



**STATEMENT BY HON. EMMANUEL T. CHENDA, M.P,
MINISTER OF AGRICULTURE AND LIVESTOCK**

AT THE

LAUNCH OF

**THE POLICY MONITORING AND RESEARCH CENTRE
(PMRC)**

**ON THE TOPIC: “THE PATRIOTIC FRONT AGRICULTURAL
POLICY AND ITS CONTRIBUTION TO JOB CREATION.”**

19TH OCTOBER, 2012

HIS HONOUR THE VICE PRESIDENT,

HONOURABLE CABINET MINISTERS PRESENT,

HONOURABLE DEPUTY MINISTERS PRESENT,

MEMBERS OF THE DIPLOMATIC CORPS,

CHAIRPERSON, STAFF AND BOARD MEMBERS OF PMRC,

LADIES AND GENTLEMEN.

I AM DELIGHTED TO JOIN YOU ON THIS SPECIAL OCCASION TO MARK THE LAUNCH OF THE POLICY MONITORING AND RESEARCH CENTRE (PMRC).

ALLOW ME TO BEGIN BY CONGRATULATING HIS EXCELLENCY, THE PRESIDENT OF THE REPUBLIC OF ZAMBIA, MR MICHAEL CHILUFYA SATA ON THE DECISION OF HIS GOVERNMENT TO CREATE THE POLICY MONITORING AND RESEARCH CENTRE.

IT IS GRATIFYING TO NOTE THAT THE POLICY MONITORING AND RESEARCH CENTRE IS UNDERTAKING CRUCIAL WORK TO ANALYSE EXISTING POLICIES, DISSEMINATE RESEARCH BASED REFORM PROPOSALS AND PROVIDE QUALITY DATA ON WHAT GOVERNMENT IS DOING TO ACHIEVE THE COMMITMENTS IT MADE TO THE PEOPLE OF ZAMBIA .

I AM CONFIDENT THAT THE PMRC WILL PROVIDE WELL RESEARCHED EVIDENCE BASED ANALYSIS THAT WILL HELP DEMONSTRATE TO ZAMBIANS, THE ASPIRATIONS AND ACHIEVEMENTS OF THE PATRIOTIC FRONT GOVERNMENT. THIS WILL CONTRIBUTE TOWARDS FOSTERING AND SUPPORTING A NATIONAL STRATEGIC DEVELOPMENT AGENDA IN LINE WITH THE PF GOVERNMENT MANIFESTO.

CHAIR PERSON,

AGRICULTURAL IN ZAMBIA WILL, FOR A LONG TIME TO COME, CONTINUE TO BE THE LEADING SECTOR IN TERMS OF JOB CREATION, INCOME GENERATION AND POVERTY REDUCTION.

ALLOW ME TO HIGHLIGHT A FEW STATISTICS TO ILLUSTRATE THIS POINT.

AS YOU MAY KNOW, THE ZAMBIAN ECONOMY CURRENTLY HAS 635,550 FORMAL SECTOR JOBS. IN 1978, THE YEAR FOR WHICH THE EARLIEST RECORDED SECTOR STATISTICS ARE AVAILABLE, 31,000 PEOPLE WERE FORMALLY EMPLOYED IN THE AGRICULTURAL SECTOR. BY 2011, THE NUMBER HAD INCREASED TO 75,000, AN INCREASE OF OVER 140%. THIS IS IN CONTRAST TO A SECTOR SUCH AS MINING WHERE 63,000 PEOPLE WERE FORMALLY EMPLOYED IN THE SECTOR IN 1978. BY 2011 THIS FIGURE HAD REDUCED TO 46,000, A DECREASE OF 24%.

ECONOMIC DEVELOPMENT THEORY TELLS US THAT AS AN ECONOMY GROWS, THE SHARE OF THE AGRICULTURAL SECTOR IN THE OVERALL ECONOMY DECLINES. HOWEVER, THIS IS CONTINGENT ON THE AGRICULTURAL SECTOR ATTAINING A CERTAIN CRITICAL MASS OF GROWTH AND EFFICIENCY. ZAMBIA HAS

NOT YET REACHED THIS STAGE OF DEVELOPMENT AND IT IS CLEAR THAT ANY DEVELOPMENT STRATEGY THAT ZAMBIA PURSUES MUST BE FIRMLY ANCHORED ON AGRICULTURAL GROWTH.

CHAIRPERSON,

FORMAL EMPLOYMENT IN THE AGRICULTURAL SECTOR IS THE THIRD HIGHEST WITH THE SERVICES AND TRADE SECTORS BEING SECOND AND FIRST RESPECTIVELY. THE COUNTRY ALSO HAS AN ESTIMATED 1.5 MILLION AGRICULTURAL HOUSEHOLDS. HOWEVER, WITH THE PF GOVERNMENT'S GOOD POLICIES AND A CLIMATE CONDUCIVE TO INVESTMENT, THE NUMBER OF FORMAL JOBS IN THE SECTOR IS GOING TO SIGNIFICANTLY INCREASE OVER THE COMING YEARS. AS YOU MAY BE AWARE, THE MINISTER OF FINANCE HAS JUST RECENTLY ANNOUNCED IN HIS BUDGET SPEECH AN INITIATIVE TO CREATE 550,000 JOBS IN THE AGRICULTURAL SECTOR OVER THE NEXT 5 YEARS.

IN ENSURING THAT ZAMBIA ATTAINS A SIGNIFICANT LEVEL OF GROWTH IN EMPLOYMENT AND ECONOMIC GROWTH IN THE AGRICULTURAL SECTOR, IT IS CRITICAL TO IDENTIFY KEY FOCUS AREAS THAT ARE CENTRAL TO ACHIEVING THE VISION OF GOVERNMENT.

BROADLY SPEAKING, ZAMBIA NEEDS TO DO THREE THINGS;

1. IMPROVE ON PRODUCTIVE EFFICIENCY. THIS WILL MAKE OUR ECONOMY MORE COMPETITIVE.
2. IMPROVE MARKET ACCESS BY INVESTING IN THE NECESSARY INFRASTRUCTURE TO CREATE MORE EFFICIENT MARKET LINKAGES.
3. IMPROVE ON THE REGULATORY AND POLICY FRAMEWORK.

THESE BROAD POLICY MEASURES WILL RESULT IN ZAMBIA'S PRODUCTS BEING MORE COST COMPETITIVE ON THE INTERNATIONAL MARKET AND STIMULATE LOCAL PRODUCTION. THIS WILL RESULT IN MORE EMPLOYMENT OPPORTUNITIES BEING CREATED.

LET ME GIVE SOME SPECIFIC EXAMPLES OF AREAS THAT NEED ATTENTION IN ORDER FOR THE THREE BROAD POLICY OBJECTIVES TO BE ACHIEVED.

1. **ALLOCATION OF RESOURCES** MUST BE DIRECTED TO AREAS IN THE SECTOR THAT WILL HELP GENERATE SIGNIFICANT ECONOMIC GROWTH, ACHIEVE AND SUSTAIN FOOD SECURITY, INCREASE INCOMES, CREATE EMPLOYMENT OPPORTUNITIES AND REDUCE POVERTY. IT IS IMPORTANT THAT OUR POLICY PRIORITIES MUST ALSO BE REFLECTED IN THE NATIONAL BUDGET.

2. **AGRICULTURAL DIVERSIFICATION:** THE PATRIOTIC FRONT GOVERNMENT PLACES HIGH PRIORITY ON DIVERSIFYING AGRICULTURE. MY MINISTRY IS FOCUSING ON PROMOTING THE PRODUCTION OF CROPS, OTHER THAN MAIZE. THESE INCLUDE CASSAVA, RICE, SORGHUM, SOYA-BEANS, WHEAT, COTTON AND CASHEWNUTS, TO NAME A FEW. THE PF MANIFESTO PLACES EMPHASIS ON OUT-GROWER PROGRAMMES FOR OUR CASH CROPS AND MY GOVERNMENT WILL USE THIS MODEL IN ORDER TO BRING MORE SMALL-SCALE FARMERS INTO THE CASH ECONOMY. FURTHER, LIVESTOCK AND FISHERIES HAVE ALSO BEEN TARGETED AS KEY PRIORITY AREAS OF FOCUS.
3. **REVIEWING AND REFORMING OF THE FARMER INPUT SUPPORT PROGRAMME (FISP):** THE MASSIVE SUBSIDIES ON MAIZE CHANNELLED THROUGH FISP/FRA HAVE CONTRIBUTED TO THE RAPID INCREASE IN MAIZE PRODUCTION THROUGHOUT THE COUNTRY. DESPITE THESE POSITIVE RESULTS THERE HAVE BEEN A NUMBER OF CONCERNS ABOUT THE PROGRAMME'S PERFORMANCE. THESE INCLUDE; POOR BENEFICIARY TARGETING, LOW IMPACT IN TERMS OF PRODUCTIVITY, HIGH LEVELS OF ABUSE, NEGATIVE IMPACT ON PRIVATE SECTOR PARTICIPATION IN AGRICULTURAL INPUTS SUPPLY MARKETS AND THE PROGRAMME'S LONG-TERM SUSTAINABILITY. THE PROGRAMME ALSO HAS SIGNIFICANT ADMINISTRATIVE AND LOGISTICAL COSTS. FURTHER, THE PROGRAMME HAS SLOWED DOWN THE DIVERSIFICATION EFFORT.
4. **REVIEW AND REFORM OF THE FOOD RESERVE AGENCY (FRA) MANDATE:** THE FRA HAS BECOME THE LARGEST BUDGETARY ALLOCATION ITEM WITHIN THE MINISTRY OF AGRICULTURE AND LIVESTOCK. DESPITE THE HUGE GOVERNMENT EXPENDITURE ON MAIZE PURCHASES, THE AGENCY IS

PLAGUED BY SERIOUS INEFFICIENCIES THAT HAVE RESULTED IN SIGNIFICANT WASTAGE OF MAIZE DUE TO POOR AND INADEQUATE STORAGE AS WELL AS EXTRA-ORDINARILY HIGH OVERHEAD COSTS. GOVERNMENT PLANS TO REVIEW AND REFORM THE OPERATIONS OF THE FRA TO MAKE IT MORE EFFICIENT. GOVERNMENT PLANS TO ENCOURAGE THE PRIVATE SECTOR TO TAKE A MORE ACTIVE ROLE IN CROP MARKETING.

5. **POLICIES ON CO-OPERATIVES** HAVE NOT BEEN EFFECTIVE. MANY PRIMARY, DISTRICT AND PROVINCIAL COOPERATIVES HAVE ESSENTIALLY COLLAPSED. THIS IS UNFORTUNATE AS GOVERNMENT NEEDS CO-OPERATIVES AS A STRATEGIC PARTNER ESPECIALLY IN PRODUCTION, VALUE ADDITION AND MARKETING.

6. **PROMOTING THE DEVELOPMENT OF THE LIVESTOCK AND FISHERIES SECTORS:** THE LIVESTOCK AND FISHERIES SUB-SECTORS ARE PRIORITY AREAS THAT REQUIRE SIGNIFICANT ATTENTION AND INVESTMENT. FOR EXAMPLE ZAMBIA'S POULTRY SECTOR HAS BEEN GROWING AT OVER 20% PER YEAR, THE HIGHEST LEVEL OF GROWTH IN THE AGRICULTURAL SECTOR. THE PF GOVERNMENT POLICY ON LIVESTOCK AND FISHERIES FOCUSSES ON THE FOLLOWING:

- PUTTING IN PLACE DISEASE CONTROL MEASURES. THESE INCLUDE; DIPPING, SPRAYING, VACCINATION AND DISEASE SURVEILLANCE. GOVERNMENT WILL RE-CLASSIFY LIVESTOCK DISEASES IN TERMS OF THEIR ECONOMIC AND FARMER IMPORTANCE. THIS WILL BE IN ORDER TO ESTABLISH SPECIFIC INTERVENTION MEASURES THAT ARE RELEVANT TO THE ECONOMIC IMPORTANCE OF THE DISEASE.

- INCREASING LIVESTOCK NUMBERS THROUGH THE ESTABLISHMENT OF LIVESTOCK BREEDING CENTRES, LIVESTOCK SERVICE CENTRES, AS WELL AS STOCKING AND RESTOCKING MEASURES.
- FACILITATING INCREASED INVESTMENT IN FISH FARMING OR AQUACULTURE AND ENCOURAGING SUSTAINABLE FISHING PRACTICES ON OUR NATURAL WATER BODIES.

7. **ENHANCEMENT OF AGRICULTURAL PRODUCTIVITY;** THE PF GOVERNMENT RECOGNISES THAT PRODUCTIVITY AMONG SMALL-SCALE FARMERS HAS HISTORICALLY BEEN LOW. THIS IS DESPITE VARIOUS INTERVENTIONS. LOW PRODUCTIVITY IS A RESULT OF LOW INPUT USE, POOR MANAGEMENT PRACTICES, INADEQUATE EXTENSION SERVICES AS WELL AS PHENOMENON SUCH AS CLIMATE CHANGE. LOW PRODUCTIVITY TRANSLATES INTO LOW INCOMES. THE PF GOVERNMENT POLICY IS TO IMPROVE AGRICULTURAL PRODUCTIVITY BY ENSURING THAT MORE RESOURCES ARE CHANNELLED TO IMPROVING FARMER ADVISORY SERVICES (RESEARCH, EXTENSION, VETERINARY) AS WELL AS ENSURING THAT FARMERS ADOPT GOOD AGRICULTURAL PRACTICES (SUCH AS CONSERVATION FARMING, CROP ROTATION AND THE USE OF CERTIFIED SEED). THE PROMOTION OF IRRIGATION WILL ALSO GREATLY CONTRIBUTE TOWARDS IMPROVED PRODUCTIVITY OF OUR FARMERS.

8. **INCREASING VALUE ADDITION IN AGRO PRODUCTS:-** ANOTHER KEY POLICY THRUST OF THE PF GOVERNMENT IS THE PROMOTION OF VALUE ADDITION THROUGH INCREASED INVESTMENT IN AGRO-PROCESSING. THE PROMOTION OF VALUE ADDITION IN HIGH PRODUCTION AREAS WILL HELP

IN CREATION OF JOBS ESPECIALLY IN RURAL AREAS. AS AN EXAMPLE, ZAMBIA IS CURRENTLY EXPERIENCING VERY HIGH DEMAND FOR SOYA-BEAN PRODUCTS SUCH AS SOYA CAKE AND OIL. THE ESTABLISHMENT OF TWO MAJOR EDIBLE OIL PROCESSING PLANTS IN LUSAKA AND CHIBOMBO IS A START TOWARDS FULFILLING THE POLICY OF VALUE ADDITION AND AGRO-PROCESSING. I AM ALSO INFORMED THAT A BARLEY MALTING PLANT IS BEING ESTABLISHED IN CENTRAL PROVINCE. THIS WILL ALSO CONTRIBUTE TOWARDS THE ESTABLISHMENT OF LOCAL JOBS THAT WERE PREVIOUSLY BEING CREATED IN SOME NEIGHBOURING COUNTRIES. ZAMBIAN BARLEY WAS EXPORTED FOR MALTING AND THEN RE-IMPORTED FOR USE BY THE BREWING INDUSTRY. ANOTHER EXAMPLE OF SUCCESS IN THE AGRICULTURAL SECTOR THAT NEEDS TO BE BUILT UPON IS THE SEED INDUSTRY. ZAMBIA'S SEED INDUSTRY HAS BEEN A REMARKABLE SUCCESS. THE COUNTRY HAS BECOME A MAJOR REGIONAL EXPORTER OF SEED. MORE EMPLOYMENT OPPORTUNITIES CAN BE CREATED THROUGH THE PROMOTION OF THE SEED SECTOR.

9. **REVIEW OF THE POLICY AND REGULATORY FRAMEWORK;** ONE OF THE MAJOR CHALLENGES THAT ZAMBIA FACES RELATES TO THE POOR REGULATORY ENVIRONMENT. EXAMPLES OF AREAS THAT REQUIRE ATTENTION INCLUDE ISSUES OF BIO-SAFETY STANDARDS, PHYTO-SANITARY REGULATIONS FOR AGRICULTURAL PRODUCTS AS WELL AS STRENGTHENING THE POLICY ENVIRONMENT SURROUNDING INTERNATIONAL TRADE IN COMMODITIES.

WHAT ROLE CAN THE PMRC PLAY IN ENSURING THAT GOVERNMENT STICKS TO THIS AMBITIOUS AGENDA?

THE ROLE OF RESEARCH IS VERY CRITICAL IN HELPING GOVERNMENT FORMULATE AND IMPLEMENT GOOD POLICIES. I WOULD LIKE TO URGE PMRC TO POSITION ITSELF AS A STRATEGIC PARTNER IN HELPING GOVERNMENT ACHIEVE THIS JOB CREATION AGENDA.

KEY AREAS OF FOCUS FOR PMRC SHOULD INCLUDE MARKET RESEARCH AND ANALYSIS FOR SECTORS SUCH AS COTTON. WE ARE ALL AWARE THAT THIS YEAR, THE SECTOR FACED A MAJOR PRICING CRISIS. I WISH TO URGE PMRC TO ADVISE GOVERNMENT ON APPROPRIATE POLICY POSITIONS THAT WILL HELP SUSTAIN GROWTH IN AGRICULTURAL COMMODITIES.

ANOTHER POTENTIAL AREA OF FOCUS FOR PMRC INCLUDES ANALYSIS ON THE EFFICIENCY OF RESOURCE ALLOCATION IN ZAMBIA. FOR INSTANCE, THE PMRC BACKGROUND NOTE NUMBER 5 OF ITS JOB SERIES DEALING WITH 'BROAD BASED WEALTH CREATION AND JOB CREATION THROUGH THE FARMER INPUT SUPPORT PROGRAMME (FISP)' PROVIDED EVIDENCE TO ASSIST GOVERNMENT IN ITS EXAMINATION OF THE EFFICACY OF THE FISP PROGRAMME. THEIR PAPER MADE A NUMBER OF RECOMMENDATIONS ON HOW BEST TO REVIEW THE FISP PROGRAMME. PMRC HAS CONDUCTED SOME RESEARCH AND ANALYSIS THAT DEMONSTRATES THAT THE DISTRIBUTION OF THE BENEFITS OF THESE PROGRAMMES ARE NOT AS WIDE SPREAD AS INTENDED BY GOVERNMENT. I THEREFORE, WELCOME MORE RESEARCH INTO HOW BEST GOVERNMENT CAN IMPROVE THE POLICY ENVIRONMENT SURROUNDING THESE PROGRAMMES.

A KEY MEASUREMENT OF SUCCESS IN THIS REGARD IS BUDGET PERFORMANCE. I WISH TO ENCOURAGE THE PMRC TO ENSURE THAT THE PROPOSED GOVERNMENT DELIVERY INDEX DOES INCLUDE A COMPONENT OF BUDGET TRACKING AND MONITORING. THIS WILL ENSURE THAT THE STATED GOALS OF AGRICULTURAL DIVERSIFICATION ARE NOT RESTRICTED TO BEING POLICY PRONOUNCEMENTS BUT ARE BACKED BY ADEQUATE RESOURCE ALLOCATION AND UTILIZATION.

IN CLOSING, LET ME THANK THE PMRC FOR THIS GOOD INITIATIVE. I WOULD LIKE TO ENCOURAGE YOU TO CONTINUE YOUR CLOSE COLLABORATION WITH THE GOVERNMENT. THIS WILL ENSURE THAT THE PF GOVERNMENT DELIVERS ON ITS PROMISES TO THE ZAMBIAN PEOPLE.

I THANK YOU ALL.