



# OP-ED

## ZAMBIA'S AGRICULTURAL SECTOR: A KEY TO ECONOMIC DIVERSIFICATION

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The Seventh National Development Plan (7NDP) and the Economic Recovery Programme (ERP 2020-2023) recognize agriculture as one of the key sectors critical for achieving diversification, economic growth and poverty reduction in Zambia. Agriculture plays an important role in the Zambian economy, **contributing about 20 percent to the Gross Domestic Product (GDP) and approximately 12 percent to the national export earnings.** It is for this reason that the Government has over the years endeavored to invest in the agricultural sector through various initiatives such as; the Farmer Input Support Programme (FISP), reducing customs duty on agricultural equipment and the encouragement of private sector participation. To this effect, Government has been implementing critical programmes in the agricultural sector to enhance productivity and increase its GDP contribution through:

### Policy reforms

The Government through the ERP recognises agriculture as a key driver of growth and job creation for the Zambian economy. Pillar three of the ERP seeks to restore economic growth and promote diversification. In order to increase productivity in the sector, Government has been prioritising the sector by implementation of key programmes to support agriculture development. Government through the Ministry of Agriculture has made changes with regards to the **implementation of FISP by migrating farmers from Direct Input Support (DIS) to Electronic-voucher System (E-FISP). The programme will be migrated fully to the e-voucher system to promote both cost efficiency and private sector participation.** Currently, 80 percent of the beneficiaries are under the DIS system while 20 percent are on the more efficient and cheaper e-voucher input supply system. Government will reduce the proportion of beneficiaries under the DIS to 60 percent in the 2021/2022 farming season while full migration to e-voucher will be completed in the 2022/2023 farming season.

Through the ERP promotion of international and domestic markets is key. This will be achieved by developing a Crop Marketing and Export Policy, which will guide the management of crop marketing and exports for the country. **Government will also enhance the exportation of goats, honey, wax and fish in collaboration with the private sector, through the establishment of trade centers at**

**the borders Zambia shares with the Democratic Republic of Congo and Angola as well as the operationalization of key trade agreements under the ERP.**

### **Crop sub sector**

Government's improved funding allocation to the Food Reserve Agency (FRA) and FISP's continuous transformation is an indication of its commitment to economic diversification and to help increase the agricultural sector's contribution to GDP. Government's policy responses to increasing productivity in the agricultural sector are yielding benefits **as evidenced by the timely delivery of agricultural inputs under FISP, consecutive bumper harvests in the 2019/2020 and 2020/21 agricultural season for maize, Soya bean and other cash crops as well as the early launch of the crop marketing exercise.** These measures are key to improving crop productivity, as farmers will prepare and plant their crops early with available inputs.

### **Fisheries sub sector- (Aquaculture)**

In the fisheries sub sector, Government has been supporting aquaculture development through the loan facility of **US\$50.9 million obtained from the African Development Bank (AfDB). The Zambia Aquaculture Enterprise Development Project (ZAEDP) is administering this loan.** It is currently helping to develop the aquaculture fish value chain. Further, the stable political climate has provided a conducive environment for investment in the aquaculture sector resulting in an increase of private players' participation along the aquaculture value chain such as fish feed, hatchery, nursery, grow out, processing and value addition operators. These measures have resulted in thirteen **(13) private fish hatcheries developed, complimenting the sixteen (16) Government fish farms in the country.**

### **Livestock sector**

The Zambian livestock sector makes an important contribution to poverty reduction, household food security and nutrition, economic growth and exports. **Government through the Enhanced Smallholder Livestock Investment Programme (E-SLIP) project has been providing support to the Zambian livestock sector by strengthening its capacity for animal disease control and reducing the incidence of East Coast Fever and Contagious Bovine Pleuro Pneumonia (CBPP), which are among the main causes of cattle mortality in Zambia and affecting growth of beef industry.** Additionally, Government has conducted value chain studies and is developing market-oriented extension manuals for improved cattle, goat, sheep and poultry (improved village chickens) production and marketing. Government has also been assisting farmers and cooperatives with improved cattle, goat, sheep and poultry (improved village chickens) across the country to increase productivity in the livestock sector and household income.

### **Infrastructure**

Key achievements have been noted in the development of warehousing, storage, breeding centers and irrigation, among others. The construction of **87 modern livestock breeding centres** as well as the rehabilitation of **15 livestock breeding centres** countrywide have been completed in order to increase livestock production. Government has also completed the **US\$28.3 million Mwomboshi dam** in Chisamba. Moreover, Government will at the end of this year complete the construction and remedial works of 10 dams under the Zambia Water Resources Development Project.

The Policy Monitoring and Research Centre (PMRC) supports Government's efforts in implementing programmes that support economic diversification such as the full migration of DIS to E-FISP, increased

support to strategic institutions such as FRA, encouraging of private sector participation, as well as provision of incentives such as removal of customs duty on agricultural equipment. Government is on the right trajectory and is urged to continue implementing the outlined policies and programmes in the agricultural sector in order to grow the sector and promote economic diversification.



**Mrs. Bernadette Deka Zulu**  
PMRC Executive Director

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For more details, interviews or queries about this PMRC Media Statement, please contact:

**POLICY MONITORING AND RESEARCH CENTRE**

Ministry of National Development Planning Complex,  
Corner of Nationalist and John Mbita Roads, Ridgeway, Lusaka.  
Tel: +260 211 269 717 | +260 979 015 660  
<http://pmrczambia.com>

