Increasing Output, Productivity and Income of Small-holder farmers

- Fostering private sector investment in a situation of unreliable relationships
- between farmers and buyers.
- Lessons from the Cotton Sector

Cotton Production

Source: Crop Forecast Survey, CSO Zambia
How it has been put together

- Deliver of credit with incentives to repay
- Rate improved from 65% to over 90%
- Dunavant through distributor system with two incentives
  - Close contact with farmers
  - Higher commissions for higher collections
- Clark creation of a virtual credit bureau
- Reliable supply of technical inputs, technical information and a market
- How do we package this for other commodities?

Nature of the Crop & Industry

- Substantial economies of scale
- Tradeable crops with assured markets
- Cost of seasonal inputs is high
- Certain amount of specialization is required
- Ease of interlocking markets
Nature of the Crop & Industry

- Can be done with semi-tradeable crops such as maize
- Farmer to farmer models perhaps??
- Enforcement of contracts
- Repealing of acts in that contradict the creation of credit bureaus

Issues in Cash Crop Growing

- Cash crop & food insecurity?
- Pricing of cotton, are Zambian farmers being exploited?
- US subsidies, what can be done?
Cotton Producers Vs Non-Cotton Producers in Central, Eastern & Southern Provinces of Zambia

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Cotton Producers</th>
<th>Non-Cotton Producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Cultivated (Ha/HH)</td>
<td>2.39</td>
<td>1.37</td>
</tr>
<tr>
<td>Area Maize Cultivated (Ha/HH)</td>
<td>1.1</td>
<td>1</td>
</tr>
<tr>
<td>Maize Yield (kgs/Ha)</td>
<td>1,394</td>
<td>1,409</td>
</tr>
<tr>
<td>Maize Total Production (kgs/HH)</td>
<td>1,452</td>
<td>1,323</td>
</tr>
</tbody>
</table>

Source: CSO 1997/98 Post Harvest Survey

**Figure 3.** Plot of mean cotton export value/ha against mean producer price share by country, harvest years 2000/01/02
**Cotton Yields**

Figure 2: Cotton yields for smallholders in Eastern, Southern and Central Provinces, 1997/98

Cotton yield (kg per ha)


Issues For Government

- Regulation what type, the cotton board
- Reduce cost of business through improved infrastructure
- How do you manage extension with limited funds?