



REPUBLIC OF ZAMBIA

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**MINISTRY OF AGRICULTURE**

STATEMENT BY HON. GIVEN LUBINDA, MP

MINISTER OF AGRICULTURE

PROGRESS ON IMPLEMENTATION OF THE ELECTRONIC VOUCHER SYSTEM

3<sup>RD</sup> DECEMBER, 2015

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**MR. SPEAKER,**

I THANK YOU FOR GIVING ME THE OPPORTUNITY TO DELIVER THIS STATEMENT ON '**THE PROGRESS MADE SO FAR IN THE IMPLEMENTATION OF THE ELECTRONIC VOUCHER SYSTEM, UNDER THE FARMER INPUT SUPPORT PROGRAM (FISP)**', DURING THE 2015/2016 AGRICULTURAL SEASON. THIS STATEMENT HAS BEEN NECESSITATED BY A QUESTION RAISED TO HER HONOUR THE VICE PRESIDENT BY MAZABUKA MEMBER OF PARLIAMENT, HONOURABLE GARRY NKOMBO, ON FRIDAY 27<sup>TH</sup> NOVEMBER, 2015 REGARDING THE OPERATIONS OF THE ELECTRONIC VOUCHER SYSTEM. IT ALSO GIVES GOVERNMENT AN OPPORTUNITY TO CORRECT SOME MISREPRESENTATION THAT HAVE BEEN MADE DURING THE DEBATE ON THE ESTIMATES OF REVENUE AND EXPENDITURE.

SIR HAD IT NOT BEEN FOR THESE REASONS I WOULD NOT HAVE PRESENTED THIS STATEMENT BECAUSE MOST OF THE MEMBERS WILL RECALL THAT I HAVE PRESENTED STATEMENTS ON THE E-VOUCHER SEVERALTIMES IN THE RECENT PAST.

**MR. SPEAKER,**

DURING IMPLEMENTATION OF FISP IN THE PAST TWELVE (12) YEARS, THE PROGRAMME HAS EXPERIENCED A NUMBER OF CHALLENGES. THESE CHALLENGES INCLUDE LATE DELIVERY OF INPUTS, DIFFICULTIES IN BENEFICIARY TARGETING, LIMITED NUMBER OF FERTILIZER SUPPLIERS PARTICIPATING ON THE PROGRAMME AND LIMITATIONS ON THE VARIETY OF INPUTS UNDER THE PROGRAMME.

IN VIEW OF THESE CHALLENGES AND ALSO IN ORDER TO HELP REINFORCE THE GOVERNMENT POLICY OF AGRICULTURAL DIVERSIFICATION, CABINET APPROVED THE PILOTING OF THE ELECTRONIC VOUCHER SYSTEM DURING THE 2015/2016 AGRICULTURAL SEASON IN THIRTEEN (13) DISTRICTS. THE DISTRICTS WERE SELECTED BASED ON RELATIVE BETTER PRESENCE OF AGRO DEALERS, BETTER MOBILE NETWORK AND A WIDE VARIETY OF FARM ENTERPRISES BEING RUN ON SMALLHOLDER FARMS. THE PROGRAMME IS BEING IMPLEMENTED IN COLABORATION WITH THE ZAMBIA NATIONAL FARMERS UNION.

A TOTAL OF 241,000 SMALL-SCALE FARMERS ARE TARGETED UNDER THE ELECTRONIC VOUCHER SYSTEM IN THESE PILOT DISTRICTS.

THE DISTRICTS IN WHICH THE E-VOUCHER IS BEING IMPLEMENTED ARE:

- 1) KALOMO
- 2) CHOMA
- 3) MONZE
- 4) MAZABUKA
- 5) CHIKANKATA
- 6) PEMBA
- 7) CHONGWE
- 8) MUMBWA
- 9) CHIBOMBO
- 10) KABWE
- 11) KAPIRI MPOSHI
- 12) NDOLA; AND

### 13) CHISAMBA

SIR I AM ALIVE TO THE FACT THAT THE ABOVE DISTRICTS ARE HIGH PRODUCTION AREAS IN THE COUNTRY. HOWEVER, THESE DISTRICTS ARE ALSO THE ONES WITH HIGHLY EXPERIENCED FARMERS WHO ARE SUITED FOR AGRICULTURAL DIVERSIFICATION. ALL THE SELECTED DISTRICTS WITH THE EXCEPTION OF NDOLA ARE LOCATED IN THE SOUTHERN HALF OF THE COUNTRY THAT ARE PRONE TO DROUGHT CONDITIONS. THIS, COUPLED WITH LATEST RAINFALL FORECASTS OF NORMAL TO BELOW NORMAL FOR THIS PART OF THE COUNTRY MAKE IT EVEN MORE IMPERATIVE FOR GOVERNMENT TO PROMOTE AGRICULTURAL DIVERSIFICATION IN THESE DISTRICTS.

I ALSO WISH TO STATE THAT THERE HAS BEEN NO REDUCTION IN THE NUMBER OF BENEFICIARIES UNDER FISP DUE TO THE INTRODUCTION OF THE E-VOUCHER. DURING THE 2014/2015 FARMING SEASON, CHONGWE DISTRICT WAS ALLOCATED 17,070 BENEFICIARIES WHILE FOR THE 2015/2016 FARMING SEASON, THE DISTRICT HAS BEEN ALLOCATED 17,635 BENEFICIARIES. FOR MONZE DISTRICT, THE ALLOCATED BENEFICIARY FARMERS FOR BOTH THE 2014/2015 FARMING

SEASON AS WELL AS THE 2015/2016 FARMING SEASON HAS REMAINED AT 27,427 BENEFICIARIES.

UNDER THE ELECTRONIC VOUCHER SYSTEM, SELECTED AND APPROVED BENEFICIARY FARMERS ARE BEING GIVEN VISA CARDS WHICH THEY ARE USING TO BUY AGRICULTURE, LIVESTOCK AND FISHEIRES INPUTS OF THEIR CHOICE FROM REGISTERED AGRO DEALERS AND INPUT SUPPLIERS. THE CARDS ARE BEING ISSUED TO INDIVIADUAL FARMERS AND ARE ONLY ACTIVATED FOR USE, AFTER THE FARMERS HAVE PAID THEIR FARMER CONTRIBUTION.

**MR. SPEAKER,**

AT THE TIME OF LAUNCHING THE PROGRAMME, GOVERNMENT CONTRIBUTION PER BENEFICIARY FARMER WAS K1, 000 WHILE THE FARMER CONTRIBUTION WAS K400.

IN VIEW OF THE RECENT FERTILIZER PRICE INCREASES ON THE MARKET, GOVERNMENT HAS MADE A DECISION TO INCREASE ITS SUPPORT PER FARMER TO K1, 700 WHILE THE FARMER CONTRIBUTION HAS REMAINED AT K400 PER BENEFICIARY FARMER. THIS WILL BRING THE TOTAL VALUE ON THE CARD TO

K2, 100. THIS MOVE WILL ENSURE THAT FARMERS BENEFITING UNDER THE ELECTRONIC VOUCHER SYSTEM ARE NOT DISADVANTAGE COMPARED WITH THOSE UNDER THE CONVENTIONAL FISP. ALL THOSE FARMERS WHO HAVE ALREADY PAID THEIR FARMER CONTRIBUTION AND HAVE HAD THEIR CARDS ACTIVATED, WILL RECEIVE A TOP UP AMOUNT OF K700.

THE PROCESS OF ACTIVATION OF THE TOP UP AMOUNT HAS ALREADY COMMENCED AFTER RELEASE OF FUNDS BY THE TREASURY. THE TREASURY HAS ALREADY RELEASED ALL THE BUDGETED K241 MILLION MEANT FOR THE GOVERNMENT CONTRIBUTION.

### **MR SPEAKER**

IN ORDER TO ENSURE THAT FARMERS ARE SUPPLIED WITH GENUINE INPUTS, A TOTAL OF 202 AGRO DEALERS AND INPUT SUPPLIERS HAVE BEEN REGISTERED THROUGH AN OPEN TENDER TO PARTICIPATE ON THE PROGRAMME. THESE AGRO DEALERS ARE ALREADY DELIVERING INPUTS TO FARMERS IN THE PARTICIPATING DISTRICTS.

SIR, UNLIKE UNDER THE CONVENTIONAL FISP WHERE INPUTS ARE DELIVERED TO A FEW WAREHOUSES FOUND ACROSS THE COUNTRY, UNDER THE E-VOUCHER, THE AGRO DEALERS AND INPUT SUPPLIERS ARE FOLLOWING FARMERS TO THEIR DOOR STEP TO DELIVER INPUTS OF THEIR CHOICE DUE TO COMPETITION CREATED BY THE REGISTERING OF MORE SUPLIERS ON THE PROGRAMME.

FARMERS ARE FREE TO BUY INPUTS OF THEIR CHOICE FROM ANY OF THE REGISTERED AGRO DEALERS AND INPUT SUPPLIERS THAT ARE NEARER TO THEIR COMMUNITIES. THIS HAS ALSO BROADENED THE CHOICE OF INPUTS FOR FARMERS.

**MR. SPEAKER,**

FOLLOWING THE STRICT SCREANING PROCESSES APPLIED BY THE MINISTRY TOGETHER WITH THE PARTICIPATING BANKS AND THE ZAMBIA NATIONAL FARMERS UNION, A TOTAL OF 229,644 FARMER NAMES HAVE BEEN VERIFIED AND INCLUDED ON THE E-VOUCHER PROGRAMME OUT OF THE TARGETED 241,000 BENEFICIARY FARMERS AS AT TUESDAY, 2<sup>ND</sup> DECEMBER, 2015. OUT OF THE VERIFIED NAMES, 204,024 CARDS HAVE BEEN PRINTED AND DELIVERED TO THE MINISTRY. A TOTAL OF 182,389