

MINISTERIAL STATEMENT  
ON THE  
UPDATE ON IMPLEMENTATION OF THE FARMER INPUT SUPPORT PROGRAMME  
(FISP) 2017/2018 AGRICULTURE SEASON

Madam Speaker, with your indulgence, I will go ahead and read the second part of the statement on the Implementation of the Farmer Input Support Programme (FISP) 2017/2018 agriculture season also arising from a point of order raised by Hon. Charles Zulu, Member of Parliament for Luangeni Constituency.

Madam Speaker, FISP e-Voucher system has been operating for the past two agricultural seasons. A total of 39 districts have so far implemented it.

Madam Speaker, the Parliamentary Committee on Agriculture as well as the parliamentary Committee on Estimates on the Performance of the first quarter of the 2017 Budget for Selected Ministries, Provinces and Spending Agencies laid reports on the Table of this House on 27<sup>th</sup> June and 5<sup>th</sup> July, respectively recommending that the implementation of the e-Voucher system be rolled-out to all districts in the country.

Madam Speaker, I also wish to inform this august House that on the 7<sup>th</sup> of June, 2017, at its meeting, Cabinet made a decision to implement FISP through the e-Voucher system at 100 per cent of the targeted farmers in all the 109 districts in the country.

Madam Speaker, in the approved Budget for 2017, FISP was allocated a total of K2.8 billion. Out of this amount, an estimated K1.7 billion will be spent on the e-Voucher system. The balance of K1.1 billion will be committed towards the clearing of outstanding debt to input suppliers and service providers, mainly from 2016/2017 season.

Madam Speaker, FISP will continue to be run on cost sharing basis between the beneficiary farmers and the Government. The targeted small scale commercially orientated farmers will

contribute K400 to the total value of the e-Voucher which is K2,100 with the Government contributing K1,700.

In making the subsidy programme climate-smart, Cabinet also made a decision to introduce the Weather Index Insurance for all FISP beneficiaries and to work towards this end, K100 from the K400 farmer contribution will go towards paying for the Crop Insurance Premium.

Madam Speaker, Weather Index Insurance is a form of Crop Micro Insurance designed in such a manner that farmers receive automatic payouts in case of bad weather conditions that affect their crops. It makes use of satellite technology with the satellite data used to monitor rainfall on a daily basis throughout the season. The insurance payment to farmers is based on the satellite rainfall data captured during the season and is a viable type of crop insurance product for small holder farmers in Zambia.

Madam Speaker, in the forthcoming 2017/2018 agriculture season, a total of one million beneficiaries will be targeted countrywide. This is a reduction from the 1.6 million targeted by both conventional FISP and e-Voucher system during the 2016/2017 season. This reduction is an attempt to be more targeted on the intended beneficiaries, that is, the commercially viable small farmer and the FISP e-Voucher programme.

It is worth noting that over the past two seasons that the e-Voucher has been implemented, an estimated 25,000 famers have been removed from the FISP beneficiaries list due to death, ghost farmers or cards that were not collected by the owners. With the expansion to all districts, it is expected that more names will fall off.

Madam Speaker, some of the farmers who will be left out on the e-Voucher programme will benefit under the Food Security Pack during the 2017/2018 season while others will be screened out because they are salaried employees either in the public service or the private sector or do not meet the criteria for selection. The screening will be done in collaboration with Smart-Zambia Institute.

Madam Speaker, the e-Voucher beneficiaries' allocation for the initial 39 e-Voucher districts has remained unchanged at 602,521 farmers, but for the rest of the districts, allocations have been revised downwards to 2015/2016 season levels. The provincial allocations for e-voucher in the 2017/2018 seasons are as follows:

<i>Province</i>	<i>Number of beneficiary farmers</i>
Central	172,149
Copperbelt	102,452
Eastern	187,398
Luapula	61,804
Lusaka	80,431
Muchinga	72,298
Northern	92,315
North-Western	62,276
Southern	160,103
Western	27,208
<i>Total</i>	1,024,434

Madam Speaker, in order to implement the rollout of the e-Voucher programme to all the districts, the following activities will be and are being undertaken:

- (a) creation of a central register of all beneficiaries. This is to ensure that no farmer is benefiting from multi-programmes that are either public or private sector driven;
- (b) creation of a central register of vendors. These are agro dealers, input suppliers, financial institutions, including mobile money service providers with an input catalogue introduced on the platform. The later would facilitate the monitoring or tracking of type of quantity and quality of inputs that the beneficiary farmers will have access to, including indicative prices;
- (c) harmonisation of all FISP operational data for real time monitoring and oversight of all transactions which will be taking place under the programme. The monitoring will include the type of inputs being purchased by farmers; and
- (d) a hybrid of payment platforms, digital banking, agency banking, mobile money solutions will be used to ensure that all parts of the country are covered. Some of these payment platforms are currently being tested by the service providers and the Smart Zambia Institute.

Madam Speaker, in addition to these ongoing activities, the ministry has already completed the following preliminary activities:

- (a) all Provincial Agricultural Co-ordinators have been communicated to regarding the revised national beneficiary target of one million farmers with revised district beneficiaries allocations;
- (b) the ministry has held discussions with national fertiliser suppliers and seed suppliers on their preparedness for 2017/2018 season. Most of the fertiliser companies indicated that they have fertiliser stocks within the country and also on route to Zambia. In total an estimated 80,000 metric tonnes of urea and 50,000 metric tonnes of D-compound is in the country against the estimated requirement

of 100,000 metric tonnes of each for the targeted one million beneficiaries. The seed suppliers indicated that they are ready for the season. The companies are ready to supply the estimated 10,000 metric tonnes of assorted seed to the targeted beneficiaries; and

- (c) the ministry has also held discussions with banks and mobile money service providers.

Madam Speaker, lastly, a communication strategy is being formulated for all community radio stations as a way for all stakeholders, especially, the farmer who is at the centre of this FISP ecosystem, to be reached. Plans are also being made to engage hon. Members of Parliament before the test period.

Madam Speaker, the ministry has also written to the Zambia Public Procurement Authority (ZPPA) requesting that:

- (a) the ministry maintains the agro dealers and input suppliers that were registered in 2016 for the coming season but advertise only for new entrants into the programme;
- (b) the ministry extends the working contracts with the five banks initially engaged for the 2016/2017 season so that they manage the cards that they supplied to the programme whose life-line is supposed to be three years; and
- (c) the ZPPA grants approval for engagement of insurance companies for the weather index insurance.

Madam Speaker, we have continued to address the challenges that have affected the implementation of the *e*-voucher system. In addition, we are also taking a proactive approach by anticipating likely challenges in the 100 per cent roll-out of the *e*-voucher and putting in place measures to mitigate the challenges.

Madam Speaker, let me hasten to say that the hon. Minister of Finance has also continued to comfort us that the debt to suppliers will be dismantled and that the funds for the 2017/2018 e-voucher programme will be made available as soon as the farmer makes their contribution. Given the foregoing, we expect the farmers to start transacting on various technological platforms by the first week of September, 2017, in readiness for the 2017/2018 agricultural season.

Madam Speaker, I thank you.