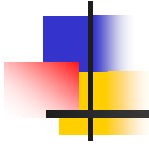


Smallholder Maize Market Structure and Behaviour



B.A. Zulu, T.S Jayne, Paper presented at Smallholder
Agricultural Commercialization Strategy Workshop
Protea, July 7-8, 2005



Main highlights of presentation:

- Role of maize in production & sales of smallholder agriculture has declined
- Maize prices are hitting import parity with greater frequency
- Small number of farmer account for most of the maize sales
- A lot of rural households are net buyers
- Commercialized farmers tend to be more food secure
- Recognize other engines of increasing rural incomes namely; vegetables, cotton, livestock

Role of Maize (2003/2004 Supplementary Survey)



Crop	% of HHs producing	% of Total Gross Value of Farm Revenue	% of HHs selling
Cereals			
Maize	80	23	28
Sorghum	10	0.4	2
Beans/Groundnuts/Oilseeds			
Mixed & ground beans	20	2.5	10
Groundnuts	42	4.5	20
Roots/Tubers			
Cassava	39	2.4	11
Sweet potatoes	20	1.1	8
Non-food Cash Crops			
Cotton	11	18	10
Tobacco	1.4	7	1.4
Value of Vegetable sales (in US Dollars)	----	21	16
Value of Income from livestock products (in US Dollars)		20	44.5
Milk & Eggs	----		----
Live & slaughtered animals	----		----

Vegetable/Fruit Value of Sales (2003/2004)



Tomato	51%
Rape	18%
Other Vegetables	16%
Cabbage	10%
Fruits	5%
Total	100%

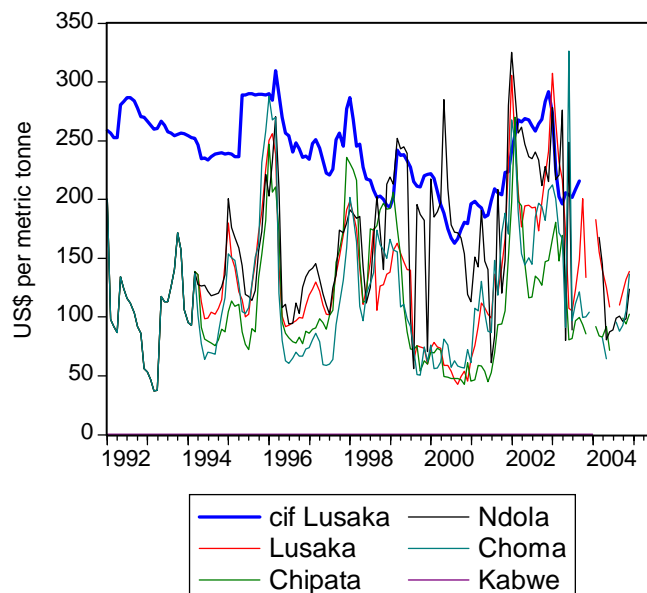


Percentage of HH Selling Fruit & Vegetables By Province in 2003/2004

Central	20
Copperbelt	20
Eastern	16
Luapula	14
Lusaka	36
Northern	12
Nwestern	13
Southern	23
Western	6
	16



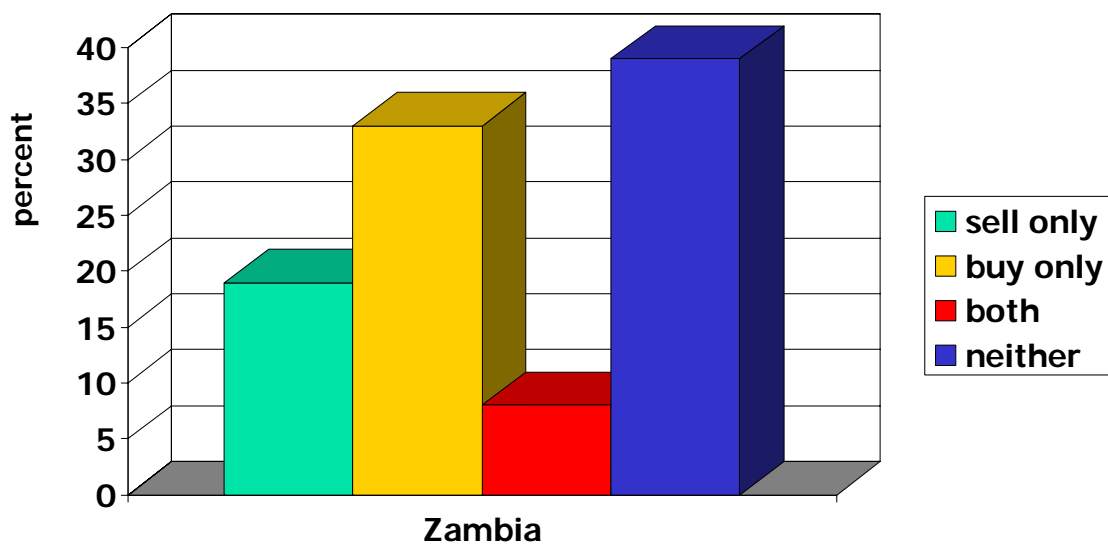
Domestic Prices Reaching Import Parity More Frequently: Zambia



Characteristics of smallholder farmers, Zambia 1999/00

Commercialization Quartiles	Landholding Size	Total Household Income	Total Farm Revenue	Value of Productive Assets
1	1.9	388.7	9.43	245.51
2	2.87	296.66	34.2	373.45
3	3.30	421.61	81.61	385.08
4	3.38	873.42	305.05	469.42

Smallholder Households' Position in the Maize Market





Conclusions:

- Role of maize decreasing, not necessarily a bad thing for rural households
- Low commercialization among smallholder farmers
- Important to recognize rural households are buyers as well
- Recognize other engines of commercialization