving Lusaka**” is being developed and will be ready in Q3 of 2009.

#### 4. Cotton Value Chain

- FSRP staff (Stephen Kabwe) worked with David Tschirley to review the regulatory framework for the cash crops (cotton and tobacco) grown in Zambia. This will help stakeholders to understand the impact these regulatory frameworks have on these sectors. The review will also help to understand the differences and similarities of these two regulatory frameworks. To get the background information on the tobacco sector, Stephen Kabwe had been having meetings with the Tobacco Association of Zambia and Tobacco Board of Zambia. The information is being prepared by these two organizations.
- Stephen Kabwe made a presentation entitled “Effective Public-Private Coordination in Zambia's Cotton sector: Deliberations on the Cotton Act” at an ACF/FSRP organized outreach for the members of the Committee on Agriculture and Lands. The presentation showed the successful periods and the unsuccessful periods of the cotton sector after liberalization. Then the presentation highlighted the reasons for successful and unsuccessful periods respectively. The presentation was aimed at highlighting the importance of the cotton sector so that amendments to the 2005 Cotton Act could be done expeditiously once the 2005 Cotton Act is taken to parliament by the Minister of Agriculture in June 2009.
- Stephen Kabwe attended a meeting at State house where CAZ and the Ginners presented to Hon. Kapita (Presidential Aid for Special Projects) the issues affecting the cotton sector in Zambia and also the proposals of incorporating the ginning companies in distributing FSP fertilizers to cotton farmers. The main issues discussed among other things were the establishment of the Cotton Board to help regulate the industry and the inclusion of ginning companies in the distribution of FSP inputs. Hon. Kapita was pleased with this proposal and was willing to push it forward and he asked the team to write a proposal and submit it to State House. With the help of FSRP, CAZ and the ginners wrote the proposal and submitted it to the Ministry of Agriculture and State House for consideration.
- Stephen Kabwe attended a meeting at CAZ where the IT personnel from CAZ and a representative from the company that designed the database highlighted how the system works. One major pitfall is that the ginning companies have not appreciated the system

which has resulted in not using it the way it was supposed to. It was agreed that a meeting to presentation highlight how the system works be made and presented to the ginning companies to create demand for the product.

- Stephen Kabwe met with CDT officers who are writing a Cotton News in Zambia for 2009 and wished to reproduce some FSRP policy briefs in the Cotton News Report. Current plans are to reproduce the policy memo (not put out as a Policy Brief) “An Urgent need for Effective Public-Private Coordination in Zambia: Deliberation on the Cotton Act”, along with two Policy Briefs: “[Increasing Demand for Quality in World Cotton Markets: How has Zambia Performed?](#)” (#25), and “Prices Paid to Cotton Farmers: How Does Zambia Compare to its African Neighbors?” (#27).
- Stephen Kabwe attended a welcoming party for the Executive Director of International Cotton Advisory Committee (ICAC) Dr. Terry Townsend to Zambia. Dr. Townsend very favorably reviewed the multi-country study of cotton sector reform, to which FSRP/MATEP made a major contribution.
- Stephen Kabwe helped organize a trip within Zambia by Mr. Axel Drieling of Faserinstitut Bremen (German) and Mr. Humphrey Shango of Tanzania Cotton Board, also a member of a Regional Testing Centre in Tanzania. The trip was under the auspices of the Commercial Standardization of Instrument Testing of Cotton Project, co-funded by the European Union and Common Fund for Commodities, with the purpose of examining the laboratories used to test the characteristics of cotton lint. Mr. Kabwe briefed the team on the work FSRP has been doing in the cotton sector of Zambia and anticipates that they will keep him informed about the progress of the Project.

## 5. Fertilizer Value Chain

- FSRP continued to work closely with ACF and MACO leadership to plan and implement a Zambia fertilizer reform study program. With the assistance of knowledgeable contacts in Kenya, Tanzania and Malawi a study tour programme was developed. From Jan 12 to 21, eleven Zambian participants and one FSRP supported researcher traveled to these three countries to conduct the study tour. Resource materials on fertilizer reform programs for each country, and for Zambia were collected and made available to the study team in order to facilitate learning. These materials were placed on a web site to maximize access.
- [Resource Materials - Zambia Agricultural Fertilizer Programme Study Tour: Gaining Insights From On-Going Reforms in Malawi, Kenya and Tanzania.](#) By ACF/FSRP
- FSRP researcher also continued work with ACF to use existing CSO/MACO/FSRP rural household data to inform question about production, marketing and consumption, as well as fertilizer use, among different categories of small and medium-size smallholder households in Zambia. This analysis and associated outreach is aimed at improving the targeting of assistance and economic services to smallholders. See:
- [Background Materials to Support the Feb 4, 2009 Budget Analysis Presentation: Small and Medium-Scale Household Income and Other Characteristics by Quintile of Household Per-Capita Land Use - 2004.](#) Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber
- Jayne, Black and others on campus completed and circulated a draft FSRP working paper in March 2009. The main conclusions of the analysis are that – given the general conditions that farmers face – fertilizer applied to maize is profitable only in a relatively small number of geographic areas and farmer conditions. Factors that greatly affect the profitability of fertilizer use include (i) whether the fertilizer is delivered to farmers on time; (ii) application rates – standard 4x4 bag recommendations result in lower returns than less intensive application rates; (iii) plowing techniques; (iv) recent mortality or illness of adult household members; (iv) soil type. The findings can be used by the Ministry of Agriculture, out grower companies, and NGOs to provide more geographically disaggregated

- recommendations to farmers. Other conclusions relate to targeting of FSP. Targeting relatively poor households will result in greater incremental fertilizer use in the country.
- FSRP finalized in February 2009 a policy synthesis of the above draft working paper: [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.
  - FSRP researchers worked with ACF and the fertilizer support programme study team in a 4 day writing workshop to develop a first draft of the ACF/FSP Study Team report.
  - ACF/FSRP presented results from the FSP Reform Study Tour Report to Donor partners
  - ACF/FSRP and Fertilizer Study Team members presented results from the FSP Reform Study Tour Report to Zambia Stakeholders on Feb 19 at ACF offices.
  - ACF/FSRP researchers prepared an ACF Policy Advisory Note for the Ministry of Agriculture and Cooperatives. This is published on the ACF Web Site at: <http://www.acf.org.zm/pdf/PANs/ACF%20Policy%20Advisory%20Note%20FSP.pdf>
  - ACF/FSRP presented cotton, fertilizer reform and 2009 agriculture budget background information to the Parliamentary Committee on Agriculture and Lands, and other key stakeholders at a workshop at Ibis Garden on 20/21 Feb.
  - FSRP web site posting of policy presentations from this outreach work are:
    - ACF/FSRP Sharing Evidence-Based Research Results with the Parliamentary Committee on Agriculture and Lands: Selected Policy Background Information Towards More Effective GRZ and Private Sector Investment to Reduce Rural Poverty and Improve Food Security. Ibis Garden, Chisamba Area, 20/21 February, 2009.
    - [Agenda](#)
      - Radio News Summary on Proposed Fertilizer Reforms: Sunday, 22 Feb, 2009 (ZNBC Radio 4 - ZNBC Four). To listen: [Download MP3 file\(2MB\)](#)
      - [Background Information on the Rural Smallholder Farm Sector: What Does Empirical Information Tell Us About Maize Sector Productivity and Related Agricultural Input Use](#). Antony Chapoto and Michael Weber.
      - [Categorisation Tables: Small and Medium-Scale Household Income and Other Characteristics By Quintile of Household Per-Capita Land Use - 2004](#)
      - [Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberation on the Revised Cotton Act](#). Stephen Kabwe, FSRP.
      - [Strengthening the Cotton Act of 2005](#). The Cotton Working Group
      - [Study Team Report on Proposed Reforms of the Zambian Fertiliser Support Programme \(FSP\)](#). Coillard Hamasimbi, ZNFU
      - [Voucher Programme Presentation](#). Mark Woods, Rob Munro, Brett and Brent Magrath.
      - [Draft Report on Proposed Reforms for the Zambian Fertilizer Support Programme](#). The Fertiliser Review Team
      - [Public Agriculture Spending: Trends & Key Trade-offs](#). Jones Govereh
      - [Trends and Spatial Distribution of Public Agricultural Spending in Zambia: Implication for Agricultural Productivity Growth](#). Jones Govereh, et al. 2009
  - [Discussing the 2009 National Budget for Zambian Agriculture](#). ACF/FSRP Research Staff. Antony Chapoto and Michael Weber. Presented at the Agricultural Consultative Forum Annual Stakeholders Breakfast Budget Workshop, Pamodzi Hotel, Lusaka, Zambia. 04 Feb. 2009
  - [Background Materials to Support the Feb 4, 2009 Budget Analysis Presentation: Small and Medium-Scale Household Income and Other Characteristics by Quintile of Household Per-Capita Land Use - 2004](#). Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber

- ACF/FSRP researchers worked intensively in March 2009 with MACO leaders, Zambian stakeholders and Donor Cooperating Partners to hold additional discussion and working sessions to prepare additional background information to assist the Minister of Agriculture in briefing members of Cabinet on proposed reforms to the FSP.
- FSRP published the following article, which measures the extent to which the FSP program displaces commercial fertilizer sales by the private sector: Xu, Z, Burke, W. J., Jayne, T.S., and J. Govereh. 2009. "[Do Input Subsidy Programs 'Crowd in' or 'Crowd out' Commercial Market Development? Modeling Fertilizer Demand in a Two-Channel Marketing System.](#)" *Agricultural Economics* 40 (2009): 79-94. The analysis provides an empirical underpinning for current discussions about how to restructure the input subsidy program in Zambia in order to minimize potential adverse effects on the private sector.

#### 6. Regional Trade Perspectives on Food Staples and Input Markets

- During the 1<sup>th</sup> Q of 2009, the team continued work to produce a consolidated working paper for use in regional trade policy discussions with COMESA.

#### 7. Alternative Instruments for Stabilizing National Food Availability and Prices

- See discussion under section III 1 on the work in the 1<sup>st</sup> Q 2009 on analysis and outreach around the issues of marketing policy options for consumer price mitigation actions in the 2009/10 marketing season in Zambia. There will intensive outreach follow-up on this in the 2<sup>th</sup> Q of 2009.

### **IV. Consumption Behavior of Urban and Rural Households**

- Nicky Mason, with input from Jayne, Chapoto and Weber, initiated analysis of the urban survey data for a study of staple food consumption patterns in the four urban areas covered in that survey. We plan to finalize an FSRP working paper and policy brief on this work by June 2009.
- David Tschirley, with input from Munguzwe Hichaambwa and colleagues in other countries, used urban survey data as part of a paper on priorities for investment in Africa's fresh produce production and marketing systems in the absence of rapid supermarket takeover.

### **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
  - Providing input to the forthcoming CFS survey instrument.
  - Development of labels for survey instrument boxes to be used in cleaning/verification

- Procurement of survey instrument boxes and bookcase in preparation for the clearing/verification assistance to CSO/MACO in April.
- Supporting ReSAKSS-SA's regional agenda.
  - ReSAKSS and FSRP continue collaboration. ReSAKSS coordinator Pius Chilonda visited Lusaka in the 1<sup>nd</sup> Q 2009 to follow up on the agreement on ReSAKSS-SA/MSU. FSRP finalized the publication with ReSAKSS on trends in public sector agriculture spending in Zambia.
- Collaboration/Strengthening of Agricultural Consultative Forum (ACF). Work continued with ACF, including:
  - Finalize the draft subcontract and development of a workplan for moving forward with an ACF/MSU(FSRP) subagreement.
  - Planning and implementation of the FSP Reform Study Tour to Kenya, Tanzania and Malawi.
  - Completion of an on-line set of downloadable FSR Reform Study Tour resources at: <http://www.aec.msu.edu/fs2/zambia/tour/index.html>
  - Assisted and Participated in the annual ACF Agricultural Budget review breakfast workshop at Pamodzi Hotel
  - Participated with ACF and other team members in the write up of a FSP Reform Study Tour. At Siavonga working session in Feb.
  - Collaborated with ACF in conducting a number of briefings for GRZ, private fertilizers dealers and other stakeholders on the results from the FSP Reform Study Tour.
  - Collaborated with the ACF in conducting a workshop with the Agriculture and Lands Committee of the Parliament
  - Joint with ACF briefed the Ministry of Agriculture numerous times in March 2009 on the status of options for reforming the FSP
  - Collaborated with ACF in organizing and presenting a powerpoint at a “Workshop on Participatory Assessment of MACO at Ibis Gardens.
  - Continued to work with ACF to organize and coordinate various ACU (Accelerated Cassava Utilization Task Force) activities held during this quarter.
  - Worked with ACF to assist an EU/SIDA Study Team Delegation assisting MACO
- Collaboration with Zambia National Farmers Union.
  - Worked closely with the ZNFU representative on the Zambia FSP Reform Team, including close cooperation in preparing various follow up materials after the initial presentation of the Study Team report was made.
  - 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
  - Worked closely with the CFU representative on the Zambia FSP Reform Team, including close cooperation in preparing various follow up materials after the initial presentation of the Study Team report was made.
  - 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
  - Held additional informal meetings and exchange of information with Peter Aagaard to exchange information on conservation farming, fertilizer use and the fertilizer support program in Zambia
- MACO Collaboration
  - Worked with MACO Data Base Management Unit on issues related to the design and analysis of data from the forthcoming MACO crop forecast study
  - Worked with MACO staff on data to analyse the fertilizer support project (FSP).

- Worked closely with the MACO representatives on the Zambia FSP Reform Team, including close cooperation in preparing various follow up materials after the initial presentation of the Study Team report was made
- Continued interactions and support to AMIC on market information.
- Participate in an AMIC/MACO arranged meeting with an FAO Mission working on a agricultural statistics - Zambia Country Data Base Project.
- Ministry of Finance and National Planning (MoFNP) Collaboration
  - Worked closely with the MoFNP representative on the Zambia FSP Reform Team, including close cooperation in preparing various follow up materials after the initial presentation of the Study Team report was made.
- Collaboration with numerous donor studies and consultants working on Zambian issues:

## **VII. Staff changes**

- Jan Nijhoff joined the FSRP staff in a part time position.

## **VIII. Project Visitors**

- Jayne –Feb 27 – March 5, 2009 to work with FSRP staff
- Tschirley - March 10 – 15, 2009 to work with FSRP staff on cotton and horticulture issues.



## Zambia Food Security Research Project (FSRP)

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#### 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.

#### Research Reports

- [Trends and Spatial Distribution of Public Agricultural Spending in Zambia: Implication for Agricultural Productivity Growth](#). Jones Govereh, Emma Malawo, Tadeyo Lungu, Thom Jayne, Kasweka Chinyama and Pius Chilonda. Working Paper No. 36. February 2009.

#### Policy Presentations

- [Beyond Fire Fighting To Using Information for Strategic Planning and Decision Making: Opportunities & Challenges in MACO to Use Information for Longer-Term Policy and Programme Formulation & Impact Improvement](#). Tadeyo Lungu & Michael Weber. Agricultural Consultative Forum/Food Security Research Project (MACO Participatory Self Assessment Workshop, Ibis Garden 18/19 March, 2009)
- ACF/FSRP Sharing Evidence-Based Research Results with the Parliamentary Committee on Agriculture and Lands: Selected Policy Background Information Towards More Effective GRZ and Private Sector Investment to Reduce Rural Poverty and Improve Food Security. Ibis Garden, Chisamba Area, 20/21 February, 2009.
  - [Agenda](#)
  - Radio News Summary on Proposed Fertilizer Reforms: Sunday, 22 Feb, 2009 (ZNBC Radio 4 - ZNBC Four) . To listen: [Download MP3 file\(2MB\)](#)
  - [Background Information on the Rural Smallholder Farm Sector: What Does Empirical Information Tell Us About Maize Sector Productivity and Related Agricultural Input Use](#). Antony Chapoto and Michael Weber.
  - [Categorisation Tables: Small and Medium-Scale Household Income and Other Characteristics By Quintile of Household Per-Capita Land Use - 2004](#)
  - [Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberation on the Revised Cotton Act](#). Stephen Kabwe, FSRP.
  - [Strengthening the Cotton Act of 2005](#). The Cotton Working Group
  - [Study Team Report on Proposed Reforms of the Zambian Fertiliser Support Programme \(FSP\)](#). Coillard Hamasimbi, ZNFA
  - [Voucher Programme Presentation](#). Mark Woods, Rob Munro, Brett and Brent Magrath.
  - [Draft Report on Proposed Reforms for the Zambian Fertilizer Support Programme](#). The Fertiliser Review Team

- [Public Agriculture Spending: Trends & Key Trade-offs](#). Jones Govereh
- [Trends and Spatial Distribution of Public Agricultural Spending in Zambia: Implication for Agricultural Productivity Growth-Draft for Review](#). Jones Govereh, et al. 2009
  
- [Discussing the 2009 National Budget for Zambian Agriculture. ACF/FSRP Research Staff](#). Presentation by Antony Chapoto and Michael Weber at the Agricultural Consultative Forum Annual Stakeholders Breakfast Budget Workshop, Pamodzi Hotel, Lusaka, Zambia. 04 Feb. 2009
- [Background Materials to Support the Feb 4, 2009 Budget Analysis Presentation: Small and Medium-Scale Household Income and Other Characteristics by Quintile of Household Per-Capita Land Use - 2004](#). Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber.
- [Resource Materials - Zambia Agricultural Fertilizer Programme Study Tour: Gaining Insights From On-Going Reforms in Malawi, Kenya and Tanzania](#). By ACF/FSRP

**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	1	2	3	6	10	1	2		
<b>(USAID Indicator Numbers per Element)</b>																										
<b>(USAID Indicator Targets for FY 08)</b>				4	2	4	3	4	3	4	6	5	2	3	3	1	3	6	5	2	3	1	2	5		
<b>1. Public Investment Allocation for Promoting Agricultural Growth</b>																										
<i>1.1 National Agricultural Expenditure Accounts</i>																										
<i>1.2 Returns to alternative agriculture expenditures</i>																										
<b>2. Productive Assets: Options for Sustainably Increasing Productivity and Incomes</b>																										
<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>																										
<b>3. Marketing and Trade: Policies Affecting Input and Output markets</b>																										
<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>																										
<b>4. Consumption Behavior of Urban and Rural Households</b>																										
<i>4.1. Trends in rural and/or urban consumption</i>																										
<b>5. Household Impacts and Behavior</b>																										
<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>																										