FARM TO MARKET ALLIANCE
Making markets work better for farmers

FtMA Zambia Country Brief
December 2022

Making markets work better for smallholder farmers

COUNTRY CONTEXT

Agriculture and agribusiness play an important role in the Zambian economy, contributing about **20% of Gross Domestic Product (GDP)** and about **12% in national expert earnings**. The sector employs **nearly 70% of Zambia's labour force** and remains the main source of income and employment for people living in rural areas. It is for this reason that Government has invested in the agricultural sector through various initiatives including **Farmer Input Support Program (FISP)**, reduction of customs duties on agricultural equipment and establishment of farming blocks to facilitate private sector involvement in the sector.

The Zambian agricultural sector rests on the shoulders of an estimated 1.6 million smallholder farmers of which over **20% are headed by women**.

About **78 per cent of Zambians as extremely poor or moderately poor in rural areas** compared to **28 per cent in urban areas**.

The most cited reason for poverty was the **inability of small holder farmers** who account for about **32% of the rural population** to afford agricultural inputs and the lack of capital to start up or expand their farms.

The high cost of inputs, poor rural infrastructure, lack of mechanization, and insufficient rural financial services make it difficult for smallholders to access needed resources for growth. To address these challenges and create meaningful impact, FtMA Zambia has been aligned to Zambia's Vision 2030 and Eighth (8th) National Development Plan 2022-2026. The Vision 2030 and 8NDP present a significant focus on improving agricultural production and productivity starting from the 2022/2023 farming season through the comprehensive agriculture support programme (CASP). The scope of this comprehensive programme includes provision of inputs through the electronic agro-input system, extension service support, access to finance, support to value addition, storage, and logistics. The focus areas of CASP form the basis of the FtMA model and therefore present a great opportunity for collaboration between FtMA and the Government of Zambia.

Government, development organisations and the private sector are deliberately promoting increase in use of agricultural technologies including improved seeds, digital markets, information platforms and a small holder farmer data base that will be accessible to interested agricultural players. Much has been done but what remains is the adoption of such technologies. FtMA Zambia will work with partners in building awareness and sensitizing farmers on how technology can improve their performance.

About Farm to Market Alliance in Zambia

Smallholder farmers are potential engines for economic growth – they are the key to building sustainable food systems, advancing food security and achieving Zero Hunger.

That is why the Farm to Market Alliance (FtMA) is focused on making markets work better for African SHFs and help them transition to commercial agriculture by providing adequate information, investment and support at all stages of the process – from seed to market.

FtMA is a consortium of six organizations [AGRA, Bayer, Rabobank, Syngenta, World Food Programme (WFP), Yara] with a joint vision to enable sustainable food systems through strengthened markets to empower farmers to increase the productivity and income of SHFs and develop commercial viability along the value chain for all stakeholders.

Better and more predictable access to markets unlocks opportunities for small producers to reliably sell more produce, with better quality and at higher prices. This in turn encourages them to invest in their own businesses, increase the quantity, quality and diversity of the crops they produce, and inject their incomes directly into the rural economy, creating employment and growth.

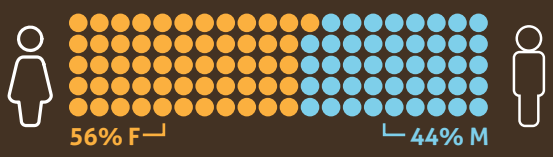
FtMA's Zambia approach is to support the smallholder farmers is focused on capacity strengthening of the Farmer Service Centers (FSCs') who are a wide range of existing community service providers including

- Agro-dealers
- Aggregators
- Cooperatives
- Farmer Clubs VSLAs (Village Savings and Loans Associations)
- SACCO's (Savings and Credit Cooperative Societies)

These FSCs' broker a wide array of services between the small holder farmers and the formal markets consisting of Input suppliers, service providers and off-takers. FtMA in Zambia works with several partners in ensuring that an integrated approach to building the capacity of the FSCs' delivers a sustainable business model.

Current outcomes from the partners identified include:

Over **21,000 farmers** reached so far



Provided education to over **10,880 farmers** on the benefits of conservation agriculture

211 FSCs' have been onboarded

1,584 MT of crops produce aggregated valued at over **$143K**

Over **20** private and public **partnerships** established

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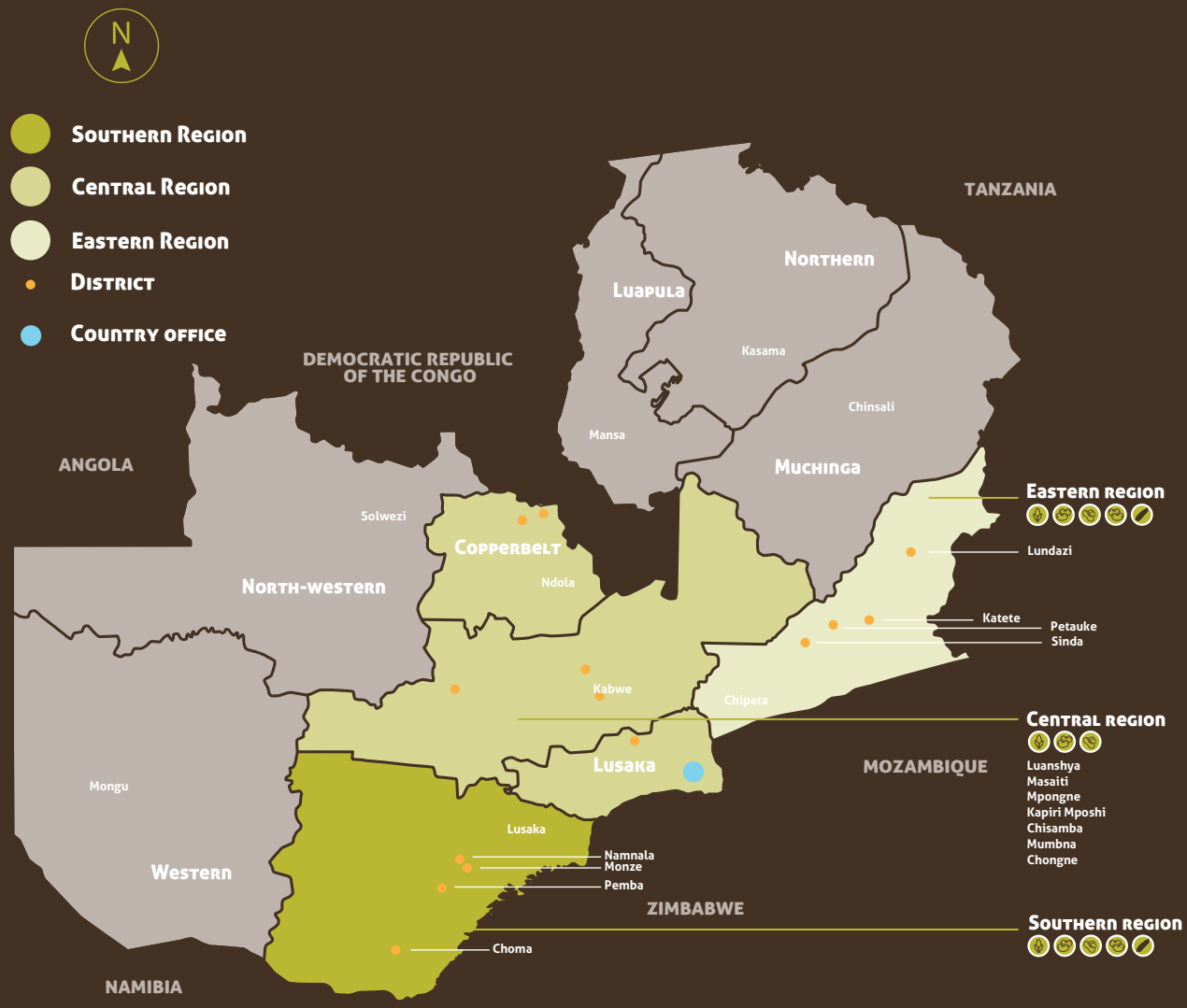
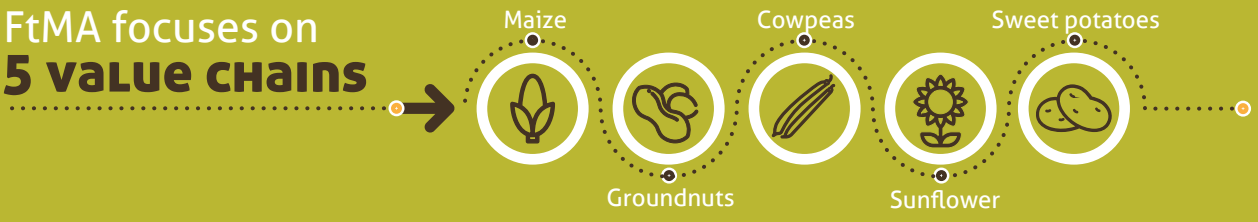


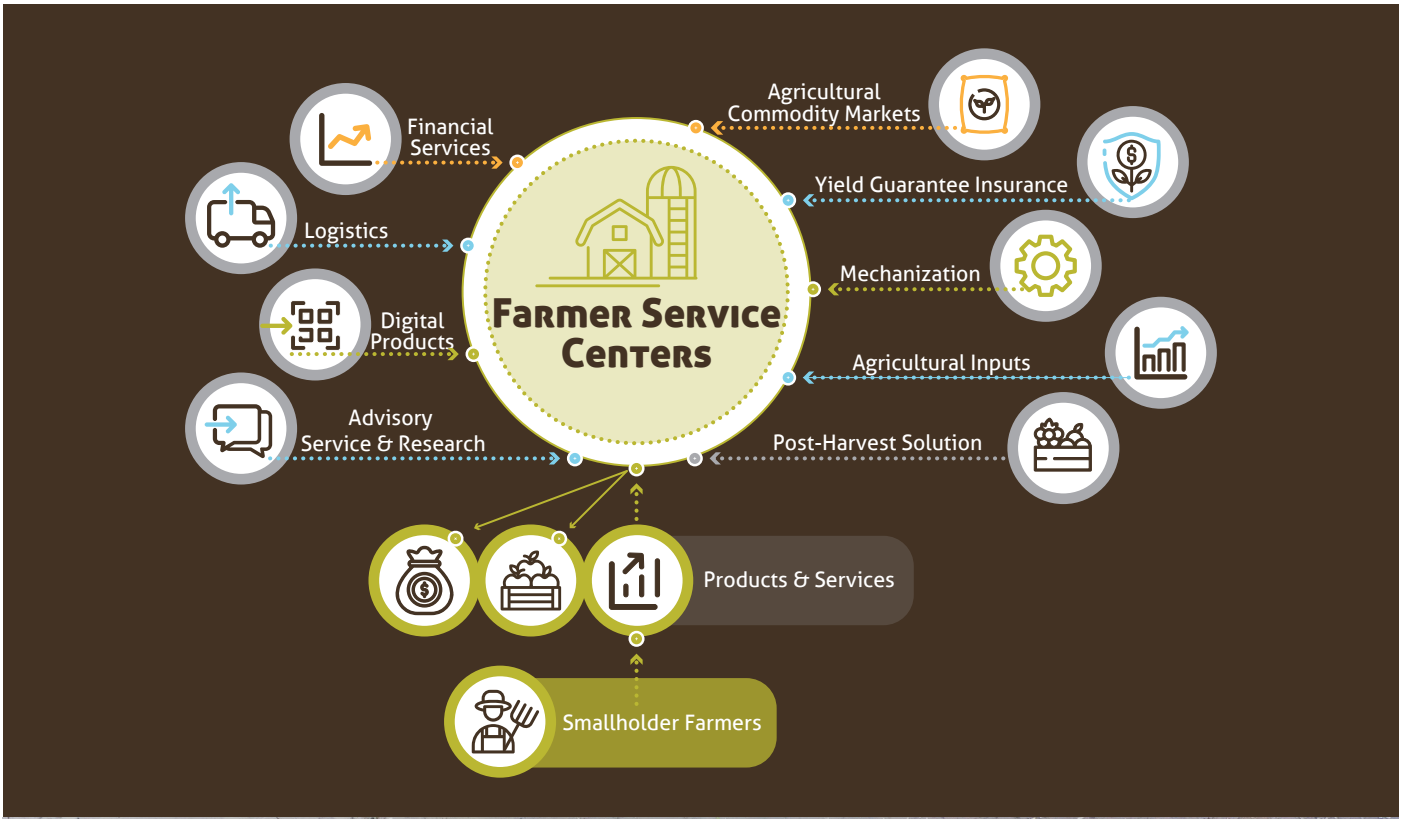
FtMA focuses on 5 value chains



The FSC MODEL

- The FSC models' goal is to bridge the last mile (inputs and services) and first mile (commodity) gaps for smallholder farmers in the rural areas. An FSC can be a rural entrepreneur, farmer cooperative or aggregator acting as a link between private and public sector partners with smallholder farmers. FSCs' gain commissions on the sales they generate from partners or gain revenue through direct sales.

Zambia's approach to supporting the small holder farmers is focused on capacity strengthening of the FSCs' who a wide range of existing community service providers are including agro-dealers, aggregators, cooperatives, farmer clubs, associations, VSLAs (Villages saving and loans associations), SACCOs (Savings and Credit Cooperatives Societies), lead farmers etc. They solve the "last mile" delivery challenges and helps to transform smallholder farmers into profitable and productive businesses.



FARMER SERVICE CENTER INCOME STREAMS

As part of the sustainability model, FSCs' have the opportunity to earn revenue throughout the year providing various productivity enhancing services, including

- Agricultural Inputs Sales & Services
- Financial Services Linkages
- Market Linkages
- Mechanization Services
- Extension Services
- Climate Smart Agriculture (CSA) Services

FSCs' are taken through Business Development Entrepreneurship and Coaching (BDEC) to strengthen their business skills. BDEC covers; business and finance management, record keeping, marketing, communication, and formalization of business.

2023 Targets

30,000
number of smallholder farmers served through FSCs'

255
number of FSCs'

Number of FSCs' established
34% & 45%
of women and youth engaged

NEW CLIMATE SMART AGRICULTURE INDICATORS
being rolled out in 2023, including

- **78,120** trees planted
- **66,4%** of increased skills and knowledge of CSA practices
- **21.4%** of farmers adopting CSA practices

Focus area

1. Establishment of an **effective input-market system** across all targeted value chains
2. Establishment of an **effective output-market system** across all targeted value chains
3. Establishment of an **effective needs-based service delivery system** along all targeted value chains
4. Increase in **knowledge and adoption of climate smart practices** by FSCs' and small holder farmers
5. **Capacity strengthening of FSCs'** (business development, financial literacy, post-harvest handling/storage and marketing)
6. Creation of a **sustainable network of all key players in the agriculture sector** that provide holistic support to small holder farmers in Zambia
7. **Digital transformation** for agriculture aimed at increasing access to services and markets as well as easing FSC operations.

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AGRA Sustainably Growing Africa's Food Systems
BAYER
Rabobank
syngenta
WFP wfp.org
YARA Knowledge grows