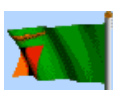




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## Closer look at Agriculture budget

By NICHOLAS MWALE

CONSIDERING the slump in the mining sector due to the global economic recession, Finance and National Planning Minister, Situmbeko Musokotwane has put agriculture as a priority sector in economic diversification programmes.

However, it has broadly been observed that the sector's potential has over the years not been fully exploited, leading to the persistent decline in its performance.

In his first budget address, Dr Musokotwane announced a 37 per cent increase in the allocation to the agricultural sector this year, allocating slightly over K1 trillion from K800 billion last year.

In an effort to understand the budget pronouncements, the Agricultural Consultative Forum (ACF) recently organised a meeting at which experts presented their analysis of the 2009 budgetary allocation to the agricultural sector.

The Food Security Research Project (FSRP) Acting Coordinator and Researcher, Anthony Chapoto said agriculture's share of the national budget had reduced from about eight per cent in 2000 to about six per cent in 2004. Then the allocation started increasing steadily to about 12 per cent in 2007.

Dr Chapoto said the increase in the budgetary allocation in recent years indicated positive steps towards achieving the New Partnership for Africa's Development (NEPAD)'s Comprehensive African Agriculture Development Programme (CAADP) requirement to reach six per cent agriculture growth by 2015 and SADC's Maputo Declaration of 10 per cent target allocation in member countries' national budgets by 2008.

Dr Chapoto said the 37 per cent increase announced by Dr Musokotwane was in actual sense only 15 per cent. He said the 37 per cent increase did not take into consideration the amounts released from last year's allocation.

Dr Chapoto said the budgetary allocation to agriculture from last year to this year had increased by 37 per cent, but the released amounts indicated a decline by 21 per cent, meaning that the increase was only about 15 per cent.

He said the 2008 allocation fell short of the NEPAD/CAADP and the SADC requirement as it did not meet that 10 per cent commitment. Dr Chapoto said the 2009 budget indicated a nine per cent allocation to agriculture, meaning that it was below the Maputo declaration by one per cent.

Dr Chapoto said a large portion of the agriculture budget was mostly allocated to Poverty Reduction Programmes (PRPs), especially the Fertiliser Support Project (FSP) and Food Reserve Agency (FRA), leaving the drivers of agriculture a lesser share.

"Last year, K187 billion was allocated to the FSP in the budget but the released amount increased to about K492 billion due to the additional allocations," Dr Chapoto said.

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"The same applied to FRA whose released allocation increased to about K340 billion from the allocation of K80 billion in the budget, representing an increase of about 163 per cent and 325 per cent respectively," he said.

In the 2009 budgetary allocation, analysts indicated that about 45 per cent of the allocation to agriculture goes to FSP and FRA, 13 per cent to Agricultural Development Programmes, 13 per cent to Recurrent Departmental Charges, 10 per cent to personal emoluments and 4 per cent to other MACO expenditure, including capital expenditure.

The remaining 15 per cent goes to line ministries for projects such as the Food Security Pack under Ministry of Community Development and Social Services implemented by the Programme Against Malnutrition (PAM), construction of dams by the Ministry of Energy and Water Development and construction of roads by the Ministry of Works and Supply.

Dr Chapoto said the change in the 2009 agriculture budget size was complex to interpret due to additional allocations witnessed in 2008.

And FSRP Researcher Mike Weber said the agriculture budgetary allocation was concentrated on PRPs, at the expense of other critical factors like irrigation, research, technology, markets, strategic infrastructure and soil fertility management and enhancement.

Prof. Weber said the FSP is allocated a lot of money in the budget but the project had not been as effective as it was supposed to be.

According to the FSRP research, out of the 50, 000 metric tonnes of the FSP inputs, only about 15, 000 metric tonnes reach the farmers. He said it would have been meaningful if the amount of resources allocated to the FSP were also allocated to the Food Security Pack programme under PAM which he said was a more effective project.

"Zambia has a unique programme in the Food Security Pack implemented by PAM. This programme targets the vulnerable and promotes crop diversification. It has been quite effective despite being relatively underfunded," Prof. Weber said.

"The 2009 allocation to the programme is K10 billion, which is the same as that of 2008. In past years, funding to the Food Security Pack programme was over K40 billion," he said.

Prof. Weber said the K42 billion allocation to extension services was good for the country's agricultural growth. He said the FRA allocation for strategic reserves was a good idea, although it was costly.

He said buying maize in outlying areas was good but expensive and it was better for farmers in outlying areas to first produce more to eat before they could think of selling their maize to the FRA.

Prof Weber noted that in 2009, there was a special FRA challenge of carefully rebuilding the strategic reserve, subject to the size of crop.

Agriculture and Cooperatives Minister, Brian Chituwo said it was interesting to listen to the experts' technical analysis of the agriculture budget.

Dr Chituwo said the mandate of ministers was to argue the budget at cabinet meetings, based on some obligations to be met such as the SADC requirement.

He however said it was encouraging that in the budget speech, Dr Musokotwane recognised the fact that it was not enough to just give farmers fertiliser. They also need the know-how on the use of fertiliser, hence the need to revamp extension services.

"I am happy that there is even funding to promote irrigation and the commercialisation of farm blocks," Dr Chituwo said.

Dr Chituwo said for farmers to be successful, they must realise that agriculture was a business. A more business-like approach to farming would reduce poverty and ensure food security.

MACO minister in charge of Livestock and Fisheries, Bradford Machila wondered why consultations between agriculture stakeholders and the Ministry of Finance and National Planning were not stepped up during budget preparation.

"Looking at the issues raised, the issues need to be taken into consideration when debating the budget at cabinet meetings," Mr Machila said.

On livestock, Mr Machila said there was a tendency to deal with disease outbreaks, rather than preventing them.

"Usually, prevention is cheaper than fire fighting. We need to develop a tendency of preventing instead of waiting for outbreaks and panicking," Mr Machila said.

Notwithstanding some shortcomings, this year's budget to the agricultural sector was described as generally good by most players in the sector.

Comments from some farmers, the public and private players at the experts' meeting indicated positive feelings towards the agricultural budget.

But some concerns were raised on some aspects, including the FSP and the FRA which have been debated for a long time.

It was clear that experts were pushing for the proper implementation of budgetary allocations to promote diversification and agricultural growth.

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