

FOOD SECURITY RESEARCH PROJECT – ZAMBIA

Annual Narrative Report (October 1, 2006 to September 29, 2007)

A Collaborative Research, Capacity Building, and Policy Outreach Project

between

The Ministry of Agriculture and Cooperatives (MACO)

The Agricultural Consultative Forum (ACF)

The Central Statistical Office (CSO) / Ministry of Finance (MOF)

Michigan State University's Department of Agricultural Economics (MSU)

United States Agency for International Development/Zambia (USAID)

Swedish International Development Agency (SIDA)



Acronyms

ACF	Agricultural Consultative Forum
AFS	Agriculture and Food Security
AIM	Agricultural Input Marketing
AMIC	Agriculture Marketing Information Centre
COMESA	Common Market Eastern and Southern Africa
CSO	Central Statistics Office
ECAPAPA	Eastern and Central Africa Programme for Agricultural Policy Analysis
FANRPAN	Food Agriculture and Natural Resources Policy Analysis Network
FRA	Food Reserve Agency
FSRP	Food Security Research Project
GART	Golden Valley Agricultural Research Trust
INESOR	Institute for Social and Economic Research
MACO	Ministry of Agricultural and Cooperatives
MATEP	Market Access, Trade and Enabling Policies
MCTI	Ministry of Commerce, Trade, and Industry
MFND	Ministry of Finance and National Development
MSU	Michigan State University
NAIS	National Agriculture Information Service
PSD	Private Sector Development Group
SAKSS	Strategic Analysis and Knowledge Support System
SIDA	Swedish International Development Agency
UNDP	United Nation Development Programme
UNZA	University of Zambia
VAT	Value Added Tax
ZBF	Zambia Business Forum
ZNFU	Zambia National Farmers Union

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1. Brief Overview and Facts

Cooperating Institutions

Ministry of Agriculture and Cooperatives (MACO), Economics and Market Development Department: Policy and Planning Branch and Marketing Development Branch

Ministry of Finance and National Development (MFND)

Ministry of Commerce, Trade, and Industry (MCTI)

Agricultural Consultative Forum (ACF)

Central Statistical Office (CSO), Agriculture and Environment Division

Golden Valley Agricultural Research Trust (GART)

University of Zambia (UNZA), Institute for Social and Economic Research (INESOR)

Food Reserve Agency (FRA)

Swedish International Development Agency-Zambia (SIDA)

Agency for International Development, Zambia Mission (USAID/Zambia)

Agency for International Development, Bureau for Economic Growth, Agriculture and Trade, Office of Agriculture and Food Security (EGAT/AFS)

Department of Agricultural Economics, Michigan State University (MSU)

2. Objectives

FSRP's mandate is to contribute to effective policy dialogue, capacity building, and ultimately an improved agricultural policy environment in Zambia, through collaboration with government and the private sector. The FSRP aims to achieve these objectives through in-service capacity building, applied analysis, and policy outreach. A hallmark of the MSU/FSRP approach is the "joint products" approach, whereby training, applied research, and outreach are undertaken collaboratively with in-country stakeholders and government counterparts. The "joint products" approach is designed to achieve these broad results:

Capacity building for local Zambian counterparts, including training in the design, implementation, and analysis of household-level and market-level data collection for policy analysis and priority-setting purposes. This is accomplished mainly through in-service training of public and private sector collaborators, but also through training courses and seminars targeted to specific government organizations where improved analytical capacity is most needed;

Applied research to provide baseline information on smallholder production patterns and crop mix, input use, marketing behavior, measures of farm productivity, farm and non-farm incomes, food purchases and consumption, and other basic household-level information necessary to monitor the impacts of changes in the agricultural policy environment on selected socio-economic and regional groups in Zambia; and

Outreach activities to liaise with ACF, MACO, and other public and private policy making groups in Zambia on strategies for promoting smallholder agricultural productivity and income growth, and household food security in support of improved agricultural policy making in Zambia.

To carry out its research mandate, the FSRP in Zambia aims to: (a) strengthen the capacity of MACO, ACF, and other local institutions and government agencies responsible for food security in Zambia to carry out applied research and policy analysis on food security; (b) strengthen the capacity of MACO, Ministry of Finance and National Development, and Ministry of Commerce, Trade, and Industry to help coordinate research on national food security issues; (c) strengthen the Central Statistical Office (CSO) to carry out surveys, manage

and process data, and perform basic analyses useful to policy makers; and (d) strengthen MACO's management and implementation of agricultural marketing information services.

3. Implementation Approach of the Food Security Research Project

The FSRP's main base is its field office in Lusaka. Field office research fellows and research specialists collaborate intensively with MSU campus-based staff on analysis and outreach efforts. This is complemented by frequent TDY visits of campus faculty to Zambia to work with the Lusaka-based team and officials from local collaborating organizations.

The FSRP's substantive research and outreach activities are guided by the FSRP's semi-annual Advisory Board consultations. From these Board meetings, an agenda for research, technical support, and outreach activities is identified and approved. Members of the Advisory Board include MACO, ACF, INESOR/UNZA, CSO, SIDA, USAID, and FSRP.

4. Major Achievements (October 2006 – September 2007)

Consistent with its mandate, the FSRP has achieved progress in (a) concrete policy change; (b) improving the quality of government policy discussions, which while not yet resulting in tangible policy change, has sowed the seeds for future improvements in the policy environment, and (c) capacity building of public agricultural entities, which will also have long-term payoffs for Zambian agriculture. Specific achievements are as follows:

4.1 Concrete Policy Change

- In December, 2005, President Mwanawasa surprised the cotton industry by signing the existing Cotton Act despite formal input from ginners and farmers listing a series of objections they had to the Act. Since that time, FSRP has been involved in a highly collaborative effort with the Zambian Cotton Ginners' Association, the Cotton Association of Zambia, and MACO, to revise the Act and win approval of the revised version. Revisions were completed in June, 2006, but submission to Parliament was delayed due to the run-up to the elections of September 2006. By working again with all stakeholders and holding a briefing for Minister Kapita in May, 2007, FSRP helped win the commitment of the Minister of Agriculture to submit the revised version to Parliament. Currently all stakeholders await this action by the Minister.
- The stock-monitoring committee chaired by MACO was set up to allow the private sector (farmers, traders and millers) and FRA to share information on stock holding with government. Lack of this information was the reason government suspended issuance of export permits. FSRP has played an important role in the design of the information to be collected by the stock-monitoring committee. Now that the system for providing this information is in place, it is anticipated that issuance of export permits should continue uninterrupted without relying 100% on food balance sheet information.
- In 2007 budget, the resources available to MACO departments for operations were increased from ZK39 billion in 2006 to ZK148.5 billion in 2007. Prior to 2007, personnel emoluments exceeded recurrent departmental charges by 100%. 2007 figures show a more balanced spending between spending for MACO salaries and spending for operations. While there is great room for improvement in the agricultural policy environment, these changes represent at least partial progress and evidence that FSRP is having some concrete impacts on the policy process in Zambia. One of the sections of the MACO/FSRP policy dialogue held at Fringilla Lodge on November 27-29 dealt with public resource allocation. (see more detail below on this policy dialogue event.)

- As part of the process of helping provide empirical information to public and private decision makers in Zambia, MACO and FSRP hosted a two day policy dialogue at Fringilla Lodge on Nov 27-29, 2006. The proceedings of this dialogue were published as part of the outreach work of the project; “Achievements, Challenges, and Opportunities for Continued Poverty Allevation and Growth in the Agricultural Sector in Zambia.”

4.2 Capacity Building

- By collaborating with individuals from MACO and CSO on specific research and other activities, FSRP provided in-service training to some 14 professional staff at MACO and CSO.

4.3 Improving the Substantive Content of Agricultural Policy Debates

On a series of occasions, FSRP has responded to specific requests for empirical input on key policy issues:

- Agricultural implications of the 2007 budget proposals: budget debates. In mid-February, the ACF requested that FSRP provide analysis of both spending and taxation provisions of the 2007 budget and to moderate public discussion between agribusiness, farmers and government at the Pamodzi Hotel.
- Alternative investments. To assist in a number of discussions and policy debates on resource allocation, FSRP use cross-country as well as Zambia data to prepare Policy Synthesis No. 19. “Returns to Investment in Agriculture.”
- Fertilizer Support Programme: At MACO’s request, FSRP provided a detailed briefing to the Minister of Agriculture, Hon. Ben Kapita, a Permanent Secretary, and their senior staff. This was the first occasion of which we are aware where the Minister was shown empirical evidence from CSO survey data that the Fertilizer Support Programme was displacing commercial fertilizer sales and that the beneficiaries of the FSP were among the better-off smallholders and not the poor.
- Cotton Act: The briefing for Minister Kapita in August 2007 allowed FSRP to present, in very summary form, key results from a multi-country study of cotton sector reform in Africa that were especially relevant to Zambia. The briefing made the very important point that unrestrained competition in a sector such as cotton can have very negative effects on productivity and poverty reduction, and that government has an important role to play in facilitating the development of strong rules of the game by sector stakeholders.
- Kwacha appreciation: At the request of the ZNFU, FSRP has assisted in the analysis of the impact of the recent Kwacha appreciation on agriculture. These results were presented publicly to the agribusiness community and to government at the Pamodzi Hotel in early March. Parliament has requested a briefing during the third week in April. Moreover, FSRP provided a briefing to the US Ambassador on agricultural policy issues, January 19, 2006, including the impact of kwacha depreciation on Zambian agriculture.
- Horticulture: Research here has identified the tremendous price variability at wholesale level, and has linked this to high variability in day-to-day quantities arriving in Lusaka’s market. This information, and potential policy implications, will be shared with the informal sector stakeholder working group formed in 2006.
- Conservation Tillage: the work done by the project, both the Haggblade and Tembo work and the Kabwe and Donovan work on conservation tillage was used by the Norwegian

embassy with GART and CFU in evaluating the need and potential effectiveness of investing in conservation farming for increasing agricultural productivity. The FSRP research demonstrates the high potential of the technology, but also the need to address concerns with adoption.

- FSRP's work with the Acceleration of the Cassava Utilisation Task Force contributed to the development of official trade standards for cassava chips and flour. Private and public sector task force members, including FSRP, participated on the Zambia Bureau of Standards Roots, Tubers and Derived Products Technical Committee. Following three rounds of detailed laboratory analysis of local cassava products and a review of international standards (from Europe, Asia, Latin America as well as several African countries, including Nigeria, Malawi and Tanzania), the technical subcommittee issued draft standards for public review and comment in February 2007. The ZABS board will consider formal adoption of the cassava standards at its meeting in the fall of 2007, following the mandatory period of public review.

5. Description of FSRP's Main Activities in FY 2006

5.1 Public Investment Allocation for Promoting Agricultural Growth

National Agricultural Expenditure Accounts

- FSRP Working Paper No "[Raising the Productivity of Public Investments in Zambia's Agricultural Sector](#)". J. Govereh, J.J. Shawa, E. Malawo, and T.S. Jayne." was published. Numerous discussions and seminars with agricultural sector stakeholders in Zambia have been initiated based on this study. The study served as a proto-type for Re-SAKSS/Southern Africa to initiate similar agricultural expenditure reviews in other Southern African countries.
- Another FSRP working paper "Methodological Guidelines for Data Collection on Agricultural Spending with Illustrations from Zambia" was drafted and is being reviewed. Again, Re-SAKSS/Southern Africa is using this study as a guide for replication in other countries in the region. The study was presented at a Re-SAKSS meeting in May 2007 to help monitor progress under the CAADP.
- Progress has been made on a forthcoming FSRP report on spatial analysis of public spending in agriculture in Zambia, which also contributes to broader regional activities under Re-SAKSS.

Returns to Alternative Agricultural Expenditures

- Returns to investment in agriculture, preliminary summary of results presented to agricultural lead donors meeting, ACF November 2006.
- FSRP Policy Synthesis # 19, "Returns to Investment in Agriculture" finalized, January 2007.

5.2 Productive Assets: Options for Sustainably Increasing Productivity and Incomes

Land Access, Agricultural Growth, and Poverty Dynamics in Zambia:

- A full draft of FSRP working paper on land was reviewed and updated with materials from Zambia Land Alliance and other recent events on land in Zambia.

- Making progress on the work on smallholder income and growth dynamics. The Zambia descriptive findings to be ready for circulation during Q4 2007.

Alternative Strategies for Maintaining Soil Fertility:

- Working Paper #23 on the Magoye Ripper on-farm study was finalized and posted on the FSRP website, after several presentations with colleagues at GART and ZARI, including the Conservation Farming Unit. The research was found to provide evidence of design and extension issues for GART and CFU that are affecting effectiveness and adoption of the technology. Thus, the research will help guide new investments by CFU in the animal traction CF. An extension of this research based on the current extension efforts may be developed, pending arrangements with CFU and other partners.
- The efforts to evaluate CF usage over time continue, pending resolution on PHS weighting issues. Review of the Post-Harvest and Supplemental Survey Instruments through time has been completed. Discussions with GART and ZNFU indicated that including an analysis of draught animal stocks and animal traction use over time would be valuable for evaluating the recommendation domain and constraints to animal traction Conservation Farming adoption. This analysis on animal traction will be concluded in Q1/2007 with a Policy Synthesis, and with a working paper on more general CF usage over time completed in the Q3,2007.

5.3 Labor Supply, HIV/AIDS, and Agriculture

- Revised paper on widow's access to land in the HIV/AIDS Era was pushed to the final stages and will be finalized for publication as a FSRP working paper by September 2007. Chapoto and Jayne will carry forward outreach activities on this work in Zambia and internationally over the next few months
- Finalizing the cross country comparison of characteristics of individuals afflicted by disease related prime-age mortality among rural households. Circulating the draft report for comments. Chapoto and Jayne will carry forward outreach activities in Zambia and internationally over the next few months. Discussions underway with the Mozambique team to produce a series of updated reports/policy syntheses with the new Mozambique results incorporated in.
- Community effects of HIV/AIDS. This study has been finalized and is already on the FSRP web site. We envision additional outreach activities involving this work in conjunction with other outreach activities in Zambia as indicated above.
- Work continued on analysis of the dynamics of food security vulnerability in the presence of HIV/AIDS. A draft final report has been finalized and circulated for internal comment. This is to be published in Q4, 2007.
- Impacts of food aid on AIDS afflicted households. Analysis continues is progressing; we hope to have initial results to circulate to others and to NGOs for their comments by Q4 2007.

5.4 Natural Resource Management

- Studies were reviewed to obtain ideas to be include in the urban food consumption survey on charcoal consumption and cooking devices

- Background documents and contacts were developed by Dr. Richardson's trip to assist FSRP team members to begin exploring work in the natural resource/
- Short-term visit by Dr. Richardson of MSU to make preliminary contacts with researchers and stakeholders in Zambia on natural resources and rural household participation and benefits from natural resource based tourism. This included liaisons with MATEP, ASNAPP, SNV and World Bank researchers and policy makers working on natural resource and tourism development in Zambia.
- FSRP staff participated and presented in the Global Environmental Change and Food Systems (GECAFS) Launch Workshop for the GECAFS research initiative for southern Africa (GECAFS-SAF) held in conjunction with FANRPAN and ACF. Hosted by the Agricultural Consultative Forum of Zambia, Lusaka, 26 – 27 June 2007.
- FSRP staff prepared a presentation and participated in a one day workshop by the ZARI/Japan Project on RIHN's (Vulnerability and Resilience of Social-Ecological Systems) The topic of the FSRP presentation was "Vulnerability and Resilience of Social-Ecological Systems: Perspectives from Studies Underway in Zambia of Urban/Rural Food Marketing Systems.

5.5. Marketing and Trade: Policies Affecting Input and Output Markets

Maize Value Chain:

- Presented empirical findings on Zambia maize and fertilizer marketing to DFID and EU technical and policy interest groups, including MACO leaders (the PS and the Minister).
- Developed and presented written and oral testimony to the Parliamentary Committees on Agriculture and Lands on Agricultural Marketing and Finance Systems in Zambia on May 2, 2007.
- Presented FSRP maize trade policy issues at the International Conference on Strengthen and Widening Markets and Overcoming Supply Side Constraints for African Agriculture. Organized by the International Food and Trade Policy Council and the Partnership to Cut Hunger and Poverty in Africa. June 3-5, 2007.
- Participated in the Re-SAKSS Southern Africa regional meeting in Lusaka on May 29-30, 2007 which was designed to track public expenditures to agriculture. In the Zambia-specific analysis under Re-SAKSS, financial costs and losses resulting from maize importing, trading and stockholding operations were found to be an important component of public expenditures to agriculture, although their contribution to smallholder productivity is controversial. Discussions concluded that the inclusion of maize imports may be somewhat inconsistent with the objective of monitoring government commitment to promoting productive investments to support smallholder agriculture as stated in the Maputo Declaration, and that further refinement of the indicators being monitored will be required to come up with meaningful indicators to track trends in public support for agriculture over time.
- Continued work on finalizing the Zambia maize value chain report, including additional analysis of smallholder maize marketing behavior, with one additional policy brief due out shortly from this work.
- Continued work on the study of maize price instability and uncertainty in Zambia. The preliminary report in the form of a working paper and policy synthesis will be circulated by

the end of 4th Quarter. Chapoto, Jayne and other FSRP outreach team will carry out outreach activities on this work during the 1st and 2nd quarter 2008.

- Continued work on the study examining maize price instability in countries with maize without borders policy versus countries restricting regional trade such as Zambia and Malawi. This work will feed into the work on Zambia's study on price instability to inform the debate on the role of government in the maize market. Some analysis will be done, based on information from the Urban Survey, to understand whether the demand for maize may be declining in favour of wheat and cassava, and implications for policy.

Cassava Value Chain:

- Support to the ACU Task Force. FSRP has continued to work with the cassava task force on a series of activities. The draft standards for cassava chips and flour were reviewed by the technical committee and formally submitted for public review during this quarter. The team has likewise worked with task force colleagues to help launch the Northern Zambia and Southern Zambia wings of the task force.
- Cassava market monitoring. FSRP continues to monitor weekly prices and quantities in Kitwe and Lusaka markets. In addition, the FSRP team conducted a rapid appraisal of fresh cassava markets around Lusaka, including a field visit to the prime supplying area in Rafunsa. We are working with the Japanese cassava project to help translate the commercial leads into expanded fresh cassava marketing in central and southern Zambia.
- A Task Force Approach for Managing Value Chain Interventions. This working paper has been completed and published. It is being used or outreach in Zambia with the ACU. A reduced version of it is currently out for review with the Journal of Development Studies.
- Dynamics of Zambia's Cassava Value Chain. The team investigated fresh marketing systems in Central Zambia during the current quarter and continued statistical analysis of the 15 years of PHS production and marketing data. Next quarter, the team will make a final field trip to Northwestern and Western Zambia to complete the field work for this study.
- Work on the economic analysis of cassava production & processing has been planned and will begin in Q1, 2008.
- Explore options on commercial cassava and other crop opportunities in Luapula. In September, FSRP will discuss with PLAARD staff in Mansa what their needs and intended outcomes are for this effort.
- FSRP Working Paper 21 was completed and published on "A Value Chain Task Force Approach for Managing Private-Public Partnerships, December 2006" This summarizes the methods, activities and outcomes of the Acceleration of Cassava Utilisation Task Force.
- A summary of FSRP WP #21 was submitted and accepted for publication by the Journal of Development Studies under the title "Intervening in Value Chains: Lessons from Zambia's Acceleration of Cassava Utilisation Task Force."

Horticulture Value Chain

- FSRP continued the study of horticultural pricing dynamics and trade flows in Lusaka and in this respect continued the collection and analysis of market volumes and price data from Soweto Market and some selected retail markets; and analyzing the collected data with a

view to understanding the markets. A mobile phone horticultural market information system will be designed to provide information on market process.

- Focus group discussions were held at Soweto Market in early June with some first sellers (30 participants) of tomato, rape and onion to familiarise them with the ZNFU SMS market information system and review the information we have been capturing from the markets and how it would be built into the horticultural market information system. The first sellers were greatly interested in having access to such an information system. The designed system will be shared with stakeholders once finalized within the next quarter during which it will be implemented on a pilot basis.
- FSRP staff continued working on the report on wholesale-retail market linkages in Lusaka's horticultural markets based on data generated and processed from the snap-shot survey of retail traders in main markets around Lusaka conducted earlier in the year. The report will be finalized in the coming quarter and results will be shared with sector stakeholders including SHEMP, ZNFU, UMDP, Marketeer Cooperatives, MACO and the Ministry Local Government and Housing.
- FSRP staff continued preparations for the Urban Consumption Survey. The Sample Design and the Household Listing instrument were completed. Enumerators were trained and undertook data collection in August 2007.
- FSRP researchers also continued work on finalizing the design and implementation of the pilot fresh produce price/market information system, and worked on a report on "Wholesale-Retail Market Linkages in Lusaka's Horticultural Markets." Work on "Price Dynamics in Lusaka Horticultural Trade" will continue in Q4, 2007.

Cotton Value Chain

- Continued work on finalising the draft report of the "Multi-Country Review of the Impact of Cotton Sector Reform in sub-Saharan Africa – Zambian Country Study". An outreach event based on the study is being arranged for November of 2007.
- Presented a new Cotton Policy Brief at an informal meeting of the Cotton Working Group, highlighting the success story and challenges of the sector and why the sector needs an effective and workable Cotton Act. Revised the brief on the Cotton Act incorporating comments from stakeholders, and presented the revised brief at formal meeting of the Working Group and the Minister of Agriculture and Cooperatives. The Minister promised to push for the enactment of the revised Cotton Act and MATEP/FSRP will continue to push for the enactment of the Act. The Cotton Working Group will be working with the office of the Minister to make consultation with the Ministry of Justice over the Cotton Act. An outreach event will be organized in late Q4 2007 where a Multi Country Review report and a series of Zambia specific policy briefs will be developed and presented. The Multi Country Review report will be finalized and follow up research on cotton will be initiated.

Fertilizer Value Chain

- Jones Govereh and Micahel Weber presented to Zambia PRBS Review Meeting by MACO/ACF/FSRP/MATEP Research/Outreach Team, Mulungushi International Conference Centre, Lusaka, Zambia, June 5, 2007.
- FSRP continued benefit/cost analysis of the Fertilizer Support Program and we are also aiming to conduct further outreach on this topic, including to the Ministry of Finance and National Planning. This subcomponent deals with the issue of subsidy distribution by the

state vs. development of a sustainable private sector distribution system within the context of the Agricultural Input Marketing Plan (AIMDP). FSRP's objective in this work is to ultimately identify politically feasible options for improving small farmers' access to fertilizer and using it in cost-effective and profitable ways, so as to promote sustainable rural productivity growth.

- Participated in the Re-SAKSS Southern Africa regional meeting in Lusaka on May 29-30 which was designed to track public expenditures to agriculture. In the Zambia-specific analysis under Re-SAKSS includes fertilizer subsidies, and some discussion on this was held during the meeting. FSRP/MATEP is leading a regional analysis of fertilizer promotion programs in Zambia, Malawi, and Kenya to provide insights in Zambia on how its program is measuring up (in terms of benefits and costs, effects on overall agricultural production, and on the development of the private fertilizer industry) compared to fertilizer promotion efforts in other countries in the region.
- Made a presentation to Farmer Organization Support Programme (FOSUP). Lusaka, Zambia. June 1, 2007. In the coming quarter undertake follow up research on the analysis of fertilizer profitability as well as interactions with stakeholders on the AIMDP will continue during the quarter.

5.6 Regional Trade Perspectives on Food Staples and Input Markets

- The FSRP team has compared domestic maize prices with border (import parity prices) since 1994 in order to assess the potential for using regional trade to buffer domestic price volatility. Then, using a multi-market model of Zambia's maize and cassava markets, the team has estimated the likely price impact of bumper harvest and droughts in the presence of alternate policy responses, under both closed borders and free trade. This work contributed to discussions about the maize export ban of 2006 through presentation at the ACF (July 2006), one policy brief and publication of the simulation results in the *Zambian Farmer* magazine (July 2006).
- Draft working paper completed entitled "Alternative Instruments for Ensuring National Food Security in the Face of Recurring Production Shocks." Final version and policy synthesis to be prepared in Q4.

5.7 Alternative Instruments for Stabilizing National Food Availability and Prices

- Progress was made in this quarter on an FSRP working paper "Alternative Instruments for Stabilizing National Food Supplies and Prices" by S. Haggblade in collaboration with Simon Dradri and Paul Dorosh. Expect to publish in the next quarter.

5.8 Consumption Behavior of Rural and Urban Households

- CSO and FSRP conducted in August of 2007 the first of the 2-round data collection for the Urban Food Consumption Survey covering the urban centers of Lusaka, Kitwe, Kasama and Mansa.
- Preliminary results to assist in any needed survey instrument revisions will be generated from the first round of data during Q4 2007. The second and final round of data collection, visiting the same households in the five cities, will be conducted during February 2008. Activities in this area have included:
 - Listing undertaken for urban sample selection
 - Training, undertaken jointly with CSO staff, completed for survey enumerators

- First round of data collection completed during August in Lusaka, Kitwe, Kasama, and Mansa
 - Data entry completed during September and data cleaning begun
 - The consumer data had been entered and verified by the 3rd week of September, and the cleaning process started. In addition to consumption data, price information was collected on selected food and non food items to establish variations in price levels across the urban centers and across outlet types location within these centers. Entering of this data will commence in October, 2007.
- The primary objective of this survey is to develop a detailed understanding of the food and other consumption and expenditure behavior of households in key urban areas of Zambia. These data will allow FSRP to generate reliable empirical information in a number of important areas. For example, FSRP will be able to quantify the share of consumer expenditures going to different types of foods (e.g., staples, fresh produce, meat, and others), and to break down these broad food types and identify the importance of specific items in household expenditures. For example, among food staples, FSRP will be able to identify the importance of imported items such as wheat and rice compared to maize, and the importance within the maize group of the purchase of maize grain vs. industrially refined maize meal vs. mugaiwa. FSRP will also be able to identify the importance of different types of retail outlets (for example, open air markets compared to street vendors and other informal traders, compared to supermarkets) in consumer food access. This type of information is crucial to understanding how Zambia's food system is changing and what policies and programs might be needed to maximize the positive impacts of retail modernization.
 - The survey will address four objectives and related sets of questions:
 1. Understand urban consumption patterns and trends and how these vary by income level and across key cities and regions of the country. For fresh produce, for example, what is the share of fresh produce in consumer budgets, and how does this vary by income level? What are the individual shares of the top 5-6 items? What are the total volumes purchased by urban consumers? For staple grains, we are interested in understanding whether there have been shifts over time in the relative importance of maize, wheat, rice, and cassava in urban consumption patterns. We suspect that wheat and cassava have become much more important, and this might contribute to food price and consumption stability compared to the situation 15-20 years ago. We also suspect that increased competition in grain milling has reduced costs of maize milling and retailing considerably over time. Answer to these questions are fundamental to designing investment programs that improve marketing capacity in urban areas and better link these urban areas with key rural production zones.
 2. Quantify the importance of various retail channels in satisfying the food purchases of urban consumers and qualitatively assess how the importance of different channels has changed over time. Examples of key questions that will be addressed include: What is the share of the "traditional" marketing sector (open air markets, street vendors, shops) for different food groups and income levels, and how does this compare to the "modern sector" (independent and chain supermarkets)? Answers to this question are fundamental to understanding the rate and direction of change in Zambia's food system; such understanding is a pre-requisite to designing policies and investment programs to ensure smallholder access to dynamic markets and a steady supply of quality food at affordable prices to consumers.
 3. Quantify the importance of urban agriculture in the four selected urban centers, both in aggregate, for different income levels of households, and for different food groups. Urban agriculture is especially potentially important for fresh produce, but could be also

for staples in some urban areas. As in items 1 and 2 above, quantifying urban production and marketing of food is relevant to the design of policies and programs to improve the urban food marketing system and its links to rural areas.

4. Understand the rural-urban flow of goods and cash among extended households. Such information will provide insights into, for example, the proper design of emergency response activities for rural areas during droughts.

5.9 Household Impacts and Behavior

- Smallholder income and growth dynamics: this work is proceeding, albeit slowly due to the need to have focused on the urban household survey. We hope to make more progress on this study in the Q4 of 2007 and in 2008.
- Trends in Zambia Smallholder Agriculture. This work has been delayed due to methodological problems found in recent PHS surveys. We are working with CSO to explain how these problems affect the integrity of their national PHS production estimates, and to identify possible ways to correct for these problems. Dealing with these problems is time consuming and requires intensive interactions with CSO management. This study, which relies on computing trends in crop production based on annual PHS surveys, cannot proceed until CSO modifies its past PHS production estimates and resolves to redress these problems in future PHS surveys.
- Trends in Food Security Vulnerability: A draft report from this study has been produced. The report has been circulated internally for comments, and will be finalized in Q4 of 2007 or in early 2008..
- Finished report on local procurement of food aid in Zambia; Publication as FSRP working paper will be done in Q4 2007.
- Finished report on Africa-wide experience with local and regional procurement of food aid; Zambia had a prominent role in this report. Outreach was conducted in Washington with FFP leadership, and also through the Partnership to Cut Hunger and Poverty in Africa, which organized a special session with industry, NGO, and government representatives. A FSRP working paper (reprint) we be done in Q4 of 2007.
- Finalized agreement with Africa Bureau in Washington to finance the development of GIS-based decision tools for assisting in the decision between food- and cash-based responses to food emergencies and on-going social protection mechanisms. Given CSO's excellent data resources for this work and their regular reliance on food aid, we propose to first develop the tools in Zambia.

5.10 General Policy Research and Outreach Support, Including Zambian Collaborator In-Service Strengthening

- Margaret Beaver worked with GART and ZARI staff to evaluate their current database methods in order to assist in the design of systems for socioeconomic analysis. This work is a precursor for further training in the analysis of agricultural technologies.
- FSRP staff conducted an introductory training on partial budgeting for eleven GART and ZARI staff, including five women and six men. This training is designed to ensure that researchers collect the data necessary to use partial budgeting at the end of the season for their on-station and on-farm trials. It is part of a broader training program to ensure

researcher ability to develop technologies and guidelines that meet farmers needs, using profitability as one of the criterion.

- A regional workshop was organized by FSRP on behalf of ReSAKSS – SA to debate data and procedure issues in the draft and develop terms of reference for tracking public agricultural expenditures in Malawi and Mozambique. Permanent Secretary for Agriculture gave a keynote address.
- A letter of agreement between ReSAKSS – SA and MSU/FSRP was finalized and put into the signature process. The public expenditure work is only part of the activities to be conducted under this \$125,000 agreement.
- Have engaged JCTR in discussions for possible collaboration in both research and outreach. JCTR’s social conditions research could benefit from research FSRP is doing.
- Engaged MACO leadership – Permanent Secretary and Minister of Agriculture and Cooperatives. The two leaders missed out on a dialogue meeting in Nov 2006. Gave the PS and Minister first hand access to the discussions in Nov.
- Summoned by parliamentary committee on Lands and Agriculture to appear before it on 2nd May, 2007 as witnesses and present evidence on agricultural marketing and finance in Zambia.
- Project exhibited at the 2007 Agricultural Show jointly with ACF. Our recent products were circulated.
- FSRP staff attended an ACF strategic planning workshop and retreat to discuss ways of collaboration on ACF’s new core function of policy research.

6. FSRP Members

Researchers Involved

Food Security Research Project (FSRP) In-Country Researchers: Antony Chapoto, Kasweka Chinyama, Jones Govereh (In-Country Coordinator), Tadeyo Lungu, Misheck Nyembe, Stephen Kabwe, and Michael Weber.

MSU Campus Backstop: Steven Haggblade, Thomas Jayne, Cynthia Donovan, David Tschirley, James Shaffer, Margaret Beaver.

ANNEXES

A.1 FSRP Policy Extension and Outreach Activities/Presentations

- [Zambia Agricultural Policy. Delivering Public Facilitation & Private Sector-Led Growth.](#) FSRP/MATEP Research/Outreach Team. Presented to Finnish Delegation, Lusaka Zambia. September 25, 2007.
- [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia.](#) Antony Chapoto, T.S. Jayne and N. Mason. PEGnet Conference, Berlin Germany September 6-7, 2007.
- [Vulnerability and Resilience of Social-Ecological Systems: Perspectives from Studies Underway in Zambia of Urban/Rural Food Marketing Systems.](#) RIHN's (Vulnerability and Resilience of Social-Ecological Systems) - First Lusaka Workshop, Sept 3, 2007. Prepared by M.T. Weber and the MACO/ACF/FSRP/MATEP Research/Outreach Team.
- [Under-appreciated Aspects of Smallholder Agriculture: Possible Implications for Information System Design.](#) Thom Jayne and Colleagues, Food Security Research Project - Zambia. Presentation to Gates Foundation WorldAgInfo Project Design Team, Agricultural Consultative Forum, Lusaka, Zambia, August 13, 2007.
- [Regional Trade in Food Staples: Using Trade Policy to Improve Farmer Incentives and Food Security.](#) Jones Govereh. Food Security Research Project, MACO/ACF/MSU. Presentation at the International Conference on Strengthen and Widening markets and Overcoming Supply Side Constraints for African Agriculture. Organized by the International Food and Trade Policy Council and the Partnership to Cut Hunger and Poverty in Africa. June 3-5, 2007.
- [Selected Comments on Zambia Budget Allocation in Agriculture & Maize and Fertilizer Marketing in Zambia.](#) Presentation to Zambia PRBS Review Meeting By MACO/ACF/FSRP/MATEP Research/Outreach Team. Mulungushi International Conference Centre, Lusaka, Zambia, June 5, 2007.
- [Agricultural Sector Budget Analysis.](#) Jones Govereh. Presentation to Farmer Organization Support Programme (FOSUP). Lusaka, Zambia. June 1, 2007.
- [Measuring Public Expenditures in Agriculture.](#) Jones Govereh, Emma Malawo, T.S. Jayne, and P. Chilonda. Presented at the Regional Strategic Analysis and Knowledge Support System for Southern Africa (ReSAKSS-SA), Pamodzi Hotel, Lusaka, Zambia, May 29, 2007.
- Data Consideration in Measuring Public Expenditure in Agriculture: Illustrations Using the Case of Zambia. Presentation made by Jones Govereh at the Regional Strategic Analysis and Knowledge Support System for Southern Africa (ReSAKSS-SA), Pamodzi Hotel, Lusaka, Zambia, May 29, 2007.
- [An Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberation on the Cotton Act.](#) Stephen Kabwe and David Tschirley. Presented at the Agricultural Consultative Forum. May, 2007.
- [Zambia's Cassava Value Chain Task Force.](#) Steve Haggblade. Presentation made to the SIDA Regional Resource Centre for Rural Development (RRD) regional meetings for East and Southern Africa on *"Linking small-scale producers and processors access to dynamic and restructured local, regional and international markets for high value products"*. Frangilla, Zambia. May 16, 2007.
- Testimony to the Parliamentary Committees on Agriculture and Lands on Agricultural Marketing and Finance Systems in Zambia, by the Food Security Research Project. National Assembly, Parliament Building, Lusaka. May 2, 2007
 - [Written Submission](#)
 - [Oral Presentation](#)
- [Zambia: Trends in growth of modern retail and wholesale chains and related agribusiness. Information Sheet - April 2007.](#) Munguzwe Hichaambwa (FSRP), Hyde Haantuba and Masiye Nawiko (ACF). Outreach Sheet, published by Regoverning Markets.

- [A Comparison of Maize Price Stability between Countries Supporting and Restricting Regional Trade](#). Antony Chapoto and T.S. Jayne. 2nd African Grain Trade Summit Nairobi, Kenya, April 18-19, 2007.
- [Agricultural Sector Budget Analysis](#). FSRP. MACO/ACF/CSO/MSU. Lusaka, Zambia. Feb 2007.
- [Magoye Ripper: An Evaluation of Benefits and Problems](#). Stephen Kabwe, Cynthia Donovan, and David Samazaka. Presentation to MACO Staff. Lusaka, 24 November, 2006.
- MACO/FSRP/MATEP Policy Dialogue. "Achievements, Challenges and Opportunities for Continued Poverty Alleviation and Growth in the Agricultural Sector in Zambia". 27-29 November 2006. Fringilla Lodge, Lusaka.
 - [Agenda](#)
 - [The COMESA CAADP Priority Countries: Rwanda, Malawi, Zambia, Uganda, Kenya, Ethiopia](#). Ambassador N. L. Hussainy – COMESA
 - [Agricultural Growth and Poverty Trends in Zambia: Key Findings](#). Jones Govereh and FSRP colleagues.
 - [Objectives and Volume of Public Investments in Zambia's Agriculture](#). Julius Shawa, Jones Govereh, Steven Haggblade, and Emma Malawo.
 - [Composition of Zambian Public Spending on Agriculture](#). Jones Govereh, Steven Haggblade, Emma Malawo and Julius Shawa.
 - [Proposed Agricultural Marketing Act \(AMA\) Concept – Update Notes](#). Green Mbozi.
 - [Agricultural Credit Act Amendment Process – Update Notes](#). Green Mbozi.
 - [Making Maize Markets Work for Zambian Small Farmers, Traders & Consumers](#). FSRP/MATEP Research/Outreach Team.
 - [Regional Maize Trade: Implications for Food Security & Agricultural Growth](#). Mupelwa Sichilima.
 - [Evaluation of Farmer Use of the Magoye Ripper](#). Stephen Kabwe, Cynthia Donovan. Presentation made to GART and CFU Staff. Chisamba, 21 November, 2006.
- [Proceeding of the Ministry of Agriculture and Cooperatives and the Food Security Research Project Policy Dialogue: Achievements, Challenges and Opportunities for Continued Poverty Alleviation and Growth in the Agricultural Sector in Zambia](#). Held at Fringilla Lodge, Lusaka, Zambia on 27-29th November, 2006.
- [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S. Jayne and N. Mason. Brown Bag, African Studies Center. Michigan State University. September 21, 2006.

A.2 FSRP Working Papers and Reports

- [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence From Zambia \(Revised Version\)](#). Antony Chapoto, T.S. Jayne, N. Mason. Working Paper No. 25. Food Security Research Project. Lusaka, Zambia. September 2007. (CDIE reference number pending)
- [Trends in Agricultural and Rural Development Indicators in Zambia](#). T.S. Jayne, J. Govereh, P. Chilonda, N. Mason, A. Chapoto and H. Haantuba. Working Paper No. 24. Food Security Research Project. Lusaka, Zambia. June 2007. (CDIE reference number PN-ADJ-201)
- [Assessment of the Farm Level Financial Profitability of the Magoye Ripper in Maize and Cotton Production in Southern and Eastern Provinces](#). Stephen Kabwe, Cynthia Donovan, and David Samazaka. Working Paper No. 23. Food Security Research Project. Lusaka, Zambia. May 2007. (CDIE reference number PN-ADJ-131)
- [Smallholder Household Maize Production and Marketing Behavior in Zambia and Its Implications for Policy](#). Ballard Zulu, T.S. Jayne and Margaret Beaver. Working Paper No. 22. Food Security Research Project. Lusaka, Zambia. April 2007. (CDIE reference number PN-ADI-723)

- [A Value Chain Task Force Approach for Managing Private-Public Partnerships: Zamiba's Task Force on Acceleration of Cassava Utilization](#). Maureen Chitundu, Klaus Droppelmann and Steven Haggblade. Working Paper No. 21. Food Security Research Project. Lusaka, Zambia. December 2006. (CDIE reference number PN-ADI-177)
- [Raising the Productivity of Public Investments in Zambia's Agricultural Sector](#). J. Govereh, J.J. Shawa, E. Malawo, and T.S. Jayne. Working Paper No. 20. Food Security Research Project. Lusaka, Zambia. December 2006. (CDIE reference number PN-ADI-176)
- [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S. Jayne, N. Mason. Working Paper No. 19. Food Security Research Project. Lusaka, Zambia. November 2006. (CDIE reference number PN-ADH-695)

A.3 FSRP Policy Syntheses

- [Security of Widow's Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S. Jayne and N. Mason. Number 22. September 2007. (CDIE reference number pending).
- [Urgent Need for Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberations on the Cotton Act](#). David Tschirley and Stephen Kabwe. Number 21. April 2007 (CDIE reference number PN-ADI-724).
- [Smallholder Household Maize Production and Marketing Behavior in Zambia: Implications for Policy](#). Ballard Zulu, T.S. Jayne and Margaret Beaver. Number 20. April 2007 (CDIE reference number PN-ADI-722)
- [Returns to Investment in Agriculture](#). Steven Haggblade. Number 19. January 2007. (CDIE reference number PN-ADI-713)
- [Assessment of the Farm Level Agronomic and Financial Benefits of the Magoye Ripper in Maize and Cotton Production in Southern and Eastern Provinces](#). Stephen Kabwe, Cynthia Donovan, and David Samazaka. Number 18. December 2006. (CDIE reference number PN-ADI-178)
- [Understanding Zambia's Domestic Value Chains for Fresh Fruits and Vegetables](#). Munguzwe Hichaambwa, David Tschirley. Number 17. November 2006. (CDIE reference number PN-ADH-796)
- [Emerging Structural Maize Deficits in Eastern and Southern Africa: Implications for National Agricultural Strategies](#). T.S. Jayne and Antony Chapoto. Number 16. September 2006. (CDIE reference number PN-ADH-681).

A.4 Professional Publications

- Byron, E., A. Chapoto, M. Drinkwater, S. Gillespie, P. Hamazakaza, T. Jayne, S. Kadiyala, M. McEwan, and F. Samuels. 2007. AIDS and Agriculture in Zambia. *Food and Nutrition Bulletin* 28(2): S339-344.
- Jayne, T.S., A. Chapoto, E. Byron, M. Ndiyoi, P. Hamazakaza, S. Kadiyala, and S. Gillespie. September 2006. Community-Level Impacts of AIDS-Related Mortality. Panel Survey Evidence from Zambia, *Review of Agricultural Economics*, Vol. 28 (3): 440-457.

A.5 FSRP Website

Available at: <http://www.aec.msu.edu/agecon/fs2/zambia/index.htm>

- For a PDF version of the cumulative FSRP webpage as of Oct 1, 2007 see the button on FSRP web page: **Cumulative Project Output Reports: 2006/07, 2005/06, 2004/05**