

**WEDNESDAY, 14 MARCH, 2017**

**DISTRIBUTION OF FARMING INPUTS FOR 2017/2018 SEASON USING E-VOUCHER  
PROGRAMME**

**The Minister of Agriculture (Mr Katambo)**

Madam Speaker, thank you for giving me this opportunity to update this august House and the nation at large on the distribution of farming inputs for the 2017/2018 agriculture season using the electronic-Voucher System (e-Voucher System).

Madam Speaker, you may recall that in the last ministerial statement delivered on 12<sup>th</sup> July, 2017, the House and the nation was informed that Cabinet made the decision to implement the Farmer Input Support Programme (FISP) through the e-Voucher System in all the 109 districts in the country, at its meeting on 7<sup>th</sup> June, 2017.

During the 2017/2018 agriculture season, the ministry implemented FISP using the e-Voucher System in all the districts in accordance with that Cabinet decision. The ministry worked with various actors in implementing the programme using the Zambia Integrated Agriculture Management Information System (ZIAMIS). These included, the Food Agriculture Organisation (FAO), which is the system developer, Smart Zambia Institute, which is the system integrator, Musika Development Initiatives, financial institutions, input suppliers, and agro-dealers. The European Union (EU) also assisted the ministry by funding the farmer registration exercise to ensure a well-coordinated programme implementation.

During the distribution of agriculture inputs, six banks and two financial services providers were engaged to provide farmer deposit capture, e-Voucher redeeming and card management services. Further, the ministry registered seventy national input suppliers and 1,300 agro-dealers to participate in the programme. A total of 5,800 agro-dealer outlets across the country have been actively operational during the implementation period. This has helped create the much needed jobs. For example, agro-dealer outlets had at least three to four workers at each outlet.

## WEDNESDAY, 14 MARCH, 2017

Madam Speaker, the budgetary allocation to FISP for the 2017 fiscal year was K2.8 billion. This was meant to support 1 million smallholder farmers with subsidised agriculture inputs using the e-Voucher System. Of this amount, K1.7 billion was for loading e-Voucher cards and K1.1 billion was used to settle outstanding debts owed to input suppliers and service providers mainly from the 2016/2017 agricultural season. The FISP was implemented on the basis of cost-sharing between the beneficiary farmers and the Government. The selected small-scale, but commercially oriented farmers were required to contribute K400 to the total value of the e-Voucher with the Government contributing K1,700, giving a total of K2,100. Out of this, K100 was set aside for the weather index insurance, giving the net redeemable value of K2,000 for the e-Voucher per farmer.

Madam Speaker, the process of loading e-Voucher cards with funds and redeeming of agriculture inputs began around mid-November, 2017. The ministry has to date received a total of K3.02 billion and has since disbursed a total of K1.1 billion to the six participating banks and the two financial services providers for loading onto the farmers' e-Voucher cards, and K90 million has gone to the weather index insurance. A total of K1.81 billion was paid as debt to fertiliser suppliers, seed suppliers, production of e-Voucher cards and transportation for the 2016/2017 agriculture season, while K13 million was utilised on administrative costs of managing and coordinating the programme at national, provincial and district levels.

Out of the targeted 1 million beneficiary farmers for the 2017/2018 farming season, a total of 804,262 farmers managed to deposit their contribution, giving 80 percent coverage. As at 20<sup>th</sup> February, 2018, a total of 716,161 farmers had been paid the Government contribution. The ministry is currently awaiting K184.92 million from the Treasury to pay the remaining Government contribution through the participating banks.

Madam Speaker, through the implementation of FISP e-Voucher System using ZIAMIS, the ministry managed to improve the registration of genuine farmers as duplicate details of farmers were able to be identified in real time and eliminated. Registration of beneficiary farmers using biometrics in some parts of the country was also one of the major successes as it completely eliminated chances of having ghost farmers on the beneficiary list.

## WEDNESDAY, 14 MARCH, 2017

Another notable success of the new system was the ability by the implementers to view farmers' deposits, inputs being redeemed by farmers and prices offered by both suppliers and agro-dealers through ZIAMIS.

The unprecedented level of competition among suppliers and agro-dealers has also been a notable success. This contributed to a reduction in the prices of inputs across the country with an average price of a 50 kg bag of fertiliser coming down to K280 from K320 in the 2016/2017 agriculture season. This trend meant that most farmers were able to redeem more inputs than they did during the 2016/2017 farming season. Further, there were no reports of inputs running out in the country as suppliers and agro-dealers had adequate stocks.

Madam Speaker, despite the above mentioned successes of the programme, a number of challenges were encountered in the course of implementing the programme. Initially, the frequent amendments to beneficiary lists from districts resulted in late creation and delivery of some e-Voucher cards by some banks and financial services providers in some districts. There were also some delays in loading of funds on to the e-Voucher cards by some banks and financial services providers.

In some districts, Information Communication Technology (ICT) connectivity challenges hampered the capture of deposits and redemption of e-Voucher cards. These challenges were compounded by the limited skills by some agro-dealers who could not log into the system. This affected the timeliness with which farmers accessed inputs.

The reluctance by farmers to start depositing money at the start of the programme also contributed to financial institutions delaying to start loading the Government contribution on to the e-Voucher cards. To date, a total of 88,101 farmers are yet to be paid the Government contribution of K1,600 as the ministry awaits funds from the Treasury.

Madam Speaker, the ministry, working with the technical team at Smart Zambia Institute and FAO worked tirelessly in resolving the aforementioned challenges. For instance, in addressing

**WEDNESDAY, 14 MARCH, 2017**

the challenge of delayed or non-delivery of e-Voucher cards, an alternative card-less redeeming application was deployed specially for the affected districts, which ensured that the process of swiping was not delayed. The technical team also conducted several technical support visits to the provinces and districts in order to ensure that the challenges were mitigated as and when they occurred and continued doing so throughout the implementation period.

Madam Speaker, the e-Voucher System has greatly improved the business relationship between input suppliers, agro-dealers and smallholder farmers. For the first time, agro-dealers have been able to take inputs to all parts of the country and places near to the farmers at economic prices.

I am happy to report to this august House that some agro-dealers have started constructing storage facilities close to farmers from the incomes that they are making from the programme. As a ministry, we will work tirelessly to ensure that this business model we are developing eventually leads to agro-dealers supplying inputs to farmers and buying the produce from them with minimum Government intervention.

Madam Speaker, the ministry is alive to the fact that climate change is real. In order to help mitigate its effect, the ministry pushed the crop diversification agenda by introducing legumes to beneficiary farmers. The ministry also enrolled all targeted farmers during the season on the Weather Index Insurance. This initiative by the ministry could not come at a better time than this season when the Southern half of the country and the region experienced severe dry spells which led to some crop loses for many small scale farmers. So far, pay outs amounting to K39 million have been triggered, and K295,780 farmers are due for payment by contracted insurance companies to mitigate the effects of climate change.

Madam Speaker, I thank you.