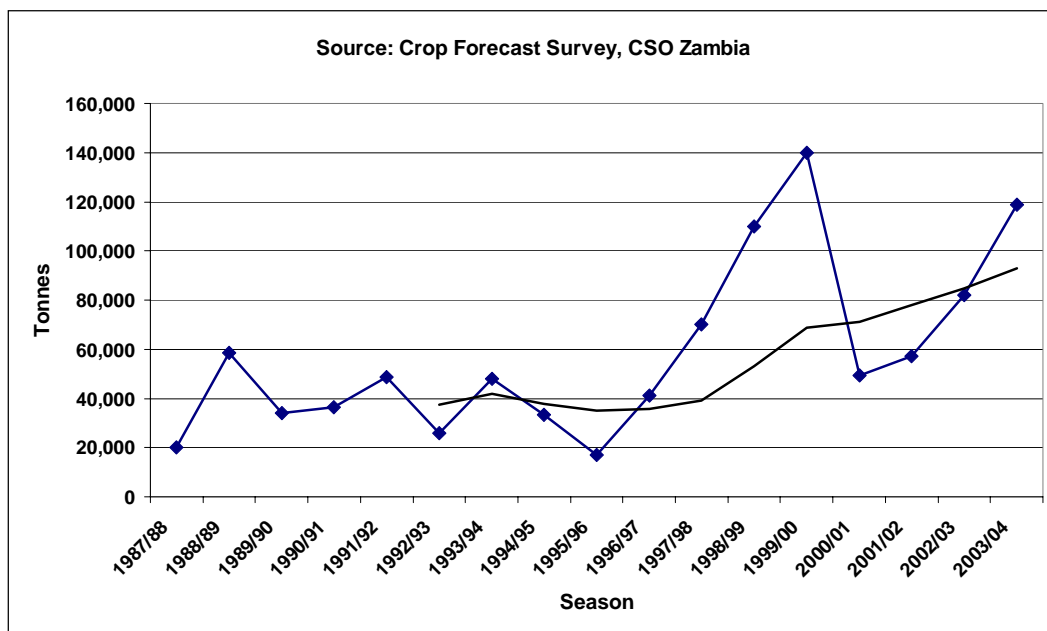


## Increasing Output, Productivity and Income of Small-holder farmers

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

### Cotton Production



## 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

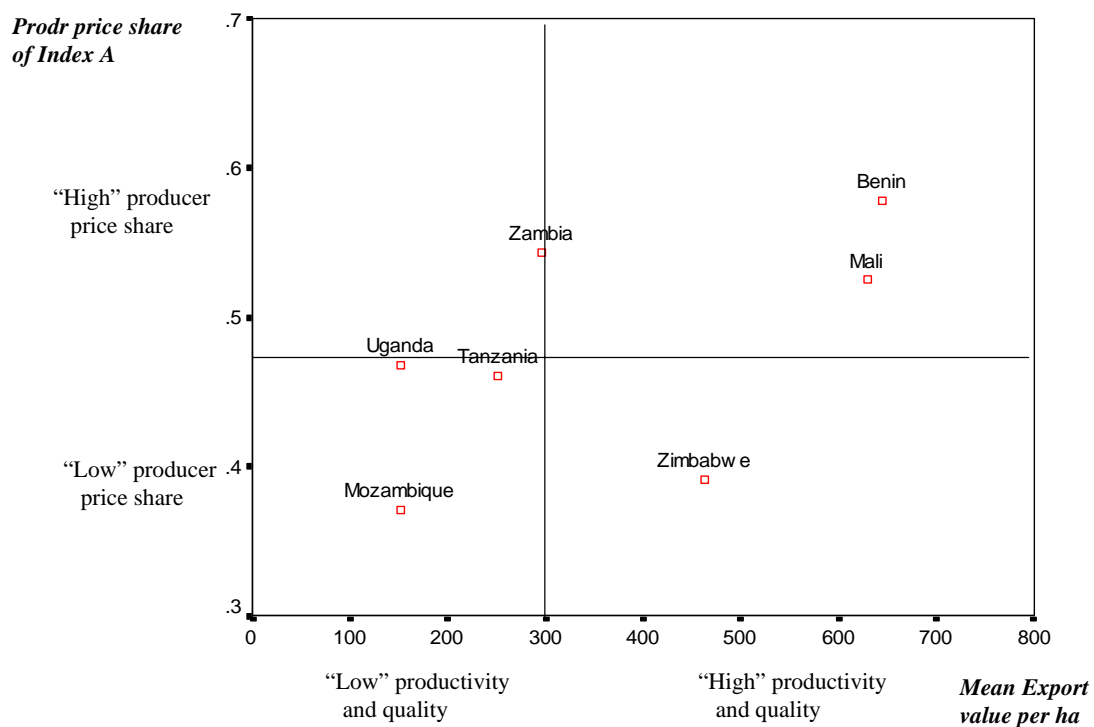
- Cash crop & food insecurity?
- Pricing of cotton, are Zambian farmers being exploited?
- US subsidies, what can be done?

# Cotton Producers Vs Non-Cotton Producers in Central, Eastern & Southern Provinces of Zambia

Attribute	Cotton Producers	Non-Cotton Producers
Area Cultivated (Ha/HH)	2.39	1.37
Area Maize Cultivated (Ha/HH)	1.1	1
Maize Yield (kgs/Ha)	1,394	1,409
Maize Total Production (kgs/HH)	1,452	1,323

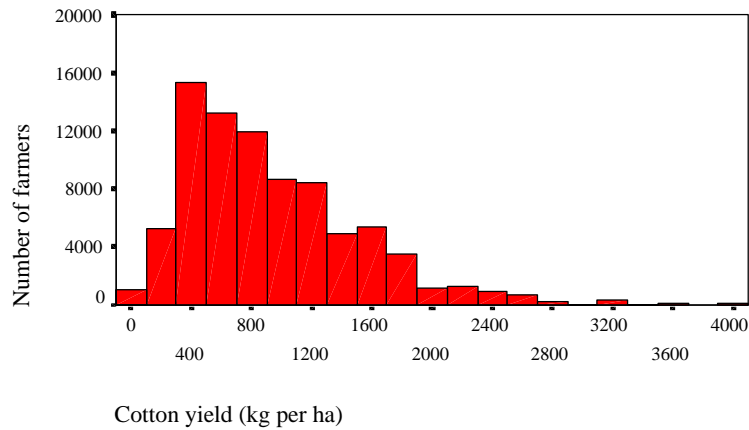
Source: CSO 1997/98 Post Harvest Survey

**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



Source: Central Statistical Office unpublished Post Harvest Survey data, 1997/98, estimated by Food Security Research Project.

## Issues For Government

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