Integrating the Goals of Productive Land Use and Broad-Based Agricultural Development

ACF/Food Security Research Project, Lusaka
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What is the problem?

1. Over ½ of rural farm population in Zambia controls < 1.0 ha. Land constraints are impeding achievement of poverty reduction goals
2. Land productivity is far below potential – in part due to inadequate investment in smallholder areas
3. There remains a great deal of unutilized land in Zambia

…..What is the right approach to land development and investment policy to achieve:

- Poverty reduction – equitable rural development
- Agricultural growth and national food security
Objectives of presentation

1. To assess the extent of land pressures within customary land (smallholder) sector
2. To show how land disparities within smallholder sector affect agricultural growth and poverty reduction goals
3. To report traditional authorities’ views about transfer of customary land to state
4. To consider alternative land policy options for addressing the goals of
   1. Rural development / poverty reduction
   2. National food security and income growth
Farm Size (Cultivated + Fallow Fields) For Small & Medium-Scale Farmers, 2001 and 2008

Quartile of HH Landuse (Cultivated+Fallow Land)

<table>
<thead>
<tr>
<th>Quartile</th>
<th>2000/01</th>
<th>2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest (Q-1)</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Poor (Q2)</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Average (Q3)</td>
<td>2.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Less Poor (Q4)</td>
<td>2.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Zambia</td>
<td>3.0</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Source: CSO/MACO/FSRP 2000/01 & 2007/08 National-Level Supplemental Rural Livelihood Survey

Population Density, Zambia
Disparities in livelihoods within smallholder agriculture, Zambia

<table>
<thead>
<tr>
<th></th>
<th>N=</th>
<th>Farm size (ha)</th>
<th>Asset values (US$)</th>
<th>Gr. Rev., maize sales (US$)</th>
<th>Gr. Rev., crop sales (US$)</th>
<th>Total hh income (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 50% of maize sales</td>
<td>31,328 (2%)</td>
<td>4.3</td>
<td>1,132</td>
<td>720</td>
<td>1163</td>
<td>2,932</td>
</tr>
<tr>
<td>Rest of maize sellers</td>
<td>328,561 (26%)</td>
<td>1.6</td>
<td>316</td>
<td>88</td>
<td>193</td>
<td>634</td>
</tr>
<tr>
<td>Households not selling maize</td>
<td>907,255 (72%)</td>
<td>0.9</td>
<td>231</td>
<td>0</td>
<td>97</td>
<td>415</td>
</tr>
</tbody>
</table>

Source: CSO Supplemental surveys, 2004

Summary so far:

1. Land constraints + low productivity of smallholder agriculture leading to
   - stubbornly high rural poverty
   - High rates of urbanization → rising urban poverty and attendant problems of crime, rationing of services

2. Rural settlement follows public investment in rural infrastructure
Summary so far (2):

3. Land constraints in a land-abundant country is not a paradox
   - economically viable arable land requires access to basic services, water, schools, roads, and markets.

4. The basic public investments to make settlement economically viable have yet been made in many areas of Zambia

- But there is a great deal of unutilized productive land in Zambia – how best to utilize it?
- And what to do with the 1.5 million smallholder farms in Zambia (roughly 60% of national population)?
Government Policy

• Land Bill of 1995
  – Encouraging chiefs to transfer land from customary system to state land
  – State provides title to entrepreneurs to make productive use of the land

• Farm Blocks – likely to be major plank of SNDP for agricultural sector
  – State invests in infrastructure (roads, dams, electrification, main irrigation)
  – Private investors then develop the scheme
  – So far, state has not involved the private sector in design of schemes (public-private partnerships)

Farm Blocks

• “Anchor” farm
• smallholder farmers to locate around the anchor farm
  – Receive inputs/credit through the block
  – Market crops through the block
“Do you think the transfer of land from the chief to land under title deed is a good or bad policy?”

- 2008 survey of 1,053 village headmen

![Bar chart showing the percentage of headmen's opinions on the policy. The chart indicates a majority of headmen consider the policy to be bad.](chart.png)
Why good (18%)?

- Collateral easy to transfer land
- Tenure security
- Reduces land conflicts

Why bad (81%)

- Strips poor of access to land
- Traditional authorities lose power
Considerations for policy (1):

1. Land constraints in smallholder areas are real - ½ of smallholder population controls < 1.0 hectares

Considerations for policy (2):

2. Will GRZ give priority (in terms of public expenditures) to farm blocks or for existing smallholder areas?
   - Customary lands is where 60% of Zambia’s population resides
   - What is the right mix?
Considerations for policy (3):

3. Need for greater investment in public goods (infrastructure, extension, crop science) to promote productivity growth in smallholder areas
Considerations for policy (4):

4. Farm blocks could help to reduce rural poverty by providing a way for land-constrained smallholders to migrate to farm blocks.…
   - But not a substitute for development of existing smallholder areas
   - Management challenges: great potential for patronage, mismanagement, highly concentrated benefits, and little impact on poverty reduction

Considerations for policy (5):

5. Farm Blocks: What are the “rules of the game” and who will determine them, e.g.,
   - Criteria for selecting investors
   - What would investors need to provide in return
   - Terms and conditions over how the proceeds would be shared
   - Role of private sector in setting up the rules?
Considerations for policy (6):

6. Get the policy environment right
   - Input/output marketing policies will affect the rate of return to investments in both customary areas and farm blocks.

thank you
Political economy of public resource allocation

Donor budget support

Government budget

- Long-term productive investments: R&D, infrastructure, education, etc.
- High social payoffs
- But payoffs come 5-20 later
- Critical for sustained poverty reduction

- input subsidy programs
- marketing board price supports,
- land bills
- Immediate political payoffs;
- Visible support to constituencies
- contribution to sustained growth / poverty reduction is unclear