



Impact of the Farmer Input Support Policy on Agricultural Production Diversity and Dietary Diversity in Zambia

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The context

With vast and abundant natural resources such as land and water, Zambia has great potential to achieve self-sufficiency in agricultural production and hence meet her nutritional needs. Despite this endowment, poverty and malnutrition levels remain significantly high. To tackle the prevalence of poverty and food and nutritional insecurity, the Zambian Government has paid attention to improving incomes, agricultural production and productivity among the rural smallholder farmers who constitute more than 80% of the farming community in the country. Agricultural input subsidies mainly to support the production of maize have been used as a policy tool to induce farmers to increase their yields through

increased use of maize hybrid seed and chemical fertilizers. Although subsidies have historically been there before the 1990s, it was not until the 2002-2003 season that saw the birth of the Fertilizer Support Programme and marked the return of large-scale input subsidies in Zambia. The Fertilizer Support Programme was renamed the Farmer Input Support Programme (FISP) in 2008, and the programme has run from 2009-2010 to the present day. Although there have been some movements towards promoting other agricultural enterprises, the structure of FISP is largely skewed towards the promotion of the staple maize crop through subsidized fertilizers. The 'stop' and 'go' FISP e-voucher operational policy, which allows farmers to redeem inputs of their choice from agro-dealers, has also not helped in diversifying the agricultural sector. This is largely due to the lack of confidence in the e-voucher system itself by policy makers, and the monotonic focus of agro-dealers to mainly supply inputs closely associated with maize production.

The problem

The current structure of the FISP in Zambia is leading to a loss in agricultural production diversity and hence household dietary diversity. Loss in household dietary diversity could have serious implications on the nutritional status of most small-scale farmers. Therefore, this policy brief aims at presenting evidence on the state of both agricultural production and household dietary diversity following the implementation of FISP. This is important for improving the design of the policy.

Effects of FISP on production, and dietary diversities

The data used in the study (from which this policy brief is based) came from a cross-section survey of a nationally representative randomly selected sample of 7,934 farm households in Zambia. These households participated in the 2015 Rural Agricultural Livelihoods Survey (RALS15) conducted by the Zambia Central Statistical Office (CSO) and the Indaba Agricultural Policy Research Institute (IAPRI). The data on the 2013/14 production season was analyzed by comparing FISP beneficiary and non-beneficiary farmers with similar socio-economic characteristics. By comparing similar groups of participating and non-participating farmers, the study netted out the potential effects of other characteristics on the production diversity and household dietary diversity outcomes.

Findings showed that the FISP policy:

- ✓ Significantly increased the number of crops grown by farmers. but;
- ✗ Did not simultaneously increase the number of crops and **areas** dedicated to the crops.
..although the policy also significantly;
- ✓ Increased agricultural and household income diversities.
- ✓ And directly increased household dietary diversity.

However, because of the non-increase in the cropped areas for various crops, the effects of production diversity did not lead to increased household dietary diversity.

Implications for policy makers

Despite the FISP policy being hybrid maize (and fertilizer) focused, evidence shows that it has promoted crop diversity (as measured by crop count), agricultural income diversity and general household income diversity among the small-scale farmers. However, the effect of FISP on crop diversity when area of crop production (as estimated through the crop production index) is taken into consideration appears to disappear. These results seem to suggest that it is the value of agricultural and other farm enterprises that the policy has the greatest effect on, and not necessarily increasing areas under different crops. The results also show that FISP had a direct influence on the household dietary outcomes; the policy increased household dietary diversity. Though the diversification measures did not impose any significant influence on household dietary diversity, there was evidence that fertilizer use, which is directly linked to the FISP policy, had a significant influence on household dietary diversity. This calls for the Government to focus more attention on including other high valued agricultural enterprises (other than maize only) into the e-voucher FISP package. Deliberate effort to ensure availability of such inputs among the agro-dealers needs to be prioritized.



Mission

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