

PRIORITIES IN RESOURCE ALLOCATION WITHIN MACO

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Introduction

Agriculture is key to:

- Poverty Reduction
- Employment Creation
- Export Earnings
- National Development

Trends in Resource Allocation to the Agricultural Sector

Year	Total Allocation to the Sector	% of Total Budget
2001	194.0 Billion	4
2002	354.4 Billion	6
2003	498.5 Billion	7
2004	343.2 Billion	4
2005	465.4 Billion	5

2005 Resource Allocation to MACO

- A total of K346.8 billion was allocated to the Ministry in the 2005 Budget
- K140 billion - Fertilizer Support Program, K59.1 billion – Strategic Food Reserves, K75.3 billion - Personal Emoluments, K72.3 billion - other programs.

2005 Resource Allocation to MACO Continued

Expenditure Category	% of MACO Budget
Personal Emoluments	22
Operational Funds	
HQ based Departments	3
Provincial Agricultural Coordinating Offices	1
District Agricultural Coordinating Offices	6
FTCs & FIs	1
Agric Training & Research	2
Grants and Other Payments	1
Agricultural Shows	0.3
Operational funds account for 14% of the Budget	

2005 Resource Allocation to MACO Continued

Expenditure Category	% of MACO Budget
Poverty Reduction Programs	
Fertilizer Support Program	40
Strategic Food Reserves	17
Other PRPs	7
Poverty Reduction Programs account for 64 percent of MACO Budget	

Resource Allocation to Priority Programs in 2005

Only 7 percent of MACO Budget for priority programs

ESTIMATED FUNDING REQUIREMENTS FOR PRIORITY PROGRAMS PROMOTING GROWTH

Program	Funding Requirement
Irrigation Development	145,000,000,000
Access to Land, Farm Blocks & Infrastructure Development	150,000,000,000
Livestock Production & Disease Control	100,000,000,000
Fisheries & Aquaculture	15,000,000,000
Conservation Farming	15,000,000,000

ESTIMATED FUNDING REQUIREMENTS FOR PRIORITY PROGRAMS PROMOTING GROWTH CONTINUED

Program	Funding Requirement
Marketing & Processing	124,000,000,000
Soils & Crop Research	50,000,000,000
Seed Industry	10,000,000,000
Out grower Scheme	15,000,000,000
Farmer Organizations & Cooperatives	10,000,000,000

ESTIMATED FUNDING REQUIREMENTS FOR PRIORITY PROGRAMS PROMOTING GROWTH CONTINUED

Program	Funding Requirement
Crop Diversification & Extension	150,000,000,000
Total	794,000,000,000
Actual allocation to priority programs in 2005	23,304,464,456

ESTIMATED FUNDING REQUIREMENTS FOR PRIORITY PROGRAMS PROMOTING GROWTH CONTINUED

- Only 3 percent of the actual requirement for priority programs was allocated in 2005 MACO Budget

Conclusion

Since Government has placed agriculture at the centre stage of economic development, we should consider the trade off between short term interventions and investment in the high priority programs with emphasis on enhanced productivity.

THE END

THANK YOU