

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?

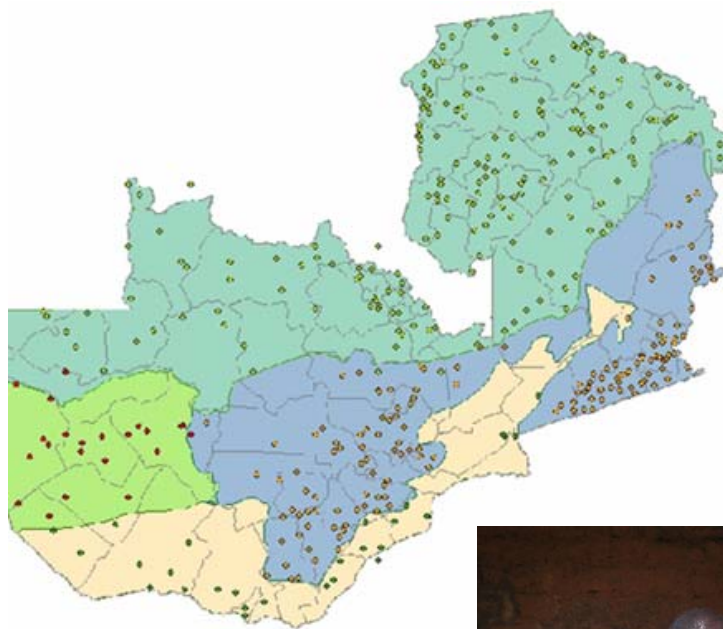
1. Over $\frac{1}{2}$ of rural farm population in Zambia controls < 1.0 ha. Land constraints are impeding achievement of poverty reduction goals
2. Land productivity is far below potential – in part due to inadequate investment in smallholder areas
3. There remains a great deal of unutilized land in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

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

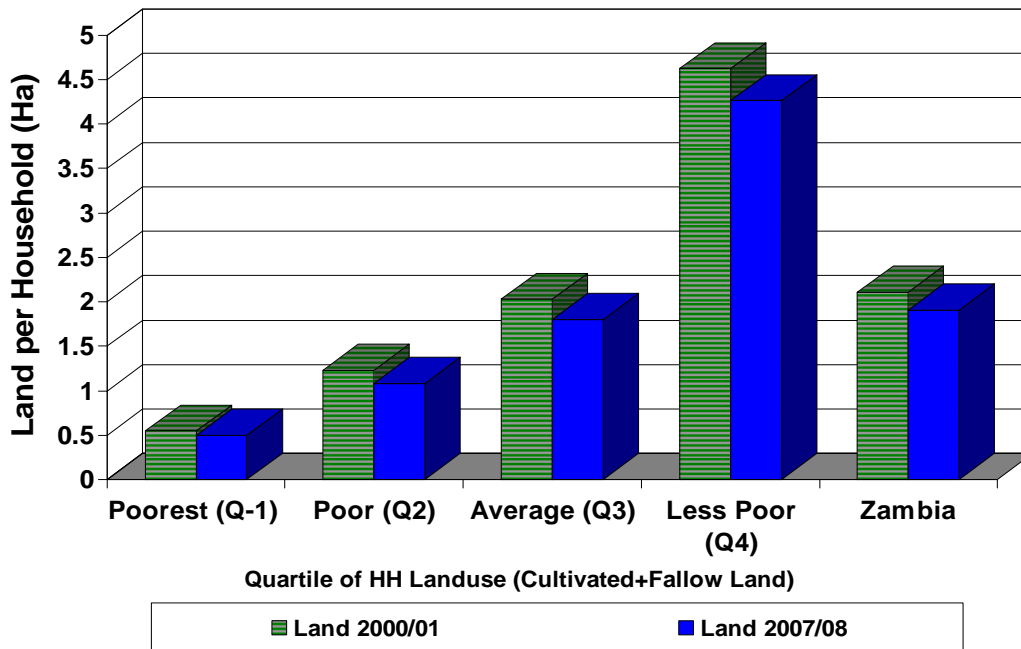
- Poverty reduction – equitable rural development
- Agricultural growth and national food security

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

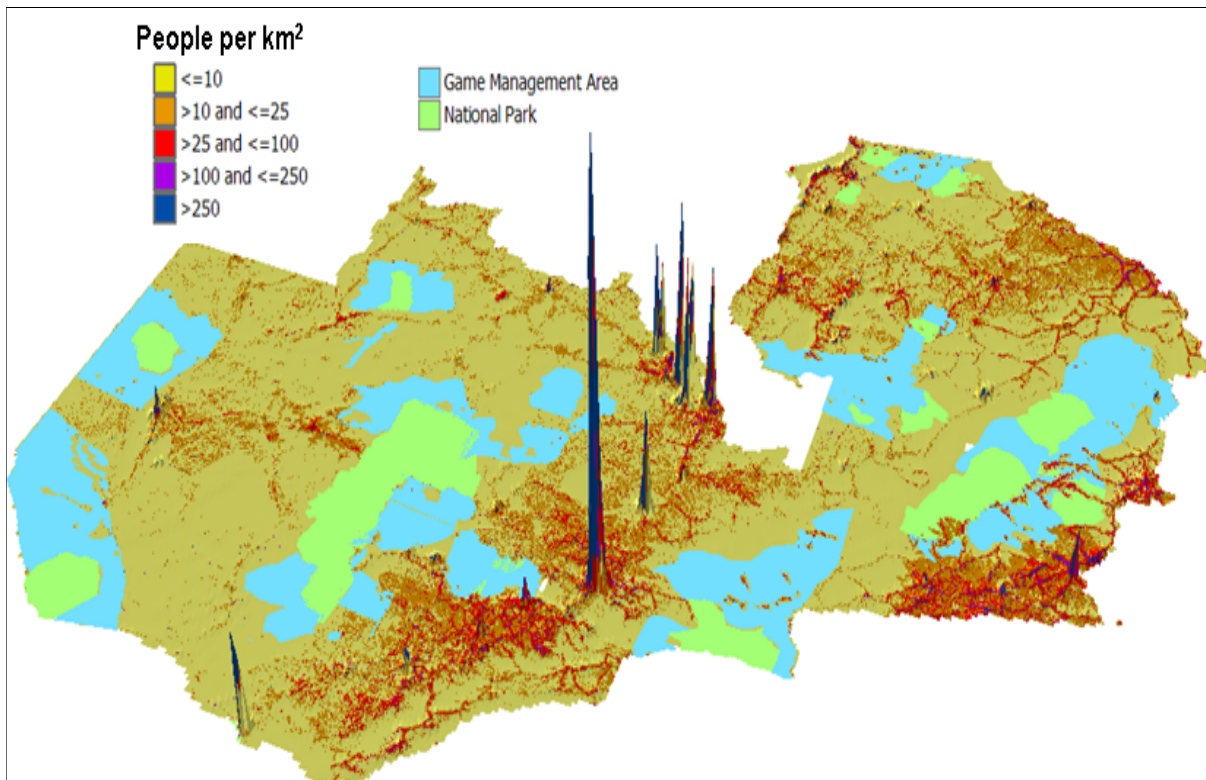


Farm Size (Cultivated + Fallow Fields) For Small & Medium-Scale Farmers, 2001 and 2008



Source: CSO/MACO/FSRP 2000/01 & 2007/088 National-Level Supplemental Rural Livelihood Survey

Population Density, Zambia



Disparities in livelihoods within smallholder agriculture, Zambia

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

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

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- 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)

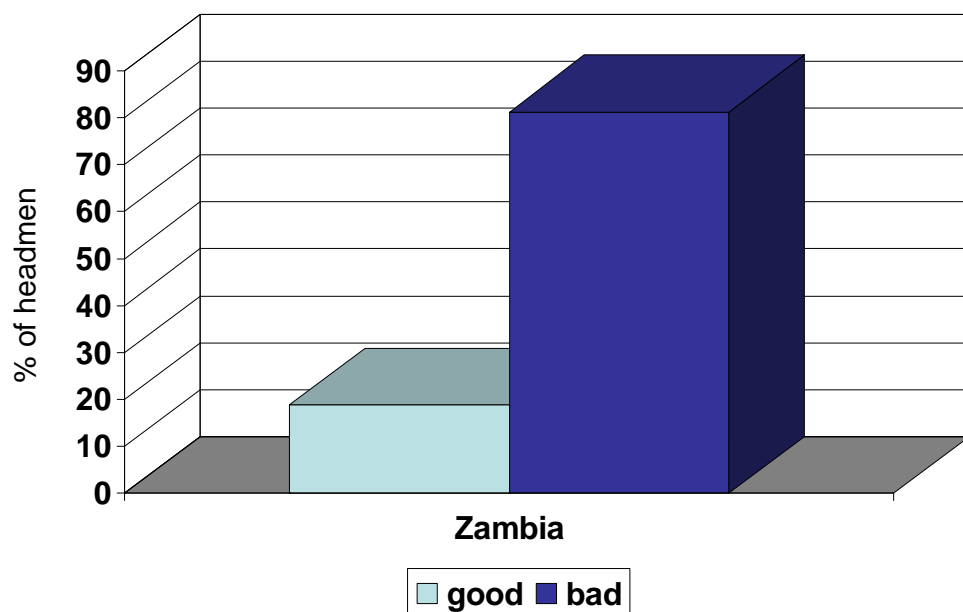
Farm Blocks

- “Anchor” farm
- smallholder farmers to locate around the anchor farm
 - Receive inputs/credit through the block
 - Market crops through the block

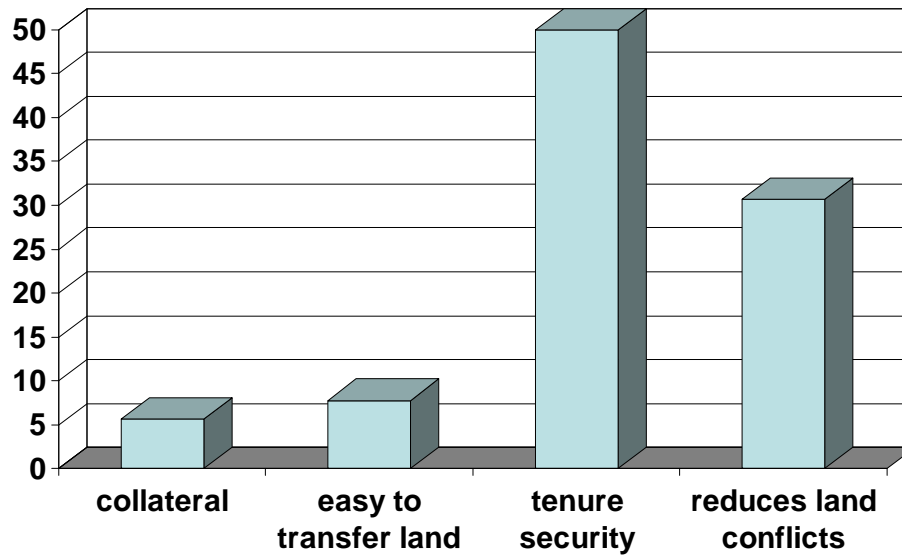
“Do you think the transfer of land from the chief to land under title deed is a good or bad policy?”

- 2008 survey of 1,053 village headmen

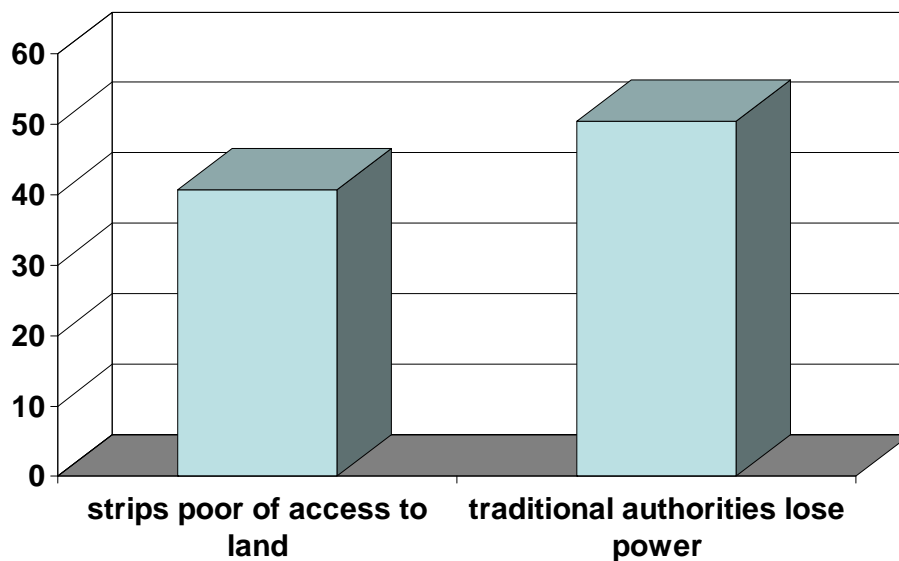
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Why good (18%)?



Why bad (81%)?



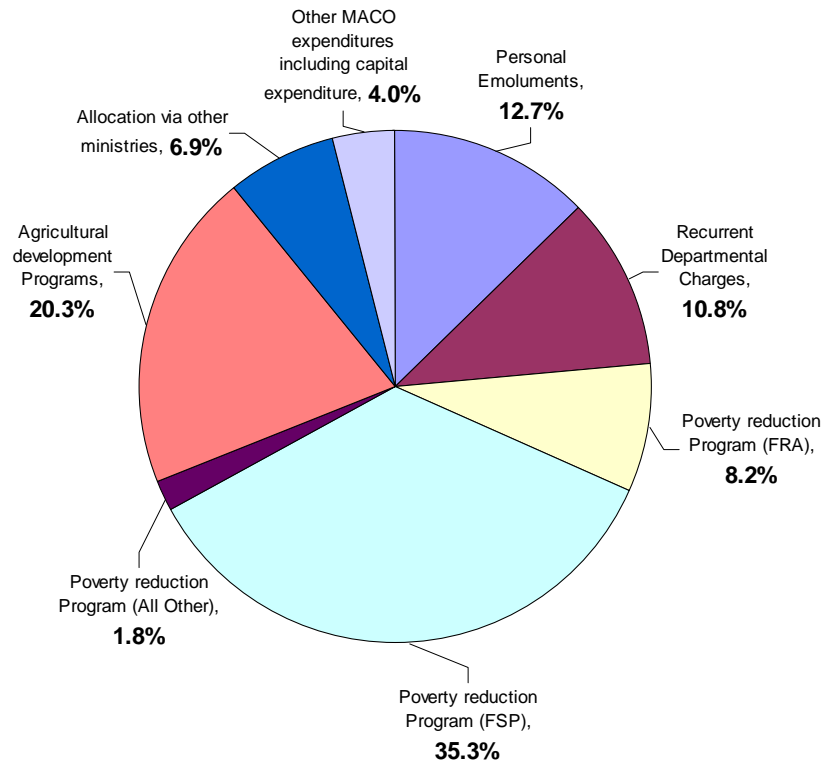
Considerations for policy (1):

1. Land constraints in smallholder areas are real -
 $\frac{1}{2}$ 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?

2009 Allocation of Public Budget to Agriculture



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?

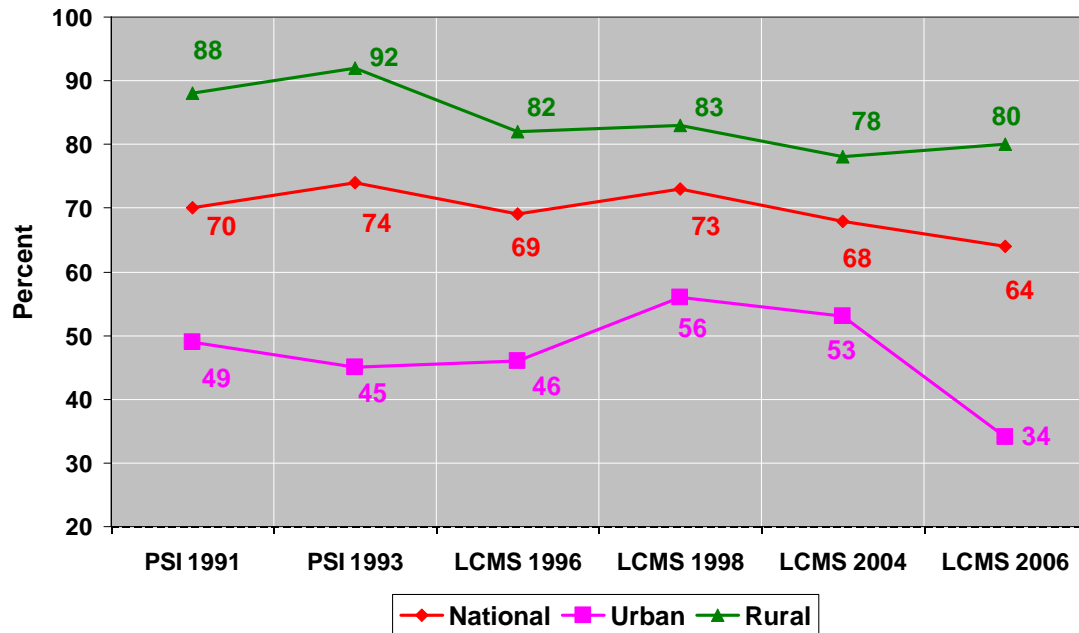
Considerations for policy (6):

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

Poverty Incidence in Zambia (%) (1991-2006)



Political economy of public resource allocation

