Increasing smallholder access to land as an option for broad based rural poverty reduction

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Background

- Despite achieving positive macro-economic indicators including agricultural growth
- Rural poverty rates have remained at about 80% in last 15 years
- Majority of rural population rely on agriculture for their livelihoods
- Indications that sector not performing well
  - As far as broad based rural poverty reduction is concerned
Many contributing factors

What is evident is that there is low meaningful participation in output markets by smallholders farmers

ZMW1,825~=$1/HH per day for year

Source: SSs and RALS 2012
Limited scope for off-farm income

Those with more ag sales even earn more off-farm income

Average off-farm income (ZMW)

Ag Sales Category (ZMW/HH/Year)

- No sales
- 1-1,824
- 1,825 and above

2002/3  2006/7  2010/11
Factors affecting smallholder commercialization (broad based participation in markets)

- There are many and most relate to productivity
  - Appropriate technology
  - Labor availability
  - Financial constraints
  - Efficient input markets
  - Market access for produce

- Land constraints have rarely been considered an issue
  - Zambia considered a land abundant country
  - What does evidence show?
Outline

1) Demonstrate reality of smallholder land constraints
2) Effects of these land constraints on smallholder commercialization
3) Offer suggestions on the way forward
Smallholder farm size distribution (2010/11 season)

- 64% own less than 2 Ha
- 2 Ha maize potential income is ZMW 2,600 at current yield levels

Source: RALS 2012
Land constraints in apparent abundance

Considerable land is covered by water, national parks, GMA

Settlements concentrated on areas with infrastructure

Some areas can not be inhabited due to lack of infrastructure

Hence the paradox of land constraints in midst of plenty: ONLY 46% saying there is unallocated arable land

Relationship between farm size and sales

2002/3 agricultural season

2007/8 agricultural season

2010/11 agricultural season

All 3 agricultural seasons

Mean agricultural sales by farm size (constant 2011 ZMW prices)

64% of households belong here

30% here

Only 6% belong here

Mean annual sales (ZMW) per year

0-0.99 Ha: 922
1-1.99 Ha: 1,502
2-4.99 Ha: 2,643
5+ Ha: 9,463
All: 2,279
Effects of farm size on agricultural sales

% increase in sales with increase in 1 Ha

- 0-0.99 Ha: 299
- 1-1.99 Ha: 321
- 2-4.99 Ha: 82
- 5+ Ha: 2
- All: 43

64% of households belong before this line.
Concluding and way forward

- Smallholder face land constraints and these limit their commercialization
- Promotion of commercialization should go hand in hand with promotion of land access
  - Especially for the most land constrained smallholders
- Government efforts in establishing commercial farm blocks commendable
  - Impact on poverty limited by limited number of smallholders involved
Way forward (cont’d)

- This calls for basic public goods investments in regions suitable for smallholder commercialization to open them up
  - Trunk highways, health care facilities, schools, electrification, etc.
  - Facilitate voluntary migration of smallholders into these areas
Thank you for your attention