The Fertiliser Support Programme (FSP) should have a level playing field in the supply of fertiliser to allow for more competition on the market.

ACP secretariat coordinator, Hyde Hantuba, said the price of fertiliser was currently not competitive because there were only two dominant suppliers of the commodity.

Zambia has in the past seven years only had Omina Fertilisers and Nyiombo Investments as suppliers of fertiliser to the FSP.

"In a situation like this, where you have few players on board, you tend to have higher prices than you would normally have if there were more players on the field. It also hampers good competition on the market as other players are always sidelined," Mr Hantuba said.

This recommendation is among several outlined in the study team report on proposed reforms of the FSP.

The paper also proposed that the name of the programme be changed to "Input Support Programme" whose overall objective would be to increase small-scale farmer productivity in order to contribute to improved household and national food security.

It further proposes that the programme should be implemented through a voucher scheme starting in the 2009/2010 farming season.

"The voucher will enable the FSP to empower beneficiary farmers with requisite purchasing power to purchase inputs of their choice at their nearest input outlets," Mr Hantuba said.

Mr Hantuba said there was need to reduce the size of the pack given to farmers and that selection of farmers to benefit should be done at community level, unlike at district level as is the case at the moment.

A voucher-based input distribution system would also stimulate market competitiveness and encourage private sector participation through input importation and manufacturing.

Several reports have shown that there have been irregularities in the distribution of farming input under the FSP and this has led to calls to have the programme revised.

Reports have indicated that in certain instances, inputs did not reach the target beneficiaries for various reasons.

In January, it was reported that more than 700 small-scale farmers had not received their inputs under the FSP despite making down-payments for the inputs.

One tender was awarded to Nyiombo investment who were given an advance by Government. It is the same Nyiombo who had been given the contracts again," he said.

He said the plant had a capacity to produce cheaper fertiliser, but the cost of producing 60,000 tonnes per year was costing US$60 million in raw materials.

He said failure to win the contract from the Government last year brought more challenges such as banks refusing to give loans to the plant, for fear that the money would not be paid back.

"Mr Soko had no figures to back the FSP participation this year.

He, however, mentioned that the Government had released K5 billion which was currently being used to rehabilitate the plant.

Mr Soko welcomed the proposed voucher system to be used in the fertiliser distribution exercise, saying it would help curb malpractices.

But Mr Muntanga was not convinced with the explanation and quizzed Mr Soko over his statement that Nyiombo was being favoured when it was common knowledge that the plant this year would not produce the fertiliser and, therefore, not participate in the FSP.

"Instead of you to come and tell us how much your company needs to survive and produce cheaper fertiliser, you are raising the voucher system Nyiombo and Omnia have said will disadvantage the suppliers," he said.

Shiwangandu MP, Celestino Chibamba, proposed that Mr Soko and his team go back as they were arguing with the chairperson instead of backing their submissions with financial figures.

In sending away the team, Mr Muntanga cautioned Mr Soko against poor management and told him not to focus on Omnia that had 80,000 tonnes of fertiliser together with Nyiombo, a sign that they ready to participate in this year’s FSP.

Earlier, appearing before the same committee, Omnia Zambia managing director Bertie Serfontein and Omnia Small Scale Limited boss, Vincent Mukuyama, argued that introducing the voucher system would worsen the fertiliser distribution programme.

They dismissed insinuations that the company was monopolising the FSP, saying the Government always advertised for tenders.