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 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

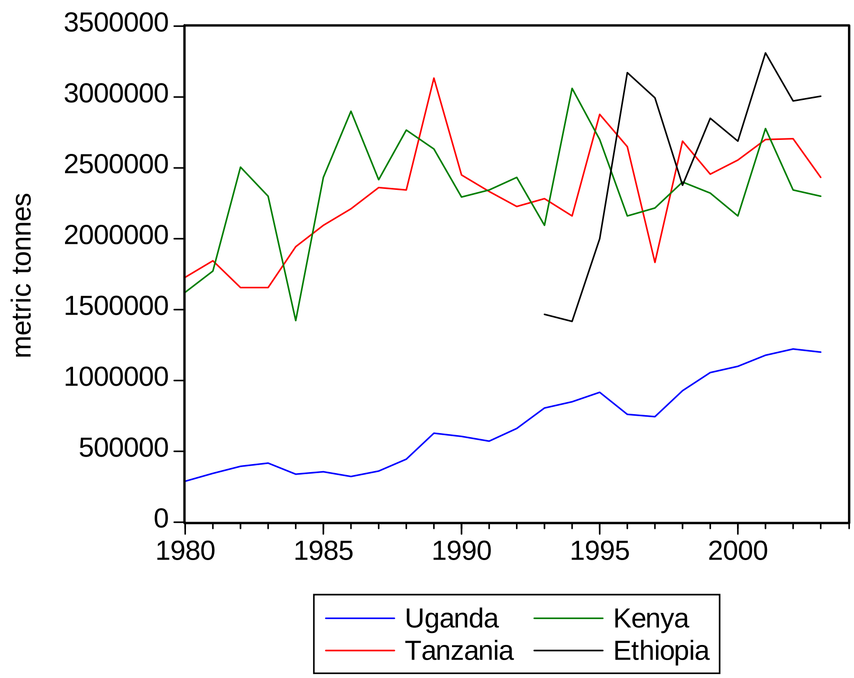
Main Lessons from the Brief Successes in Southern Africa:

- Government commitment to small farmer
- Powerful farm lobbies that exerted influence on government budget
- Seed technology advances
- Integrated credit-input delivery-output markets

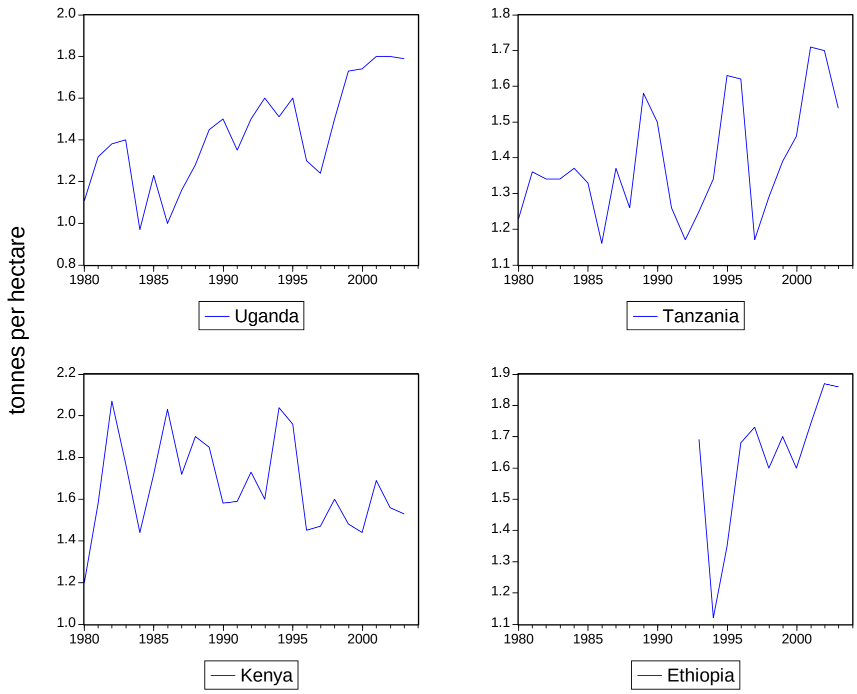
Why were these "successes" short-lived?

- Financial unsustainability
  - Costs of input/maize subsidies → over 5% of GDP
  - Major treasury deficits allowed external donors to gain control → 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



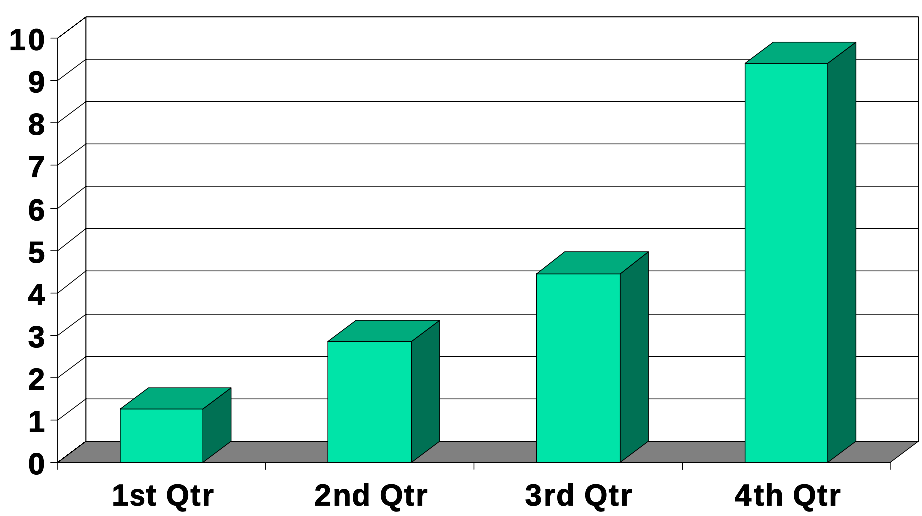
Salient Trends to Take Account of:

Declining farm size in small-scale sector

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

	1960-69	1970-79	1980-89	1990-99
Africa				
Ethiopia	0.51	0.45	0.36	0.25
Kenya	0.46	0.35	0.28	0.23
Mozambique	0.39	0.37	0.30	0.25
Rwanda	0.22	0.21	0.20	0.16
Zambia	1.41	1.10	0.89	0.78
Zimbabwe	0.73	0.66	0.58	0.53

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

$$\frac{\text{costs per hectare}}{\text{output per hectare}}$$

Cost of Production Comparison: Western Kenya vs. Eastern Uganda

	Ksh per 90 kg bag
Kitale	789
Kapchorwa	565
Lugari	798
Iganga	535
Bungoma	860
Mbale	561

Policy Implications - I

- Poverty reduction increasingly tied to maize *productivity growth*

Goal: Reduce Costs of Production

$$\frac{\text{costs per hectare}}{\text{output per hectare}}$$

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)

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 ?