REALITIES OF SMALLHOLDER LAND CONSTRAINTS AND THEIR IMPACTS ON COMMERCIALIZATION IN ZAMBIA

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Motivation

- Zambia has achieved positive macro-economic indicators
  - Low-middle income classification by World Bank and GDP growing at 6% per annum
- Agriculture contribution to GDP stands at 21%
  - Growth in the sector only 3% in last decade
    - Except for last 2-3 maize bumper harvest years
  - Rural poverty rates have remained at about 80% in last 15 years
- Majority of rural population rely on agriculture for their livelihoods
Motivation (2)

- Indications that agriculture sector not performing very well
  - As far as broad based poverty reduction is concerned
- Many contributing factors
- What is evident is that there is low meaningful participation in output markets by smallholders farmers
  - As demonstrated next
Distribution of smallholders by sales category and season

Only a third sell equivalent of more than a dollar a day per household

Over half sell less than half a dollar a day per household

Factors affecting smallholder commercialization (broad based participation in markets)

- There are many and most relate to productivity
  - Appropriate technology
  - Labor availability
  - Financial constraints
  - Efficient input markets
  - Market access for produce

- Land constraints have rarely been considered an issue
  - Zambia considered a land abundant country
  - What does evidence show?
Outline

1) Demonstrate reality of smallholder land constraints
2) Effects of these land constraints on smallholder commercialization
3) Offer suggestions on the way forward
Smallholder farm size distribution (2010/11 season)

- 0-0.99 Ha: 33
- 1-1.99 Ha: 31
- 2-4.99 Ha: 30
- 5+ Ha: 6

64% own less than 2 Ha

2 Ha maize potential income is ZMW 2,600 at current yield levels

Source: RALS 2012

Indaba Agricultural Policy Research Institute
Land constraints in apparent abundance

Considerable land is covered by water, national parks, GMA

Settlements concentrated on areas with infrastructure

Some areas can not be inhabited due to lack of infrastructure

Hence the paradox of land constraints in midst of plenty: ONLY 46% saying there is unallocated arable land


Source: Longbaugh S. through FSRP (2009) Agricultural

People per km²
- <=10
- >10 and <=25
- >25 and <=100
- >100 and <=250
- >250

Game Management Area
National Park
Relationship between farm size and sales

2002/3 agricultural season

2007/8 agricultural season

2010/11 agricultural season

All 3 agricultural seasons

Mean agricultural sales by farm size (constant 2011 ZMW prices)

<table>
<thead>
<tr>
<th>Farm size category</th>
<th>Mean annual sales (ZMW) per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-0.99 Ha</td>
<td>922</td>
</tr>
<tr>
<td>1-1.99 Ha</td>
<td>1,502</td>
</tr>
<tr>
<td>2-4.99 Ha</td>
<td>2,643</td>
</tr>
<tr>
<td>5+ Ha</td>
<td>9,463</td>
</tr>
<tr>
<td>All</td>
<td>2,279</td>
</tr>
</tbody>
</table>

64% of households belong here

30% here

Only 6% belong here
Effects of farm size on agricultural sales

- 64% of households belong before this line.
Concluding and way forward

- Smallholder land constraints are increasingly becoming a reality deserving policy attention
- Promotion of commercialization or agricultural productivity should go hand in hand with promotion of land access
  - Especially for the most land constrained smallholders
This calls for basic public goods investments in regions suitable for smallholder commercialization to open them up

- Trunk highways, health care facilities, schools, electrification, etc.
- Facilitate voluntary migration of smallholders into these areas
Thank you for your attention