



**The Republic of Zambia
Ministry Of Agriculture**

MINISTERIAL STATEMENT

BY

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MINISTER OF AGRICULTURE,

ON

“UPDATE ON THE IMPLEMENTATION OF THE FARMER INPUT

SUPPORT PROGRAMME (FISP) FOR 2016/2017

AGRICULTURAL SEASON”

FEBRUARY, 2017

MR. SPEAKER,

I THANK YOU FOR GIVING ME THIS OPPORTUNITY TO UPDATE THE AUGUST HOUSE **ON THE IMPLEMENTATION OF THE FARMER INPUT SUPPORT PROGRAMME (FISP) FOR 2016/2017 AGRICULTURAL SEASON.**"

MR SPEAKER,

YOU MAY RECALL THAT IN NOVEMBER, 2016, I INFORMED THE HOUSE THAT IN THE 2016/2017 AGRICULTURAL SEASON, FISP WOULD BE IMPLEMENTED USING BOTH THE CONVENTIONAL AND THE E-VOUCHER SYSTEMS. THE CONVENTIONAL SYSTEM WAS IMPLEMENTED IN 64 DISTRICTS WHILE THE E-VOUCHER SYSTEM WAS IMPLEMENTED IN 39 DISTRICTS.

MR SPEAKER,

A TOTAL OF **1, 609,187** FARMERS WERE TARGETED TO BENEFIT FROM THE FARMER INPUT SUPPORT PROGRAMME THIS SEASON. OUT OF THIS FIGURE, **ONE MILLION, SIX THOUSAND, SIX HUNDRED AND SIXTY SIX (1,006,666)** FARMERS WERE UNDER THE CONVENTIONAL SYSTEM IN THE 64 DISTRICTS, WHILE THE

REMAINING **602,521** FARMERS IN 39 DISTRICTS WERE UNDER THE E-VOUCHER SYSTEM. AT THE START OF THE 2016/2017 AGRICULTURAL SEASON 233,689 FARMERS ALREADY HAD THE E-VOUCHER CARDS AND 368,832 FARMERS WERE TARGETED TO RECEIVE NEW CARDS FOR THE 26 NEWLY ADDED DISTRICTS AS WELL AS NEW FARMERS BEING INTRODUCED INTO THE E-VOUCHER SYSTEM IN THE DISTRICTS FROM THE FIRST 13 DISTRICTS.

MR SPEAKER,

UNDER THE CONVENTIONAL FISP SYSTEM, GOVERNMENT PROCURED **95,813.92 METRIC TONNES** OF COMPOUND 'D' FERTILISER AND **87,036.85 METRIC TONNES** OF UREA FERTILISER AT A TOTAL COST OF **K1.73 BILLION**.

UNDER THE CONVENTIONAL FISP, GOVERNMENT ALSO PROCURED **11,055.39 METRIC TONNES** OF SEED FOR NINE (9) DIFFERENT CROPS, NAMELY: MAIZE, RICE, SORGHUM, GROUNDNUTS, SOYA BEAN, SUNFLOWER, COTTON, BEANS AND

ORANGE MAIZE. THE TOTAL COST OF THE SEED IS **K 341.85 MILLION.**

MR SPEAKER,

UNDER CONVENTIONAL FISP, FARMERS WERE ABLE TO ACCESS THE FOLLOWING INPUT PACKS:

1. WHITE MAIZE PACK - 2 BY 50KG BASAL DRESSING FERTILISER, 2 BY 50 KG TOP DRESSING FERTILISER AND 1 BY 10KG BAG OF SEED VALUED AT K 400;
2. SORGHUM PACK - 2 BY 50KG BASAL DRESSING FERTILISER, 1 BY 50 KG TOP DRESSING FERTILISER AND 1 BY 5KG BAG OF SORGHUM SEED VALUED AT K280;
3. RICE PACK – 1 BY 50KG BASAL DRESSING FERTILISER, 1 BY 50KG TOP DRESSING FERTILISER AND 1 BY 10KG RICE SEED VALUED AT K220;
4. GROUNDNUTS PACK – 1 BY 50KG BASAL DRESSING FERTILISER, 1 BY 20KG BAG GROUNDNUT SEED VALUED AT K210;

5. ORANGE MAIZE PACK - 2 BY 50KG BASAL DRESSING FERTILISER, 2 BY 50 KG TOP DRESSING FERTILISER AND 1 BY 10KG BAG OF SEED VALUED AT K 400;
6. SOYA BEANS PACK - 2 BY 50KG BASAL DRESSING FERTILISER, 1 BY 50KG SOYA SEED AND 25G OF INOCULUM VALUED AT K330;
7. COTTON PACK - 2 BY 50KG BASAL DRESSING FERTILISER, 1 BY 10KG BAG COTTON SEED VALUED AT K195;
8. BEANS PACK – 2 BY 50KG BAG BASAL DRESSING FERTILISER, 1 BY 30KG BAG BEANS SEED, VALUED AT K400; AND
9. SUNFLOWER PACK - 2 BY 50KG BAG BASAL DRESSING FERTILISER, 1 BY 50KG TOP DRESSING FERTILISER AND 1 BY 4KG BAG OF SUNFLOWER SEED VALUED AT K280.

MR SPEAKER,

A. CONVENTIONAL FISP.

AS AT 20TH FEBRUARY, 2016, A TOTAL OF **93,227 METRIC TONNES** OF COMPOUND 'D' FERTILISER HAD BEEN DISTRIBUTED TO ALL DISTRICTS UNDER THE CONVENTIONAL FISP. THIS **REPRESENTS 97**

PERCENT OF THE TARGETED **95,813.92 METRIC TONNES**. IN ADDITION, **76,984.10 METRIC TONNES** OF UREA FERTILISER HAD BEEN DISTRIBUTED. THIS REPRESENTS **88 PERCENT** OF THE PLANNED **87,036.85 METRIC TONNES**.

FURTHER **10,705.50 METRIC TONNES** OF SEED WAS DISTRIBUTED OUT OF **11,055.39 METRIC TONNES** THAT WAS PROCURED.

MR SPEAKER,

THE DISTRIBUTION OF SEEDS UNDER THE CONVENTIONAL FISP CAME TO A CLOSE IN MID-JANUARY, 2017. LOOKING AT THE TIME OF THE SEASON, THE DELIVERY OF FERTILISER IS ALSO EXPECTED TO COME TO A CLOSE SOON. HOWEVER, FARMERS WITH E-VOUCHER CARDS WILL STILL ABLE BE TO ACCESS INPUTS FROM VARIOUS AGRO-DEALERS.

MR SPEAKER,

THE DELAYS IN THE DISTRIBUTION OF INPUTS UNDER THE CONVENTIONAL FISP HAVE BEEN DUE TO THE LATE RELEASE OF

FUNDS FOR THE PROGRAMME, WHICH SUBSEQUENTLY RESULTED INTO DELAYED PAYMENTS TO SEED AND FERTILISER SUPPLIERS AS WELL AS TRANSPORTERS FOR INPUTS AND SERVICES PROVIDED DURING THE 2015/2016 AGRICULTURAL SEASON. THE SUPPLY AND DELIVER OF INPUTS UNDER CONVENTIONAL FISP COULD NOT COMMENCE UNTIL THESE ARREARS HAD BEEN SETTLED.

IN ADDITION, THE MAJOR SUPPLIERS OF FERTILISERS RUN OUT OF THE COMMODITY FOR BOTH CONVENTIONAL AND E-VOUCHER DISTRICTS. THE FERTILISER DEMAND FOR THE 2016/2017 AGRICULTURAL SEASON HAD BEEN UNDER ESTIMATED BY THE MAJOR SUPPLIERS. THE TOTAL FERTILISER DEMAND FOR THE COUNTRY, THAT IS BOTH BASAL AND TOP DRESSING IS ESTIMATED AT 400,000 METRIC TONNES PER ANNUM.

OTHER CHALLENGES THAT ALSO CONTRIBUTED TO THE DELAYS IN COMPLETION OF THE DELIVERY OF FERTILISER INCLUDE THE FOLLOWING:

1. TRANSPORTATION CHALLENGES FOR THE SUPPLIERS; AND

2. INADEQUATE STORAGE FACILITIES FOR FERTILISER IN SOME DISTRICTS.

MR SPEAKER,

FOR THE 2016/2017 AGRICULTURAL SEASON THE AMOUNT STILL OWING TO FERTILISER SUPPLIERS, SEED COMPANIES AND TRANSPORTERS STANDS AT **K2 BILLION**. THIS AMOUNT IS BROKEN DOWN AS FOLLOWS:

1. FERTILISER SUPPLIERS – K1.67 BILLION;
2. SEED SUPPLIERS – K332.9 MILLION; AND
3. TRANSPORTERS – K8.4 MILLION

MR SPEAKER,

B. E-VOUCHER SYSTEM

UNDER THE E-VOUCHER SYSTEM, A TOTAL OF **K 803.7 MILLION** HAS BEEN DISBURSED FOR IMPLEMENTATION OF THE E-VOUCHER SYSTEM OUT OF THE **K1.026 BILLION** REQUIRED. THUS, OF THE **602,521** CARDS IN THE SYSTEM, **513,786** HAVE BEEN SENT FOR ACTIVATION. AS AT 20TH FEBRUARY, 2017, A TOTAL OF **434,762**

CARDS HAVE BEEN ACTIVATED WITH THE AMOUNT DISBURSED SO FAR. THIS LEAVES A BALANCE OF **K260.1 MILLION** FOR ACTIVATION ON THE CARDS ALREADY DISTRIBUTED TO THE FARMERS. A FURTHER **K5.9 MILLION** IS OWED TO THE FIVE PARTICIPATING BANKS FOR THE PRODUCTION OF THE E-VOUCHER CARDS.

MR SPEAKER,

DURING THE IMPLEMENTATION OF THE E-VOUCHER SYSTEM IN THE 2016/2017 AGRICULTURAL SEASON, SEVERAL OPERATIONAL CHALLENGES WERE ENCOUNTERED. THESE INCLUDE:

1. DELAYS IN RELEASE OF FUNDS;
2. LATE PRODUCTION AND DISTRIBUTION OF CARDS;
3. IN SOME DISTRICTS AGRO-DEALERS ARBITRARILY INCREASED PRICES OF FERTILISER;
4. SOME AGRO-DEALERS RAN OUT OF INPUTS;
5. SOME FARMERS WERE FORGETTING THEIR PASSWORDS AND HAD THEIR CARDS BLOCKED; AND

6. SOME FARMERS SURRENDERING THEIR CARDS TO FARMER GROUP LEADERS, THEREBY COMPROMISING THE IMPLEMENTATION OF THE PROGRAMME.

MR SPEAKER,

GOVERNMENT IS WORKING TIRELESS TO FIND SOLUTIONS TO THE CHALLENGES THAT HAVE AFFECTED THE IMPLEMENTATION OF THE FISP, ESPECIALLY THE E-VOUCHER SYSTEM. TO THIS EFFECT, WE ARE PLANNING A STAKEHOLDER MEETING TO BE HELD SOON. THIS MEETING IS MEANT TO COMPREHENSIVELY REVIEW THE PERFORMANCE OF FISP, SHARE EXPERIENCES AND TO IMPROVE PERFORMANCE OF THE PROGRAMME IN THE COMING SEASON.

MR SPEAKER I THANK YOU.