ASSESSING THE OPPORTUNITIES AND CHALLENGES FOR YOUTH EMPLOYMENT IN THE CASSAVA VALUE CHAINS IN ZAMBIA

Presented by
Stephen Kabwe and IAPRI Team

at
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Motivation [1]

- Currently there are over 165 million youths (15-24 yrs) in the labor market.

- In the next 10 years over 180% of youths will enter the labour market in SSA

Source: http://populationpyramid.net/sub-saharan-africa/
Motivation [2]

Increased population of the energetic youth population in SSA is an opportunity

At the same is a challenge (where will these new job come from?)

Farm and non-farm sectors of the agrifood systems offer opportunities for decent rural employment in SSA
Motivation [3]

- Need to better understand the current status of decent rural employment in the agri-food systems

- Using the value chain approach, this study assessed the opportunities and challenges for job creation for youth and women in the cassava value chains
Outline

Overview of cassava sector
Data and methods
Description of cassava chain actors
Key findings
Recommendations
Overview of Cassava [1]

- Cassava most important crop grown after maize in Zambia
  - Grown by over 33% of 1.5 small-scale farmers
  - Cassava production is around 1 million mt per annum
- Resilient to climate change
- Contributes to household food security and income
Overview of Cassava [2]

- Most of the cassava produced (92%) is consumed and only about 7% is traded.
- Informal exports of chips to DRC and Angola occurs.
- Therefore, cassava sector offers an opportunity for job creation for youths and women.
- Using the value chain approach, the study assessed the opportunities and challenges in creating employment.
Specific objectives

- To analyze the economic performance of various actors of the value chain
- To identify challenges affecting employment creation in the cassava value chain
- To analyze distribution of employment at the various stages of the value chain
Study areas and methods [1]

Mixed methods
- Secondary data
- Key informant interviews
- Focus Group Discussions
- Household survey

Study areas
- Luapula: Mansa, Mwense and Nchelenge
- Western: Kaoma and Mongo
### Study areas and methods [2]

#### Number of sample by actor

<table>
<thead>
<tr>
<th>Actors</th>
<th>Number interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input suppliers</td>
<td>15</td>
</tr>
<tr>
<td>Farmers</td>
<td>200</td>
</tr>
<tr>
<td>Traders</td>
<td>15</td>
</tr>
<tr>
<td>Processors</td>
<td>16</td>
</tr>
<tr>
<td>Retailers</td>
<td>15</td>
</tr>
</tbody>
</table>
Description of actors along the cassava value chain
INPUTS & SERVICE PROVIDERS

PRODUCTION

PRIMARY PROCESSING (Soaking/ Drying)

BULKING & TRADING

MILLING/ HIGHER PROCESSING

RETAILING

MARKET

Subsistence Production & consumption

Producers
Quantity of cassava sold (64,242mt (7% of the total cassava produced)) (by 22% of cassava smallholder farmers)

Input and service providers
Only input is cassava cuttings (97% is from own harvest/friends/relatives/another farmers),

Producers
Quantity of cassava sold (64,242mt (7% of the total cassava produced)) (by 22% of cassava smallholder farmers)

1. Marketers
2. Marketers/ Supermarkets
3. Industrial processors
4. Animal feed processors
5. Animal feeding
6. Exports (as raw materials for 3-5 in export markets)

Traders, fresh cassava (39%)

Traders, dried chips (61%)

Food Processors (formal/ informal) (9%)

% of total production
Source: RALS2015

1. Fresh, human cons. 93%
2. Processed, human cons. (blended flour products, convenience foods like gari) 3%
3. Industrial Use (starches, sweeteners, glue, mining) 1%
4. Animal feeding 1%
5. 0.05%
6. 1.95%
## Description of actors [1]

### Input suppliers
- The only input sold is cassava cutting
- Are cassava farmers selling cuttings
- Most farmers use their own cassava

### Farmers
- Cassava farmers (33%)
- Scattered in all the 10 provinces but most are found in 4 provinces
Description of actors [2]

Traders
- Link farmers with consumers/processors
- Trade in fresh cassava, tuber or chips

Processors
- Link between retailers/trader and consumers
- Starts at the farm from tubers to cassava chips
- Chips into cassava meal by hammer mill
Description of actors [3]

Retailers

• Link between processors/traders and consumers
• Sale tubers, chips or cassava meal
Key Findings
## Value addition

$$VD = \text{Gross income less non-labour costs}$$

<table>
<thead>
<tr>
<th></th>
<th>Value added (ZMW)</th>
<th>Share of value added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input suppliers</td>
<td>5,250</td>
<td>0.09</td>
</tr>
<tr>
<td>Farmers</td>
<td>16,740</td>
<td>0.28</td>
</tr>
<tr>
<td>Traders (Large scale)</td>
<td>18,783</td>
<td>0.31</td>
</tr>
<tr>
<td>Traders (Small scale)</td>
<td>2,539</td>
<td>0.04</td>
</tr>
<tr>
<td>Processor (medium scale)</td>
<td>12,650</td>
<td>0.21</td>
</tr>
<tr>
<td>Processor (Small scale)</td>
<td>1,891</td>
<td>0.03</td>
</tr>
<tr>
<td>Retailers Tubers</td>
<td>600</td>
<td>0.01</td>
</tr>
<tr>
<td>Retailers Chips</td>
<td>508</td>
<td>0.01</td>
</tr>
<tr>
<td>Retailers Flour</td>
<td>760</td>
<td>0.01</td>
</tr>
</tbody>
</table>

- **Greatest value addition in trading stage**
### Profitability analysis

<table>
<thead>
<tr>
<th>Cassava actors</th>
<th>Net operating profits (ZMW)</th>
<th>Total cost (ZMK)</th>
<th>Costs (Share of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Labour</td>
</tr>
<tr>
<td>Input supplier</td>
<td>3,250</td>
<td>2,000</td>
<td>0.75</td>
</tr>
<tr>
<td>Producers</td>
<td>13,139</td>
<td>3,601</td>
<td>1.00</td>
</tr>
<tr>
<td>Trader (medium)</td>
<td>11,270</td>
<td>162,680</td>
<td>0.04</td>
</tr>
<tr>
<td>Traders (small)</td>
<td>1,554</td>
<td>23,684</td>
<td>0.04</td>
</tr>
<tr>
<td>Processor (Medium)</td>
<td>7,317</td>
<td>30,683</td>
<td>0.18</td>
</tr>
<tr>
<td>Processor (small)</td>
<td>3,180</td>
<td>839</td>
<td>0.54</td>
</tr>
<tr>
<td>Retailer (Tubers)</td>
<td>600</td>
<td>1,800</td>
<td>-</td>
</tr>
<tr>
<td>Retailer (Chips)</td>
<td>1,889</td>
<td>3,298</td>
<td>-</td>
</tr>
<tr>
<td>Retailer (Flour)</td>
<td>1,570</td>
<td>1,538</td>
<td>-</td>
</tr>
</tbody>
</table>

- Main cost centre labour and non-labor cost
- Production offers an opportunity for youths
- Trading is capital intensive
Employment distribution
<table>
<thead>
<tr>
<th>VC Actor</th>
<th>Total number of workers</th>
<th>Youth</th>
<th>Gender (% of total)</th>
<th>Gender F (%)</th>
<th>Family labor</th>
<th>Full time</th>
<th>Seasonal/piece</th>
<th>Average Nu</th>
<th>Nu of workers/enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input supplier</td>
<td>26</td>
<td>11 (38%)</td>
<td></td>
<td>65</td>
<td>69</td>
<td>-</td>
<td>31</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Farmer</td>
<td>680</td>
<td>365 (54%)</td>
<td></td>
<td>47</td>
<td>80</td>
<td>-</td>
<td>20</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Trader</td>
<td>24</td>
<td>21 (88%)</td>
<td></td>
<td>68</td>
<td>67</td>
<td>-</td>
<td>33</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Processor</td>
<td>29</td>
<td>26 (90%)</td>
<td></td>
<td>2</td>
<td>2</td>
<td>98</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Retailer</td>
<td>14</td>
<td>12 (86%)</td>
<td></td>
<td>75</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Quality of employment
Quality of employment

- ILO considers five elements
  - Income/wages
  - Equality of employment opportunities
  - Occupational safety and health hazards
  - Age of employees and child labour
  - Working hours
Quality of employment [2]

The diagram shows the monthly wages (ZMW) for different groups:

- Input suppliers: 100
- Farmers: 150
- Traders: 250
- Processors: 250
- Average: 200
- Minimum wage (GRZ): 550

The minimum wage (GRZ) is much higher than the wages for the other groups.
Quality of employment [3]

Occupational safety and health hazard

- Most common health hazard
  - **Input suppliers and Producers**: Cuts from tools, snake bites and body pains
  - **Processors**: Inhalation of dust/fumes from processing
  - **Traders**: Lifting heavy bags
  - **Retailers**: Lifting heavy bags
Quality of employment [2]

- Age of employee and child labour - Farmers

![Bar chart showing the distribution of age categories among farmers.]

- Age below 12 yrs
- Youth (12-35 yrs)
- Adult
Quality of employment [2]

- Working hours

<table>
<thead>
<tr>
<th>Hours/week</th>
<th>Input suppliers</th>
<th>Farmers</th>
<th>Traders</th>
<th>Processor</th>
<th>Small processor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours/week</td>
<td>10</td>
<td>30</td>
<td>60</td>
<td>40</td>
<td>45</td>
</tr>
</tbody>
</table>
Quality of employment [2]

- Operating a hammer mill is a men work
## Factors affecting job creation in CVC

<table>
<thead>
<tr>
<th>Lack of an effective demand for cassava and its products</th>
</tr>
</thead>
<tbody>
<tr>
<td>• This is as a result of lack of policy framework</td>
</tr>
<tr>
<td>• Maize centric policies</td>
</tr>
<tr>
<td>• Unrevised Cassava strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lack of marketable surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Low productivity among farmers</td>
</tr>
<tr>
<td>• Maize centric policies</td>
</tr>
<tr>
<td>• Lack of market information</td>
</tr>
</tbody>
</table>

| Lack of storage and trade infrastructure                 |

| Limited access to finance                                |
Opportunities in CVC

- Government’s interest is an opportunity
  - Ministry of Agriculture working through SAPP and S3P to improve productivity in cassava
  - Ministry of Agriculture working with CAMAP to promote mechanization in cassava
  - Ministry of Commerce working through CEEC

- Private sector getting interest
  - Zambia Breweries producing Eagle beer using cassava
  - Premiercon Starch Company etc
Recommendations [1]

To enhance demand for cassava products

- Government should consider developing a set of policy measures that can help enhance or create an effective demand for cassava products.

To improve productivity of cassava production

- Improve awareness on the use of improved varieties
- Improving knowledge on cassava production
- Research station should experiment on fertilizer
Recommendation [2]

To enhance market linkages and promote value chain upgrading

- Improve supply chain efficiencies by strengthening farmer organizations, and clustering processors and traders, ZANACA

- Develop market and trade infrastructure such as bulking facilities and roads, to facilitate exchange and lower transportation costs

- Government should consider offering duty free for imported cassava processing equipment
Recommendation [3]

To improve quality of jobs and enhance youth participation

- Developing entrepreneur and business skills for **youths** and women in order for them to harness the business opportunities available in the cassava value chain.

- Enforcing of **safety laws** especially with hammer mills in order to reduce exposure to health hazards