Maize in Eastern and Southern Africa:
"Seeds" of Success in Retrospect

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Preview:

- *Maize* received the most "votes" as a success story in 2000 IFPRI survey
- Mostly pertaining to Kenya and Southern Africa (Zimbabwe, Zambia, Malawi)
- These maize success stories were phenomena of the 1970s and 1980s
- Stagnation in the 1990s

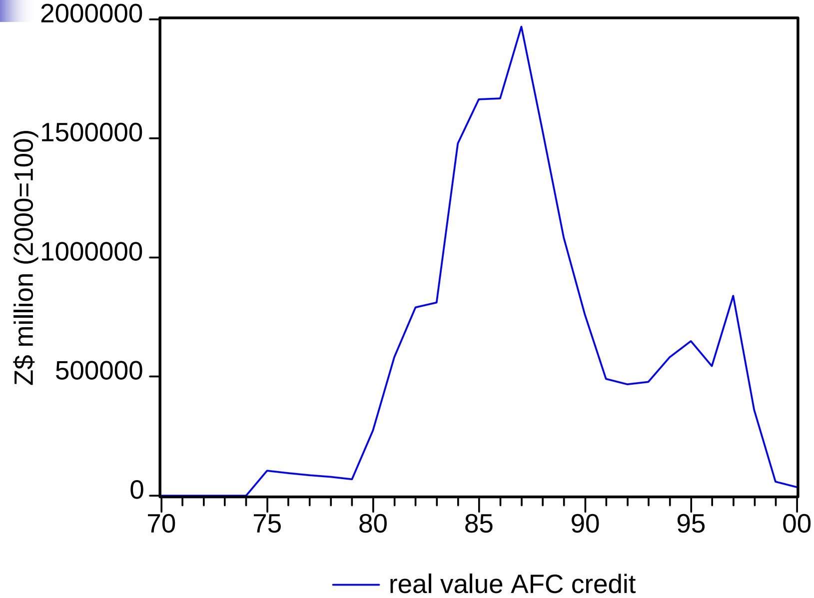
Objectives

- What can we learn from the maize experiences of East/Southern Africa regarding how to:
  - Alleviate poverty
  - Promote food security and incomes

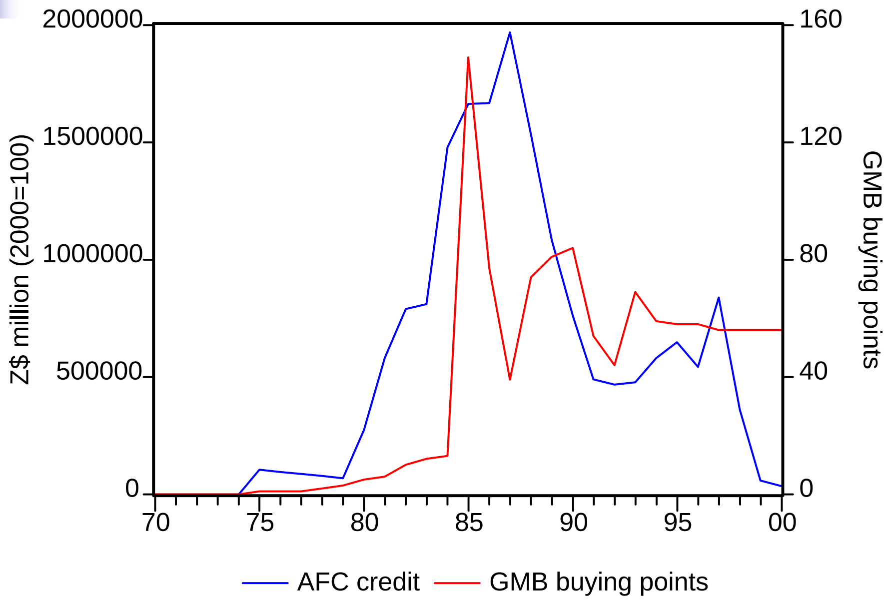
Main Lessons from the Brief Successes in Southern Africa:

- Government commitment to small farmer
- Seed technology advances
- Reasonably effective extension programmes
- Building rural infrastructure
- Integrated credit-input delivery-output markets

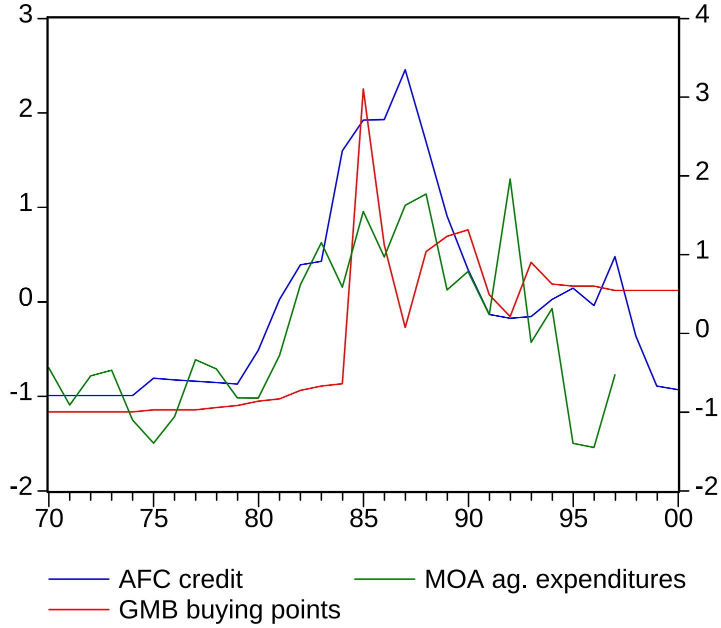
Zimbabwe



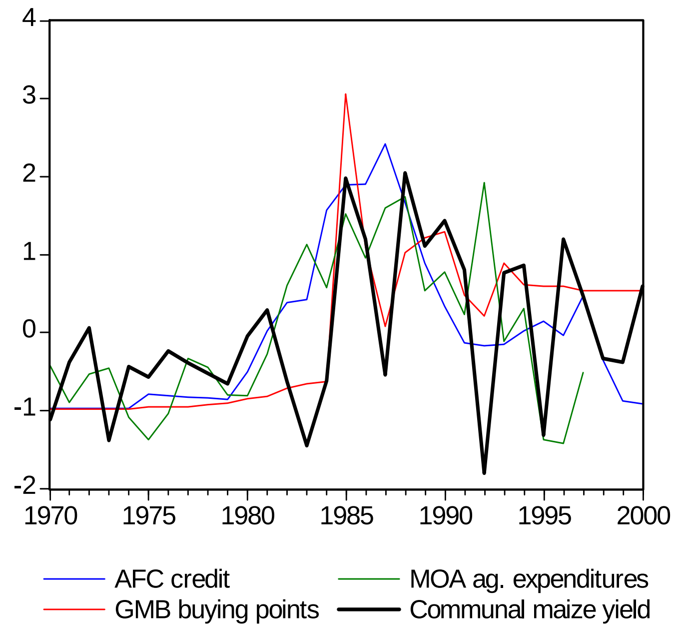
Zimbabwe



Zimbabwe



Zimbabwe



Why were these “successes” short-lived?

- Financial unsustainability
  - Costs of input/maize subsidies → over 5% of GDP
  - Major treasury deficits allowed external banks to dictate terms of loans
  - governments lost control over their own agricultural policies

- In 1990s, donors lost interest in funding agriculture
  - Mainly because of perceived low returns
  - Donors and government couldn’t agree on issues of subsidies, marketing board activities

Lesson

- Sustainable success stories need to be within governments' fiscal resources

2006 -- What is the Problem?

- Productivity growth elsewhere, but grain yields in region not increasing
- High production and transport costs:
  - Maize in Lusaka (early 2006): US$325 per ton
  - Elsewhere: $95 - $120 per ton
- Low profitability for farmers, but high prices for consumers
- Agricultural Science Systems Underfunded
- Weak credit systems
- Unstable markets (weather, uncertainty of government actions)

Greater commitment to agriculture……

- What does this mean in practice?

Greater commitment to agriculture means investing in:

- Agricultural science/technology
- Well-functioning extension systems
- Rail-port-road infrastructure
- Farmer organizations
- Regional trade / predictable government actions in markets

ALL THESE REQUIRE POLITICAL WILL

Crop Science & Technology

- Major payoffs to public investment in crop science
  - In US/Europe, farmers switch to improved seed varieties every 3 years
- Of Zambia's total budget to agriculture
  - 4% to crop science and extension
  - 68% goes to fertilizer subsidies and marketing board operations

POLITICAL WILL

Promote Regional Trade

- Simplify / harmonize trade regulations
- Professionalisation of customs services
  - Should focus on promoting trade rather than extracting revenue from traders

Promote Regional Trade

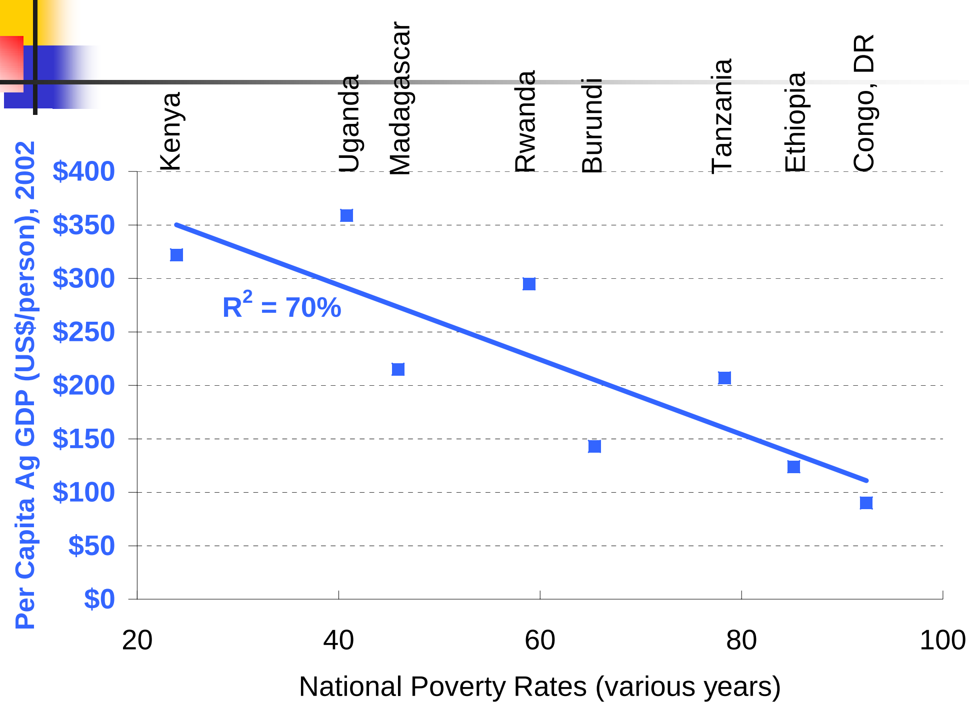
- Professionalisation of customs services
  - Should focus on promoting trade rather than extracting revenue from traders
- Reconsider export bans, import tariffs, state monopoly on imports

REQUIRES POLITICAL WILL

Policy Implications - I

- Poverty reduction increasingly tied to *productivity growth*

LOW AGRICULTURAL INCOMES ARE GENERALLY CORRELATED WITH HIGH POVERTY RATES



How to Achieve Maize Productivity Growth:

- Invest in national agricultural science → to raise yields
- Invest in effective extension service
  - Problems in Western Kenya with new seed diffusion

How to Achieve Maize Productivity Growth (cont.)

- Lobby forcefully for more level playing field in international trade
  - OECD support for African ag: $50 bill./yr
  - OECD ag. subsidies: $350 bill./yr

How to Achieve Maize Productivity Growth (cont.)

- Reassess allowing developed countries to dump free food in Africa under title of "food for development"
- Food aid will not:
  - build local capacity
  - build agricultural seed research systems
  - build sustainable input delivery systems
  - allow Africa to get a better deal in WTO

Most important point:

- *Demonstrate* government commitment to smallholder farmer
  - The Zimbabwean/Zambian/Kenyan success stories of the 1970s and 1980s all were based on government investments to support small farmer
    - Arguably, this commitment has been lost in the 1990s and 2000's

- Who, now, has the power and influence to effectively stick up for the small farmers' interests ?