Maize in Eastern and Southern Africa: “Seeds” of Success in Retrospect

T.S. Jayne, Melinda Smale, James Nyoro

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Preview:

- Maize received the most “votes” as a success story in 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 households incomes

Main Lessons from the Brief
Successes in Southern Africa:
- Government commitment to small farmer
- Powerful farm lobbies that exerted influence on government budget
- Seed technology advances
- Integrated credit-input delivery-output markets
Why were these “successes” short-lived?

- Financial unsustainability
  - Costs of input/maize subsidies $\rightarrow$ over 5% of GDP
  - Major treasury deficits allowed external donors to gain control $\rightarrow$ governments lost control over their own agricultural policies

- Lesson: Sustainable success stories need to be within governments’ fiscal resources

Maize production trends, 1980 - 2003
Maize yield trends, 1980-2003

Salient Trends to Take Account of:
Declining farm size in small-scale sector

Table 1. Land to Person Ratio (10 year average) in Selected Countries

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>0.51</td>
<td>0.45</td>
<td>0.36</td>
<td>0.25</td>
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<tr>
<td>Kenya</td>
<td>0.46</td>
<td>0.35</td>
<td>0.28</td>
<td>0.23</td>
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<tr>
<td>Mozambique</td>
<td>0.39</td>
<td>0.37</td>
<td>0.30</td>
<td>0.25</td>
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<td>Rwanda</td>
<td>0.22</td>
<td>0.21</td>
<td>0.20</td>
<td>0.16</td>
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<td>Zambia</td>
<td>1.41</td>
<td>1.10</td>
<td>0.89</td>
<td>0.78</td>
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<tr>
<td>Zimbabwe</td>
<td>0.73</td>
<td>0.66</td>
<td>0.58</td>
<td>0.53</td>
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</tbody>
</table>

Landholding size, small-scale farming sector (acres)
Salient Trends to Take Account of:

- Most rural farm households are buyers of maize
  - Eastern Province: 79%
  - Nyanza Province: 68%
  - Central Province: 71%
  - Western Highlands: 57%
  - North Rift: 22%

Salient Trends (cont.)

- 10% of farmers account for 85% of all marketed maize
- Very difficult to alleviate poverty by getting farmers with 1 hectare to raise their maize yields
Does this mean that maize productivity growth has no role in alleviating poverty?

- NO

Maize productivity growth:
- lower food prices for food purchasers
- lower food prices → allow small farmers to diversify into higher-return activities

Goal: Reduce Costs of Production

costs per hectare

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output per hectare
Cost of Production Comparison: Western Kenya vs. Eastern Uganda

<table>
<thead>
<tr>
<th>Location</th>
<th>Ksh per 90 kg bag</th>
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<tbody>
<tr>
<td>Kitale</td>
<td>789</td>
</tr>
<tr>
<td>Kapchorwa</td>
<td>565</td>
</tr>
<tr>
<td>Lugari</td>
<td>798</td>
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<tr>
<td>Iganga</td>
<td>535</td>
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<tr>
<td>Bungoma</td>
<td>860</td>
</tr>
<tr>
<td>Mbale</td>
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</tr>
</tbody>
</table>

Policy Implications - I

- Poverty reduction increasingly tied to maize *productivity growth*
Goal: Reduce Costs of Production

costs per hectare

____________________
output per hectare

Policy Implications - I

- Poverty reduction increasingly tied to maize *productivity growth*
  - Makes farmers more competitive → lower food prices
  - Productivity growth allows for lower prices to still be profitable for producers
  - Lower food prices help most rural households (especially land-constrained farmers) who are net buyers of food
How to Achieve Maize Productivity Growth:

- Invest in national agricultural seed research
- Invest in effective extension service
  - Problems in Western Kenya with new seed diffusion
- Integrated credit-input delivery-output markets

Getting Markets Right: What does this mean?

- Not getting government out of markets
- Changing the role of government from direct intervention to supportive investments to make markets work
  - Transportation infrastructure
  - Streamline regulations to reduce traders’ costs
  - Support development of farmer-managed organizations (for group credit, input acquisition, output marketing)
Lobby forcefully for more level playing field in international trade
- OECD support for African ag: $50 bill./yr
- OECD ag. subsidies: $350 bill./yr

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?