Comesa bemoans poor attention to agriculture

Written by Florence Bupe

THE world economy has over the last one year experienced a massive recession that has resulted in falling commodity prices, adversely affecting even the world’s strongest economies such as the United States and Japan.

As is usually the case, developing economies have been the hardest-hit by the ongoing global economic recession, although it is visibly easing as evidenced by improving commodity prices on the international market.

Zambia, like many other developing economies, has had to swallow the bitter pill of dependence on one commodity for growth after copper prices on the international metal markets, the metal on which the country almost solely depends for economic growth, significantly declined from a historical US$8,000 plus per tonne to around US $2,700 last year end.

As copper is the main income earner for government, it cannot be overemphasised that the slump in copper prices hit hard on our economic growth.

It has been emphasised by various stakeholders time and again that there is a serious and urgent need for Zambia to diversify its export base in order to survive the effects of the global financial crisis.

The immediate solution for Zambia’s economic survival next to the mining industry is the agricultural sector, but in order for this sector to compete favourably in terms of earning revenue for the nation, so many things need to be put in place.

One of the key areas that need to be attended to is the effective implementation of input support to peasant farmers, who constitute the majority of the Zambian farming community, and paramount on this list is fertiliser distribution.

Government is currently implementing the Fertiliser Support Programme (FSP) which was commenced in the 2003 farming season, and currently constitutes about 39.7 per cent of the K15 trillion national budget for 2009.

The FSP is aimed at subsidizing fertiliser for enhanced use and productivity among peasant farmers.

However, it has been argued that this programme has so far yielded little of its objectives due to a number of constraints, which include unfair distribution of inputs and inefficient application methods, among other issues.

The realisation of these shortfalls is what has led to stakeholders calling for the review of the programme to make it more effective.

Last week, the Common Market for Eastern and Southern Africa (Comesa) convened the second Africa Agricultural Markets Programme (AAMP) Fertiliser Symposium to address the challenges and review the achievements in member countries’ fertiliser support programmes.

During the meeting, Comesa secretary general Sindiso Ngwenya reiterated that agriculture was the engine for the region’s economic development, yet the sector had received inadequate attention both at regional and national levels.
He observed that high input costs had continued to hinder the growth of the sector in member states, Zambia inclusive.

“Agricultural output and input markets are struggling in many countries of the region. High levels of marketing costs and risks are inhibiting the emergence and expansion of effective sector services,” Ngwenya said. “Because markets and policies are performing poorly, many countries in the region continue to experience problems of high food and input prices.”

The AAMP is a partnership between Comesa and Africa’s Agriculture and Rural Development Unit of the World Bank, who were the main sponsors of the symposium.

The partnership aims to strengthen the institutional capacity of Comesa to implement a regional marketing and trade programme for food staples and inputs in support of the Comprehensive Africa Agriculture Development Programme (CAADP) process.

The partnership also seeks to enhance knowledge of national decision makers by providing information and analysis of the agricultural sector, as well as create a network for dialogue and ideas between concerned ministries and the private sector in the region.

This year’s AAMP meeting was organised under the theme ‘Getting Fertilisers to Farmers: How to do it, who should do it, and how it should be done’.

It cannot be denied that although there are a number of inputs that contribute to the regional and national agricultural productivity levels, fertiliser plays a pivotal role in determining the success or failure of farmers’ yields.

This is why government and other stakeholders are pushing for the improved implementation of fertiliser subsidy programmes, and the Zambian FSP clearly came out to be one that requires various reforms in order to achieve the outlined objectives.

A fertiliser marketing policy synthesis done by Comesa in Eastern and Southern Africa indicated that achieving rapid agricultural productivity growth in Africa would require major increases in fertiliser use in most of the countries.

The report was compiled from a study undertaken in six countries, Ethiopia, Kenya, Malawi, Tanzania, Uganda and Zambia.

The study further highlighted the common challenges faced by the sample nations in implementing their fertiliser subsidy programmes.

“In Uganda and Zambia, fertiliser trends are unstable and apparently subject to extreme swings due to programme initiatives followed by withdrawal and subsequent programme revival,” the report stated. “But once the programme withdraws, the hard questions arise: how will the farmers continue to acquire the improved seed and fertiliser? Who will supply and enable the poorest of households to afford these inputs...These challenges continue to feature in many of the countries assessed.”

The report also pointed out that apart from subsidies, there was great scope for government’s action to raise the effective demand for input by taking steps to overcome constraints that currently limit its profitable use by small-scale farmers.

“Government should take steps to study the potential for local production of fertiliser to reduce costs to small holder farmers. While previous assessments indicated that local production of fertiliser would generally cost more than the cost of importing it, this analysis may need to be
updated in light of the likely changes in world fuel, transport and mining costs over the coming years,” the report recommended.

Limited access to credit by peasant farmers was discovered to be another common problem in the countries under study.

“Access to credit to allow low income farmers afford to use fertiliser on food crops is a major problem in virtually all of Africa, primarily because, unlike some cash crops, input suppliers cannot be assured of recovering their loans by acquiring farmers’ surplus production. As a tool for increasing overall agricultural productivity, especially for small, poor farmers, fertiliser subsidies have a questionable record,” the report noted. “There is very little evidence from Africa that fertiliser subsidies have been a sustainable or cost effective way to achieve agricultural productivity gains compared to other investments.”

The report further cited Zambia as one of the countries that needed to adjust their fertiliser support programme in order to pave way for long term sustainability in input investments.

“A balance is needed between interventions to address short term supply shortages and avoid widespread hunger, versus investments and policies to drive growth and lift poor households out of the poverty trap in which they are caught. Currently, the governments of Malawi and Zambia devote about 60 per cent of their agricultural budgets to input and crop marketing subsidies, leaving relatively little for the long term investments required for sustainable reductions in poverty and hunger,” the report stated.

In his presentation to the AAMP meeting, Comesa Investment Promotion and Private Sector Development director Dr Chungu Mwila challenged government and other stakeholders to identify specific needs of small-scale farmers in the country and provide inputs accordingly.

“It is the responsibility of government and stakeholders to take into account the needs and requirements of farmers, otherwise there will not be any reason why fertiliser should be provided if it does not meet the individual needs of farmers,” he said.

Dr Mwila urged the government to shift their policy formulation towards addressing the needs of small-scale farmers.

“It is the responsibility of government to ensure that vulnerable farmers are supported. Government has to be responsible socially,” said Dr Mwila.

From the various presentations at the symposium, it is clear that there are so many reforms that need to be implemented to make the Zambian FSP in particular, and the regional fertiliser intervention programmes, more effective for enhanced and sustainable economic growth.