



## Feed the Future Country Fact Sheet

Online Version: <https://www.feedthefuture.gov/article/market-friendly-policies-zambia-pave-way-smallholder-maize-farmers>

# Market-Friendly Policies in Zambia Pave the Way for Smallholder Maize Farmers

In May 2014, the Government of Zambia reported that the country achieved a record harvest of 3.4 million metric tons of maize for the 2013-2014 cropping season - a 32 percent increase over the previous year's harvest. In Zambia, maize is the primary staple crop, and over 90 percent of smallholders rely on it for food security and income.

This year's record bumper crop is partly thanks to good rainfall patterns, but it was also made possible through the Government of Zambia's leadership on market-friendly policy in the agriculture sector, which it has adapted over the past year with support from Feed the Future.

In the past, government subsidies to smallholder farmers and millers helped keep maize prices low, but they also drove private sector maize buyers out of the market. When the Government of Zambia announced last year that it would eliminate subsidies for maize millers (a move advocated by Feed the Future through support for the government's National Agricultural Investment Plan), some groups worried about the impact the policy change would have on staple food prices. But with reinforcement and guidance on pricing and market activities from the Indaba Agricultural Policy Research Institute, an independent agricultural think tank supported by the U.S. Agency for International Development and Michigan State University under Feed the Future, the Government of Zambia rode out the lean season and refrained from intervening in the maize market.

While this policy change was initially controversial, the payoff for Zambian smallholders has been remarkable. With the government having significantly reduced its role in maize interventions, the private sector responded by moving into the market immediately: competition for smallholder maize production increased, and farmers received an average of 56 percent higher prices in cash for their harvest.

These higher prices incentivized smallholder farmers to invest in their production by purchasing more improved inputs, such as hybrid seed and fertilizer, further boosting yields. In the 2013-2014 growing season, smallholder farmers bought 106 percent more commercial fertilizer than in the previous season. With private sector channels servicing the needs of farmers, fewer farmers needed to rely on the overburdened government input program.

The Government of Zambia's perseverance in grounding agricultural policy on a strong evidence base despite some political challenges is now paying dividends in food security and income for smallholder Zambian farmers and their families. The policy change has also improved both maize prices and market conditions, creating a wide array of new efficiencies and opportunities along the agricultural value chain.