Developing Input and Output Markets in Mozambique: Situational Analysis

ICRISAT/DE-Led Special Studies

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ACTIVITIES

1. Review of fertilizer recommendations:
   Diagnosing the information constraints on fertilizer use

2. Providing options for expanded access and utilization of input and output markets

3. Building capacity in APSIM model to simulate agricultural production in Mozambique
Key Activities

• Review and summarize evidence the performance of input and output markets

• Analysis of the strengths, weaknesses and opportunities of input and output markets

• Contrasting the performance of input and output markets in high and low potential areas

• Hold a workshop with key stakeholder representatives (government and private sector) to discuss results and future options
Studies Highlight
Situational Analysis: Input and Output Markets in Mozambique

- What is known about input and output markets development in Mozambique
  - Evolution of agricultural markets
    - From colonial period, through independence era, the civil war years to peace time
  - Input market development
    - Informal, formal and relief markets
  - Product market development
    - Informal, formal and relief markets
The Seed Sub-Sector

• Village seed sector
  – More than 50% of seed acquired by smallholder farmers in Mozambique comes from local farmers, through informal sales, battering or gifts
  – Led to government and relief agencies initiating seed fair programs

• Seed companies
  – Produce and market certified seed
  – Main companies; SEMOC, PANNAR, TECAP and HRDROTECH
  – There has been an increase in seed production, in 2008/09 all 4 major companies expected to produce 970 MT of seed
### Local Seed Production, 2008/09

<table>
<thead>
<tr>
<th></th>
<th>IIAM (Ha)</th>
<th>Mocfer (Ha)</th>
<th>Lozane Farm (Ha)</th>
<th>SEMOC (Ha)</th>
<th>Total Area (Ha)</th>
<th>Expected Production (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>30</td>
<td>20</td>
<td>52</td>
<td>5</td>
<td>107</td>
<td>315</td>
</tr>
<tr>
<td>Rice</td>
<td>20</td>
<td>30</td>
<td></td>
<td></td>
<td>50</td>
<td>600</td>
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<tr>
<td>Wheat</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Soybean</td>
<td>5</td>
<td></td>
<td>5</td>
<td></td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Sunflower</td>
<td>5</td>
<td></td>
<td>5</td>
<td></td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65</strong></td>
<td><strong>55</strong></td>
<td><strong>62</strong></td>
<td><strong>5</strong></td>
<td><strong>187</strong></td>
<td><strong>970</strong></td>
</tr>
</tbody>
</table>

**NGOs now have community projects producing non-commercial seed – to curb seed shortages at local level**
The Fertilizer Sub-Sector

• Mozambique has very low fertilizer application rate – 5kg/ha, average
• Fertilizer is mostly imported
• Factors influencing fertilizer use
  – Market development
  – Farmer knowledge
  – Transport infrastructure, rural roads
  – Fertilizer subsidies
Mozambique used lowest quantities of this fertilizer compared to other countries in 2006 and 2008.
Policy Initiatives to Improve Input and Product Markets in Mozambique

• National Seed Program – 1978
• Structural Adjustment Program – since 1983
• National Agricultural Development Program (PROAGRI) – 1995
• National Strategy on Food and Nutritional Security (ENSAN) - 1998
• Poverty Reduction Strategy Papers (PRSP) – 1999
• The Green Revolution, 2007
• Food Production Action Plan (FPAP) – 2008

Cause and effect (the extent to which these initiatives have increased fertilizer use) relationship difficult to establish
Way Forward on Input and Product Market Development

- Many opportunities for improving the efficiency of input and product market in Mozambique
  - Peace, good governance and increasing trained manpower
  - Regional policy support, AU, SADC, COMESA, etc. Bearing on the ease of agric inputs and product crossing boarders

- Role of the government
  - Planned policies, well funded with clear monitoring and realistic time frame
  - Enabling environment, including infrastructure, and credit support