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A COMPARATIVE ANALYSIS OF AGRICULTURAL POLICIES AND FARMING CO-OPERATIVES IN EASTERN AND SOUTHERN PROVINCES OF ZAMBIA, 1952-2015

BY

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LUSAKA

27TH OCTOBER 2022

DECLARATION

I **MARTIN CHABU** do solemnly declare that this thesis represents my own work and has not previously been submitted for doctor of philosophy at this or another university.

Signature.....

DATE.....



APPROVAL

This thesis of MARTIN CHABU is approved as partial fulfilment of the requirements for the award of the Doctor of Philosophy in History

EXAMINERS

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ABSTRACT

The purpose of this phenomenological study was to examine the comparative analysis of agricultural policies on the farming co-operatives in Eastern and Southern Province of Zambia 1952-2015. The study was guided by three objectives: **1**, to assess factors influencing formation of co-operatives in colonial Zambia; **2**; to analyse the performance of co-operative's in Eastern and Southern Province between, 1952-2015; **3**, to compare responses of peasant farmers to changing government agricultural policies on the farming co-operatives in Eastern and Southern Provinces. A review of literature has proved that in as much as indigenous African had an inherent mechanism of working together, major strides towards the formation of co-operatives in Africa were a top down approach from the colonial government.

The study used a survey research design. This researcher used a survey because this is a fact-finding study. The researcher used the survey to gather data directly from respondents during the research. Stratified and purposive sampling method was used to identify the individuals who participated in the study. Data was also collected from the National Archives of Zambia (NAZ) were tour reports, native reports, letters, district reports and provincial Annual Reports were consulted. Other sources includes, Ministry of Agriculture, Department of Agriculture and Co-operatives and the University of Zambia Library, special collection. Data was collected using oral interviews and document analysis guide and observation schedule was also done.

The thesis attempts to trace the development of farming co-operatives in Eastern and Southern provinces of Northern Rhodesia. Agricultural policies were compared and analysed leading to the formation and development of farming co-operatives in Eastern and Southern provinces of Zambia between 1952 and 2015. From this period, the co-operative societies in Eastern and Southern Province faced a number of successes and challenges. This in part can be attributed to the different agricultural co-operative policies brought about by the different governments. As was discussed, each theme, each government had a diverse perception on agriculture co-operatives and their policies towards the same. The study has revealed that the farming co-operatives societies in Eastern and Southern Provinces had similar operations and played a crucial part in financing members of

co-operatives in the period between 1952 and 2015. The results of the study showed that farming co-operative societies had a significant impact on the empowerment of their members and hence affected standards of living of the peasant farmers especially in areas of trade, marketing and financial support. This consequently contributing to the development and transformation of rural areas. The study revealed that most of the co-operatives which were formed between 1992-2015 had problems because members were just interested in accessing government resources through programmes such as FISP, E-voucher, youth empowerment and Livestock programmes. This has been cited as one of the contributing factors that has adversely affected the life of such co-operatives in Zambia. The study finally, established that the major hindrance for co-operative development presently was that those formed between 2002 to 2015, were season in operation and just interested in accessing government resources through programs such as FISP and E-voucher. The study has consequently suggest that government should tighten policies and conditions for assessing such facilities so that farming co-operatives can develop.



DEDICATION

This Dissertation is dedicated to my mother Mrs. Mary L Phiri whom I cherish for her undying support. To my wife Doreen Banda for her encouragement and moral support rendered during my studies. I derive my happiness, inspiration and energy to go on in life no matter what obstacles I faced. To my children Grace, Raymond and Ebenezer you are the source of my joy.

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To all these people, I say God bless you abundantly.

ACRONYMS AND ABBREVIATION

ACMU Alimi Co-operative Marketing Union

ANC African National Congress

CB Co-operative Board

CEO Camp Extension Officer

CRC Chipata Record Centre

CSO Central Statistical Office

CUSA Credit Union of Saving Association

DAC District Agriculture Committee

DACO District Agriculture Co-coordinator

DCU District Co-operative Union

DMCO District Marketing Co-operative Officer

DRC Democratic Republic of Congo

ECS Electronic Voucher System

ECU Eastern Co-operatives union

EPCM Eastern province Co-operative marketing Association

FAO Food and Agriculture Organisation

FISP Farmer Input Support Union

FISRIP Farmer Input Support Response Initiative Programme

FRA Food Reserve Agency

FSP Farmers Support Programme

FTC Farmer Training Centre

GMB Grain marketing Board

ICT Information Communication Technology

KCMU Katete Co-operative Marketing Union

KFI Katopola Farm Institute

MACO Ministry of Agriculture and Co-operative

MAL Ministry of Agriculture and Livestock

MMD Movement for Multiparty Democracy

MP Member of Parliament

NAZ National Achieves of Zambia

NCZ Nitrogen Chemicals of Zambia

NRFU Northern Rhodesia Farmers Union

PCMU Petauke Co-operative Marketing Union

PCS Primary Co-operative Society

PCU Provincial Co-operative Union

PF Patriotic Front

PFS Peasant Farmer Union

PFUZ Peasant Farmers' Union of Zambia

SADC Southern African Development Community

SAO Senior Agriculture Officer

SZI Smart Zambia Institute

UNIP United National Independence Party

ZNFU Zambia National Farmers Union



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CHAPTER ONE

INTRODUCTION

1.0 Background

The colonial administration of Northern Rhodesia started the co-operatives movement among Africans with the objectives related to vague strategies but emphasized collection of food stuffs from peasants for the local market that had been expanded due to increasing urbanization in Northern Rhodesia. The colonial administration of Northern Rhodesia had a broad objective in establishing co-operatives among Africans after the Second World War. The policy on co-operatives aimed at promoting economic development among Africans and raising their standards of living.¹ The co-operative movement primarily focused on developing rural areas. A co-operative movement is a voluntary and social attempt of organizing services among individuals with common objectives of achieving improvement, in improving a certain cause. As such, there could exist various forms of co-operatives. However, the focus here is on farming co-operatives. Rita Hiden, an activist in the Fabian Colonial Bureau, defined a co-operative as a voluntary effort of individual members in order to manage the economy of their respective societies so that they share in benefits of their co-operative effort in buying and selling a range of commodities produced.² The co-operatives were used as middlemen between the peasants and the commodity markets in Northern Rhodesia and overseas. Co-operatives were formed in order to facilitate for the buying of agricultural produce from rural African cultivators and sell of the same produce at a local and overseas market under close supervision of colonial administration. The co-operatives were used as a means of encourage Africans to grow more cash crops such as maize, tobacco and groundnuts.³

The first co-operative organisation in Northern Rhodesia was the Northern Western Rhodesia Farmers' Co-operative Society (NWRFCs). It was entirely European in membership and was

¹ N.A.Z. SEC1/252, Reports on Co-operatives Prospects in Northern Rhodesia 1946-1947: SEC1/254, Bills passed in the Legislative Council on Co-operative Societies 1949: Also see J.L. Boyd Wilson, *A Pamphlet of a Co-operative Digest 1, 1948* (Lusaka: Government Printers, 1948), pp. 1-6.

² N.A.Z SEC2/191 to SEC/192, Newsletters, No. 1-11, 1948 to 1956; Rita Hiden, *Co-operation on Colonies, A Report to the Fabian colonial Bureau* (London, George Allen and Unwin Ltd, 1945), p. 187.

³ N.A.Z SEC1/32. Notes on Northern Rhodesia Prospects and Marketing Reports 1948-1952 see Lisa Cliggett and Virginia Bond (Ed), *Tonga Time Line* (Lusaka: Lembani Trust, 2013), pp. 240-243.

registered by the Registrar of the High Court of Northern Rhodesia on 16th October 1914.⁴ Subsequently, a number of European co-operatives societies mushroomed in almost all places where European settler population engaged in farming.

The development and activities of European co-operatives societies in the country influenced efforts to organize co-operative societies among Africans in rural areas. These efforts had begun in the 1920s, by missionaries of different denominations particularly in Southern province by the Anglicans of Mapanza and Seventh Day Adventist (SDA) church in Monze.⁵ These initial attempts bore little fruits because it was difficult to sustain interest of members who usually resigned from various African farmer association after a short spell of membership. The missionaries lacked trained staff hence the difficult in running co-operatives and failure to sustain membership interest. On the government side, some District Commissioners and their District Agricultural Officers took a personal initiative to form experimental producer and marketing co-operative societies in their respective districts.

In 1924, the Northern Rhodesia Agricultural Society was formed and its aim was to encourage better farming marketing and animal husbandry among the Europeans farmers in the country.⁶ In 1928, the Tobacco co-operative society was established. From 1928 to 1945 many European co-operative societies were established in Fort Jameson (Chipata), Abercon (Mbala) and other places in the country where Europeans had engaged in various business activities.⁷ Between 1946 and 1952, the district administrators intensified their independent and uncoordinated efforts to form co-operatives and as a result, a number of societies were established in Lundazi, Petauke, Forty Jameson, (Eastern province), Namwala, (Southern Province), Mporokoso (Northern Province) and Balovale (now Zambezi) in North Western Province. The earliest co-operative societies to be formed in Eastern Province by the colonial government were those of Petauke District in 1946 which included Petauke African Tobacco Growers co-operative society (PATGCS) as well as

⁴ T. Rasmussen, 'The Popular Basis of Anti-Colonial Protest'. In W. Tordoff, (ed) *Politics in Zambia* (Manchester: University Press, 1974), pp. 40-61.

⁵ M. R. Dixon-Fyle, 'Politics and Agrarian Change among the Plateau Tonga of Northern Rhodesia 1924-1963', PhD Thesis, University of London, 1976. p. 181.

⁶ R.E. Baldwin, *Economic Development and Export Growth A Study of Northern Rhodesia, 1920-1960* (Berkeley and Los Angeles: University of California Press, 1966), pp. 140-144.

⁷ N.A.Z, SEC/1/40, A.J.W. Hornby, Report on a small Tobacco Industry at Mvuvye in Northern Rhodesia 1938: A. M. Kanduza, 'The Tobacco Industry of Northern Rhodesia 1912-1938' *International Journal of African Historical Studies*, 16, 2(1983), pp. 201, 213-214.

Petauke African Producers Co-operative Society (PAPCS). In the same year, the PATGCS and PAPCS formed Petauke Producers Association (PPA). In 1952, Petauke Co-operative Union was formed. Katete Co-operative Marketing Union (KCMU) was formed later in 1957, and later co-operatives extended to other districts in Eastern Province.⁸

The reasons why farming co-operatives were formed in 1952, was to enable colonial officials to market African agriculture products. Farming was the main occupation and source of livelihood for most of the rural inhabitants and this was a major concern among the policy makers. Agriculture farming co-operatives were also formed during this period in order to involve the masses in decision making over developmental issues and to achieve increased crop production. The co-operatives were formed in order to have access to agricultural knowledge, extension services, capital and inputs that were essential to achieve improved farming. My study is specifically and narrowly concerned with examining the comparative analysis of government agricultural policies on the farming co-operatives. I focus on co-operatives in Eastern Province and Southern Province of Zambia during the period 1952-2015, because this is where the first co-operatives in Northern Rhodesia evolved and that the two provinces were a center of agriculture due to their location.

The farming co-operatives have played important roles in Zambia even if their impact in the economic development may be difficult to assess. The co-operative movement has enjoyed direct encouragement and protection from governments through good policies and incentive schemes.⁹ These farming supportive policies started in Northern Rhodesia which had broad objectives in establishing co-operatives among Africans. The policy on co-operatives aimed at promoting economic development among Africans and raising their standards of living.¹⁰ The co-operatives primarily focused on rural areas with the assumption that the co-operative movement would help to improve methods of farming, raise production and expand the scale of marketed commodities

⁸ E.A.M Banda, 'The Impact of the Petauke Co-operative Marketing Union (PCMU) on the Peasant Economy in Petauke District of Eastern Province of Northern Rhodesia, 1947-1964', in Ackson M. Kanduza (ed) *Scio-economic Change in Eastern Zambia: Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1992). pp. 95-102.

⁹ J.C, Momba 'Peasant Differentiation and Rural Party Politics in Colonial Zambia', *Journal of Southern African Studies*, Vol. 11 No. 2 (April, 1985), pp. 281-294.

¹⁰ N.A.Z, SEC1/252, Report on Co-operatives Prospects in Northern Rhodesia 1964-1947: SEC 1/254, Bills passed in the Legislative Council see Boyd Wilson, *A Pamphlet of Co-operative Digest 1, 1948* (Lusaka: Government Printers, 1948), pp. 23-30.

among African rural inhabitants.¹¹ The Zambian Government, especially the UNIP administration, attempted to develop rural economies through building on indigenous knowledge system and practices. According to Peter Matoka, the Zambia government began in 1964, to inspire formation of co-operatives as a way of achieving the goal of the Philosophy of Humanism formally promulgated in 1967 as a framework for developing Social, Political and Economic aspirations of the country.¹² In spite of many challenges, the government was seriously committed to the co-operative movement as a way of fostering rural development. The continuity in policy in Zambia and the importance attached to the co-operatives throughout the African continent demonstrate a broad significance of the present study.¹³

1.1. Statement of the Problem

Bryman and Bell states that, a problem statement usually explains the problem your process improvement project will address. In general, a problem statement will outline the negative points of the current situation and explain why this matters. It also serves as a great communication tool, helping to get support from others.¹⁴

In this research, I examined comparative analysis of agricultural policies and farming co-operatives in Eastern and Southern Provinces. In the first theme, give the general overview of the research problem, Objectives, literature review and methodology. The second theme, I compared and analysed the agricultural policies leading to the formation and development of farming co-operatives in Eastern and Southern provinces of Zambia between 1952 and 1964. I began outlining briefly, the description of Eastern and Southern province and the economic sectors in which people are engaged. I also discussed colonial Agricultural co-operative policy and the reasons which led to the formation of co-operatives in Eastern and Southern province. The second theme further explains the post-colonial agricultural co-operative policy in order to understand development of co-operatives and shows why colonial and post independent periods are important context. The

¹¹ Edson A.M Banda, 'The Impact of the Co-operative Marketing Union on the Peasant Economy in Petauke District of Eastern Province in Northern Rhodesia, 1947-1964', M.A. Dissertation, University of Zambia, 1984, pp. 1-6.

¹² P. Matoka, 'The Role of Co-operatives in Rural Development of Zambia', M.A. Dissertation, University of Zambia, 1985, p. 23.

¹³ Edison A.M Banda, 'The Impact of Co-operative Movement in the Eastern Province 1947-1980', in Ackson M Kanduza, (ed.), *Socio-economic Change in Eastern Zambia; Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1994), p. 101.

¹⁴ Braynan and Bell, *Business Research Methods 4th Edition* (Oxford: Oxford University Press, 2015).

larger part of the discussion is devoted in discussing factors which led to the growth of co-operatives in Eastern and Southern provinces and the impact on the peasant economy.

The third theme outlines how farming co-operatives were formed in 1964-1991. In 1965, President Kaunda in his speech in Chifubu on the Copperbelt signalled government frame work and this was immediate. The Chifubu speech was a statement of a national policy on co-operatives; were Eastern and Southern Province became the main centers of co-operatives in Zambia. The second theme also looks at government agricultural co-operative policy and how they were formed in Eastern and Southern Province of Zambia. The theme further explains government policy shift from farming co-operative to National Marketing Boards (NAMBOARD) and a comparative analysis of activities of co-operatives in Eastern and Southern Provinces.

The fourth theme is reversal of gains; farming co-operatives in Eastern and Southern Provinces, 1991-2002 under the rule of Movement for Multi-Party Democracy (MMD). During this era, MMD under President F.T.J Chiluba implemented economic liberal policies which focused on promoting private sector. The state withdrew support that had been rendered during the colonial period and the UNIP administration. In this theme, I outline the agricultural co-operative policies laid by the Movement for Multiparty Democracy (MMD) administration and also discuss the reasons for liberalization in the agriculture sector. The last part is a comparative analysis on agricultural co-operatives in Eastern and Southern Province and responses to liberalization.

The fifth theme is Farmers Input Support Program (FISP) a period between 2002- 2008, and I have discussed changes in MMD policy of what the new president, Dr Levy Patrick Mwanawasa called 'New Deal Administration'. In the agricultural sector, the new policy direction launched the Farmers Support Programme (FSP) on farming co-operatives in 2002/2003. The first part of this theme explains the introduction of FSP and its composition to the co-operative members. I further discuss a comparative analysis on the distribution of inputs and challenges faced by beneficiaries in Eastern and Southern Province. The last part explains on government interventions to challenges and a conclusion which is a summary of the chapter.

The sixth theme discussion looks at policy shift of FISP to Electronic Voucher System and its process of acquiring inputs from 2008-2015. The theme is aimed at analyzing the management of the E-Voucher Scheme as experienced in Eastern and Southern Provinces which was managed

through co-operatives. In the process of doing so it also looks at the administrative costs involved in the implementation to determine the effectiveness and efficiency of the E-Voucher Scheme. In order to assess the effectiveness and efficiency of the E-Voucher Scheme, the costs and benefits of the direct procurement of Farmer Input Support Programme were compared against the current voucher input scheme that Food and Agriculture Organisation had started and implemented in collaboration with Ministry of Agriculture and Co-operatives. The last part focuses on the challenges of E-Voucher System and a conclusion which is a summary of my discussion.

From the year 1952-2015, the co-operative societies in Eastern and Southern Province faced a number of successes and challenges. This in part can be attributed to the different agricultural co-operative policies brought about by the different governments. As was discussed, each government had a different perspective on agriculture and their policies towards the same. In view of the above, this study attempted to examine the comparative analysis of government agricultural policies and development of farming co-operative in Eastern Province and Southern province a period 1952-2015.

1.2 Objectives of the study

Study objectives define the specific aims of the study. That is, why they should be clearly stated in the introduction of the research protocol. Objectives can, and often do, state exactly which outcome measures will be used within the statement.¹⁵ The objectives, in a research, answer the question: What does one want to archive? They are important because they not only help guide the development of the protocol and design of study but also play a role in sample size calculations and determine the power of the study.

The objectives of this study are, therefore:

Main Objective

1. Analyse the difference that existed in agricultural policies and farming co-operatives in Eastern and Southern Province of Zambia 1952-2015.

Other Objectives

¹⁵ A Bryman & E. Bell, *Review: Business Research Method* (Oxford: Oxford University Press, 2007), pp. 5-6.

2. To assess factors influencing formation of co-operatives in colonial Zambia.
3. To analyse the performance of co-operative's in Eastern and Southern Province from 1952-2015.
4. To compare responses of peasant farmers to changing government agricultural policies on the farming co-operatives in Eastern and Southern Provinces.

1.3 Justification of the Study

Generally, it is believed that people depend on working together as a group to achieve what they want. Normally, co-operative societies in rural areas are built on common objectives. It is further believed that co-operatives in Zambia have a long history which could be harnessed for rapid rural development. Further, in looking at the impact of agricultural policies on co-operatives, it is possible to see whether the co-operative movement during the colonial period functioned in the same way. It was also important to identify major varying government's agricultural policies on co-operative and how they have been affecting the progression from 1952 to 2015. One of the reasons for studying the co-operative movement in Eastern and Southern provinces was that, the two provinces were the best provinces that were doing fine in terms of agriculture. Therefore, a study of farming co-operatives is a discussion of an aspect of agricultural co-operative policy as an instrument for rural change at provincial level.

It is in view of the above argument that an assessment of how policy has affected the farming co-operatives may help to identify possible ways of strengthening the rural areas in improving agricultural development. A review of literature indicated that government agricultural policies have an impact on the performance of farming co-operatives. This study would not only add to the existing literature, but would also benefit both the co-operative society fraternity as well the policy makers.

LITERATURE REVIEW

The earliest academic works is most significant to the historical development of farming co-operatives in other parts of the world. There are various experiences to be learnt from agricultural co-operatives in other parts of the world. A review of literature in Europe, Southern America, Asia and Africa showed different valuable lessons which could be used in Zambia. Most of these have substantial successes and some failure in using co-operative for development at the grass roots level. It is from these successes and failure that Zambia can draw a few ideas at its struggle to develop the country.

Historically, co-operatives originated in Europe in the 18th and 19th centuries. The co-operative movement came into existence as a self-help vehicle of overcoming extreme poverty which was exacerbated by mostly the worst hardship of low remuneration which workers encountered during the industrial revolution era.¹⁶ Thus, in 1844, the United Kingdom witnessed the formation of the first ever consumer co-operative society in Europe called Rochdale Society of Equitable Pioneers Limited. The study by E. Dejene is very important to the current study because it is comparable and explains on the origin of co-operatives in European which gives a foundation as to why co-operatives were formed in Zambia. The current study is also related to Dejene's study in that both looked at the assessment of member's perception towards factors that influence success of co-operatives. However, Dejene's study focused at co-operative which were founded by a group of weavers who came together to champion the deteriorating conditions of service at their places of work while this current study looks the welfare of peasants in farming co-operatives hence creating the gap. Therefore, the co-operative aspired to uplift the welfare of its members through the provision of; food, education, better housing, employment opportunities together with other socio-economic needs. Then, in 1867 the first farmers' co-operative was established so as to provide goods and services to its members and society as well.¹⁷

The study by F.M Epetimehin 'Dynamics of co-operatives' is significant to this study because it explains how co-operatives failed and succeeded in UK. In the succeeding years, the co-operative

¹⁶ E. Dejene, 'Assessment of Members Perceptions towards Factors Influencing the Success of Co-operatives: A Survey of Agricultural Marketing Co-operatives in Becho Woreda', MBA Thesis. Mekelle University. Ethiopia, 2014.

¹⁷ Dejene, 'Assessment of Members Perceptions towards Factors Influencing the Success of Co-operatives: A Survey of Agricultural Marketing Co-operatives in Becho Woreda', p. 54.

movement mainly developed in the supply sector with less progress in the marketing sector. It was not until the 1920s, after the collapse of the Federal Agricultural Wholesale Society, when agricultural co-operatives were rejuvenated. This condition was similar to the current study where co-operatives in Zambia were viable and later on collapsed in 1992, due to liberalization policy implementation. However, Epetimehin study elucidates that co-operative were rejuvenated to their original performance while the current study point out that co-operatives in Zambia did not go back to their glory days hence creating the gap. The co-operatives in UK reified their activities to value addition i.e. processing coupled with the offering of other essential services to their members.¹⁸ These services ranged from technical to management services. On the status quo of co-operatives in the UK, co-operatives have been facing stiff competition on the market against the products of other organizations.¹⁹ This is together with a legal framework that is characterized with flaws as it does not clearly define the role of co-operatives in the economy.²⁰ The idea of co-operatives was first formalized in the United Kingdom. There after the registered success was spread to other parts of the world with the inclusion of Sweden, China, India, and South America.²¹

The co-operatives in Southern America helped in promoting agricultural and rural development simultaneously. However, a case of failure of co-operatives to attain set objectives was recorded in North Eastern Brazil. S.W. Almy, in her study of co-operatives in North Eastern Brazil observed that co-operatives can only operate under certain conditions.²² The agricultural co-operative in Eastern Brazil failed mainly because of lack of participation from members and poor policies by government. Almy's study is alike to the study because co-operatives in Zambia also failed as a result of government policy. There seemed to be misconceptions from local and national leaders on how to run co-operatives. While at the same time large farming co-operatives existed primarily to obtain subsidies through joint political pressure.²³ The co-operatives in Asia were introduced by

¹⁸ F.M, Epetimehin, 'Understanding the Dynamics of Co-operatives', ICRTI Publishing House, Ibadan, Nigeria, 2006.

¹⁹ J.R, Fulton, and W.L, Adamowicz, 'Factors that Influence the Commitment of Members to their Co-operative Organizations', *Journal of Agricultural Co-operatives*. (8), 2009, PP. 39-53.

²⁰ E. Dejene, 'Assessment of Members Perceptions towards Factors Influencing the Success of Co-operatives: A survey of Agricultural Marketing Co-operatives in Becho Woreda. MBA Thesis. Mekelle University, 2014, pp. 6-20.

²¹ D.W. Attwood and B.S. Bariskar, *Who Shares? Co-operative and Rural Development* (London: Oxford University Press, 1988), pp. 21-26.

²² S.W Almy, 'Vertical Societies and Co-operatives Structure: Problems of Fit in North East Brazil', in Attwood and Bariskar, (ed.), *Who Shares? Co-operatives and Rural Development* (London: Oxford University Press, 1988), pp. 45-60.

²³ P.D. Aple, 'The Role of Co-operatives Dairy Schemes in Rural Development in India', in Attwood and Bariskar (ed.), *Who Shares? Co-operatives and Rural Development* (London: Oxford University Press, 1988), pp. 78-82.

Britain. The British government took up the ideas to stimulate and promote the development of co-operatives in India in 1900, through its colonial office in India.²⁴ The Indian experiment led to the creation of co-operatives law which was widely used in British colonies. The present co-operative registrations in commonwealth Africa are products of the British Indian experience in providing co-operatives.²⁵

According to Mohamed, the history of co-operative movement in Egypt, Africa can be traced in 1908 as part of the national movement against the British occupation of Egypt. This campaign was waged to force the colonial masters to leave production resources and country management to the locals.²⁶ Thus, in 1910, the first agricultural co-operative was established through the farmers' self-effort. Four years later, the number of household co-operatives in Egypt reached seventeen.²⁷ The study by Mohammad in Egypt is related to the current study because both elucidates that co-operatives were established through farmers in rural areas. Therefore, the study by Mohammad differs to the current study because in Egypt co-operatives were formed by farmers in order to race the imperialist while the current study highlights that co-operatives were formed in order to improve the livelihood of people in the rural areas. The collapse of co-operatives in Egypt was also as a result of British imperialist who blocked the co-operative law for fear that co-operatives were to be used to dash them out of Egypt while the current study enlightens that the co-operatives in Zambia failed because of structural adjustment policy which came as liberalization and this bridges the gap. Many attempts to issue a legal framework for the promotion of co-operatives was blocked by the British occupants. The British blocked this law for fear that the co-operative movement would be used to chase them out of Egypt.²⁸

In view of this, many agricultural co-operatives did not succeed in this period. By 1923, the co-operative movement showed signs of deterioration as the colonial government was not generally supportive. The year that followed, the government issued the first co-operative legislation in a

²⁴ H.H. Munker, *The illegal Status of Ore-Co-operative*, (Bonn Fredrick: Ebert Stiftung, 1979), pp. 34-50.

²⁵ S.L Mayakwa, 'Discussion Paper on Forming Co-operative', Co-operative College, Lusaka, 1987.

²⁶ Simamba Habeenzu, 'Barriers towards Enterprising of Co-operatives in Sesheke District of Zambia, PhD, Thesis, University of Zambia-Zimbabwe Open University, 2018. pp, 8-15.

²⁷ Mohamed Farahat Abdel-Seed, 'Role of Agricultural Co-operatives in Agricultural Development, The Case of Menoufiya Governorate', Egypt. Universität zu Bonn, 2004, pp. 23-45.

²⁸ Salim Sam, Co-operatives in Egypt mainland: Revival and Growth. Coop AFRICA Working Paper No.14, Cairo, 2010.

bid to promote the growth of co-operatives in the country. Unfortunately, this legislation was defective as it required co-operatives to work like ‘a company’ in terms of its capitalist structure. This was a serious blow to the co-operative movement as they were undercapitalized, thus could not afford to make the prescribed profits. Worse still, this law only restricted co-operatives to operate in the agricultural sector.²⁹ But, in 1927, a second co-operative law was enacted, which allowed co-operatives to operate in different kinds of sectors. This law made a number of co-operatives to increase to 297 by 1930. The government also started supporting these co-operatives with loans for recapitalization.

Wanyama F.O, explains that, the evolution of Kenya’s co-operative movement has been quite dynamic i.e. from the 1900s to date. In the colonial days, the co-operative movement in Kenya was mainly organized around experimentation on agricultural activities, i.e. crop farming of mainly cereals and livestock rearing of dairy cattle.³⁰ The co-operative movement witnessed the enactment of a legislation on co-operatives in the 1930s. This piece of legislation facilitated the reorganization of co-operatives in terms of acquisitions and mergers. This was across various value chains of the economy. These independent co-operatives, coalition and acquisitions did not have a definite organizational structure.³¹ After independence in 1963, the government further reorganized the co-operative movement. The new co-operative structure was premised on a three tiers system of organization. The three levels comprised the grass root co-operatives, district co-operative unions and the national co-operative union.³² Besides this, another important milestone that was recorded in the same year was the establishment of the co-operative bank of Kenya. The co-operative bank was instrumental in the recapitalization of the co-operative movement. These reforms were supported by the enactment of the Co-operatives Societies Act Cap 490 of 1966. The

²⁹ H. Musahara. ‘Perspectives on Co-operatives with reference to Rwanda. Paper Presented at a Regional Conference on “Perspectives of Co-operatives in Eastern Africa”, in Kampala/Uganda, 2012, pp. 34-45.

³⁰ F.O, Wanyama, *Surviving Liberalization: The Co-operative Movement in Kenya* (Dar es Salaam: ILO, Co-operative Facility for Africa, 2009), pp. 24-30.

³¹ R.M, Ochanda, ‘Local Development Dynamics of the Third Sector in Kenya: the Empowerment Dimension. PhD Thesis. University of Trento, 2014, pp. 104-109.

³² S. Owojuyigbe, *Co-operative Administration and Fieldwork in Nigeria* (Lagos: Samlolly Publishers Ibadan, Nigeria, 2007), pp. 45-50.

act provided for the creation of the office of the Commissioner of Co-operatives which replaced the Colonial Registrar of Co-operatives.³³

In 1964, the government created the Kenya National Federation of Co-operatives as an apex body of all co-operatives in the country. The apex body was tasked with a responsibility of promoting the development of farming co-operatives in the country through a well-coordinated effort.³⁴ The apex body became a focal point on matters related to co-operative policy, conflict resolution and representation at both national and international fora.³⁵ Further, the apex body assumed the role of official national and international voice of the Kenyan co-operative movement. The apex body drew its membership from grassroots co-operatives, district unions to the national co-operative organizations and by 1990 it had a membership base of about 8,000 co-operatives.³⁶

The history of co-operatives in Zambia began by the registration of the North Western Rhodesia Farmers' Co-operative Society by the registrar of high court on 16th October 1914. George Kay undertook one of the earliest studies that paid attention to development of co-operatives during the colonial period. Kay's study is important to the current study because it also looks at the development of farming co-operative in Eastern and Southern Province. The difference is that Kay mainly focused on resettlement in the Eastern Province as a whole and this makes it less useful in understanding the Co-operative movement in Eastern and Southern Provinces because major resettlement programme were in Chipata District.³⁷

The study by Simon M. C Nkhata, discussed co-operatives as an aspect of general agriculture history. This study by Nkhata is substantial to the current study because both looked at farming co-operatives and grain marketing. However, Nkhata mainly focused on the colonial settlement Scheme and Labour Migration in Chipata District of the Eastern Province of Zambia while the

³³ F.O, Wanyama, *Surviving Liberalization: The Co-operative Movement in Kenya* (Dar es Salaam: ILO, Co-operative Facility for Africa, 2009), pp. 24-30.

³⁴ ACDI/VOCA, *Co-operatives Hold Economic Promise for Women in Ethiopia. Feed the Future Program Bolsters Co-operative as Empowerment Strategy for Women Access February*, (2013), pp. 123-122.

³⁵ F.O, Wanyam, P. Develtere, and I. Pollet, 'Reinventing the Wheel? African Co-operatives in a Liberalized Economic Environment', *Annals of Public and Co-operative Economics*. 80 (3), pp. 2009, pp. 78-90.

³⁶ F.O, Wanyam, P. Develtere, and I. Pollet, 'Reinventing the Wheel? African Co-operatives in a Liberalized Economic Environment', *Annals of Public and Co-operative Economics*. 80 (3), 2009, pp. 361-392.

³⁷ G. Kay, *Changing Patterns of Settlement and Land use in the Eastern Province of Northern Rhodesia* (Hull: University of Hull publication, 1965), pp. 60-61; W. Allan, *Studies in African Land use in Northern Rhodesia Zambia, Rhodes-Livingstone paper No 1* (London: O.U.P, 1947), pp. 130-137.

current study mainly focus on farming co-operatives in Eastern and Southern Province. The co-operative movement was probably the single most important development programme in the district into which all other development schemes were incorporated and therefore, deserves a study in its own right.³⁸

Another important study which touches on co-operatives is Joseph Mtisi's examination of the social impact of taxation and labour migration in Eastern province. Mtisi made an important contribution in understanding adverse social change resulting from colonial policies on labour migration and taxation. This study benefits from Mtisi because he looked at colonial agricultural policies which helped the evolution of farming co-operatives in 1952, a period under study. The major difference is that Mtisi was concerned with the period prior to the focus of the present study and as noted earlier, it can be argued that the co-operatives were a remedy to the social dissatisfaction Mtisi has vividly analysed.³⁹ In a sense, this study is an extension of Mtisi's and an assessment of the extent to which the co-operative movement was successfully or otherwise in readdressing what R. Palmer and Parsons as rural poverty. In the discussion of the causal factors of rural poverty, a number of studies edited by Palmer and Parson make a major contribution to our understanding and analysis of changes in colonial agricultural policies and peasant economies in central southern Africa.⁴⁰ It is the same direction that I hope to make a contribution by assessing factors that influenced formation of co-operatives and analyse their performance for social change a period 1952-2015.

This work has greatly benefited from studies that paid attention to the co-operative movement than studies cited above. S.A Quick and C.S Lombard examined the development and problems of the co-operative in Zambia.⁴¹ This broad survey was mainly concerned with general aspects of co-operatives in the colonial era. C.S Lombard study though important on co-operatives but, has

³⁸ Simon M. C Nkhata, 'Settlement Scheme and Labour Migration in Chipata District of the Eastern Province of Zambia, 1951-1976', M.A Dissertation, University of Zambia, 1987, pp. 24-30.

³⁹ J.P Mtisi, 'The Economic Impact of Colonial Rule on Eastern Zambia, 1900-1953: The Experience of Chipata and Petauke', Ph.D. Thesis, University of Ibadan, 1979, pp. 44-296.

⁴⁰ Banda, 'Petauke Co-operative Marketing Union', p. 3-8; J.P. Mtisi, 'The Economic Impact of Colonial Rule on the Eastern Zambia, 1900-1953, the Experiences of Chipata and Petauke', Ph.D. Thesis, Ibadan University, 1979, pp.44-296. See also R. Palmer and N. Parsons, 'The Roots of Rural Poverty Historical Background' In R. Palmer and N. Parsons (ed.), *The Roots of Rural Poverty in Central and Southern Africa* (London: H.E.B Publishers, 1977), pp. 1-6.

⁴¹ S.A. Quick, *Humanism or Technocracy? Zambia's Farming Co-operatives 1965-1972, Zambian paper No. 12.* (Manchester: Manchester University Press, 1978), p. 8. Also see C.S Lombard, 'Farming Co-operatives in the Development of Zambia', *Journal of Modern Studies*, Vol. 10. No. 2 (1972), pp. 220-230.

the defect of being largely commissioned to resolve specific problems perceived as seriously undermining the growth of co-operative after independence in Zambia within the structural of government agricultural policy.⁴² It has useful baseline data. Quick's study has more relevance to the finding and conclusion of the present study. Like Quick I observe that co-operatives as a strategy for increasing agricultural and social control over the peasant economy.

The article by E.A.M. Banda, 'The Impact of the Co-operative Movement in Eastern Province, 1947-1980,' in Kanduza's *Social Economic changes in Eastern Province* was a significant contribution to the study. This work analysed the impact of the co-operative movement in Eastern province from 1947-1980. The work showed how co-operatives integrated the peasant cultivators into the market economy. The development of the co-operative movement had to some extent helped in establishing African commercial agriculture in the province. This was because co-operatives had been involved in crop production, marketing and providing support of productive services.⁴³ This work was relevant in that it recognized how the farming community especially the small scale farmers needed supporting services in order to increase their production. While Banda talked about co-operatives as having influenced peasant production, this study compares responses of peasant's farmers to changing government agricultural policies on the farming co-operatives that also helped in establishing a vibrant farming community and consequently improving the food security of the country.

The dissertation by Chibaye was also a valuable contribution to the study. This was because this study fully explored the agriculture marketing policy in Zambia and its implications. The study was of significance to farming co-operatives in that, the impact of marketing policy helped give an insight of the policy and whether it was beneficial and helped in promoting living standards of people in the rural areas. Chibaye acknowledged that an effective agricultural marketing system was necessary for the improvement of productivity and transforming the rural community from subsistence standards of living to commercialised standards of living.⁴⁴ This study also benefited

⁴² C.S Lombard, 'Farming Co-operatives in the Development of Zambia', *Journal of Modern Studies*, Vol. 10. No. 2 (1972), pp. 220-230.

⁴³ E.A.M Banda, 'The Impact of the Petauke Co-operative Marketing Union (PCMU) on the Peasant Economy in Petauke District of Eastern Province of Northern Rhodesia, 1947-1964', in Ackson M. Kanduza (ed) *Scio-economic Change in Eastern Zambia: Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1992). pp. 95-102.

⁴⁴ C. Chibaye, 'Statutory Agriculture Marketing Boards and the Development of Agriculture in Zambia, A Case Study in Development of Agriculture in Zambia', PhD, Thesis, Carleton University, Ottawa, Ontario, 1979, pp. 45-45.

from this work in that it showed that agricultural marketing also aided rural development through farming co-operatives.

Similarly the dissertation by Mawere contributed to this study in that it addressed the issue of agricultural marketing information which was crucial in the marketing of maize during the operation years of farming co-operatives. Mawere argued that during the operations of co-operatives 1964-1991, agricultural marketing information especially on prices and various inputs was communicated through farming co-operatives, radio, newspapers and agents like depots. The dissemination of this information by co-operatives contributed to enlightening the farmers on which crops were on demand and how best to do their farming thereby contributing to increased agricultural production and improving the standards of living.⁴⁵

Katongo's article, 'Agriculture Policies in Zambia 1975-1985' together with Mumeka's article 'Policy Constraints on the Development of Agriculture and small scale enterprises in Rural Zambia,' in *Adopting Improved Farm Technology* were yet other informative studies. The studies examined the performance of the agricultural sector and the impact of policies on the farming community. This study is very helpful and relative because it also looked at agricultural policies. Katongo's work analysed whether agricultural policies increased income, particularly among poor farming households, made basic foods more accessible and generated foreign aid. He further examined whether policies established a trade-off between agriculture exports and import substitution while the current study focused on comparative analysis on agricultural policies on the farming co-operatives.⁴⁶ On the other hand, Mumeka was more concerned with how policy was used as an instrument of developing agriculture. He thus examined the different agricultural policies by looking at how they affected small scale enterprises such as co-operatives in rural Zambia. These works were beneficial to the study in that they showed the role of agricultural policy framework in the development of a vibrant co-operatives in agriculture sector. The state

⁴⁵ J. Mawere, 'Agricultural Marketing Information and Maize Marketing in Zambia, A Case Study of Kabwe District in Central Province of Zambia', MA, Dissertation, Copperbelt University, 2008, p. 3.

⁴⁶ K. Katongo, 'Agricultural Policies in Zambia, 1975-1985' and L. Mumeka, 'Policy Constraints in the Development of Agriculture and small Enterprises in Rural Zambia,' in R, Celis, J, Milimo and S, Wanmali (eds.) *Adopting Improved Farm Technology: A Study of Smallholder Farmers in Eastern Province, Zambia*, (Washington D.C: International Food Policy Research Institute, 1976), p. 25.

intervention through agricultural farming co-operative marketing was necessary and crucial in promoting food security.

Tweedie and Lombard's work was also significant to this study in that the study analysed Zambia's agricultural performance since independence especially the first seven years after independence. The work acknowledged that the most important ways of marketing agricultural products in Zambia was through farming co-operatives.⁴⁷ It further stated that the other channels were marketing boards controlled by government. In this regard, this work was relevant to the study in that it brought out how agricultural performance was dependent on farming co-operatives which were used as an important means to manipulate production and consumption through price fixing and subsidies. The formation co-operatives was therefore, also used to promote food security in the country.

The paper on *Trends in Agriculture and Rural Development Indicators in Zambia* was also of great help to this study as the paper highlighted the trends in agricultural grain marketing and production in Zambia. The paper elaborated on how agricultural production had been from 1964, (independence) to the late 2000s. The trends in agricultural marketing and production was vital to the study as it helped to compare how grain marketing and production fared during the time of the state controlled co-operatives and marketing board and also how it fared after liberalising the marketing of agriculture products. The paper highlighted the fact that despite appearances of liberalisation, the government had continued to intervene heavily in grain and farm inputs markets in ways that greatly influenced the performance of co-operatives and the small holder farmers.⁴⁸ This was illuminating to the study in that it showed that state run parastatals were not always failures and that government involvement in marketing was still key to increased agricultural production. The study has developed and illustrated this point by examining the system of appointing agriculture co-operative policy implementers and supervisors. In doing this, I adopted a broader perspective than either the colonial government or Lombard. I adopted a historical approach in discussing broad social economic aspects of co-operatives.⁴⁹ Konrad Engelmann

⁴⁷ C.S Tweedie and A.H.C Lombard, *Agriculture in Zambia since Independence*, (Lusaka: Neczam, 1972), p.14.

⁴⁸ T.S Jayne et'al, 'Trends in Agricultural and Rural Development Indicators in Zambia,' Working Paper No. 24 on Food security Research Projects, Lusaka, June, 2007, pp. 56-76.

⁴⁹ S.A. Quick, *Humanism or Technocracy? Zambia's Farming Co-operatives 1965-1972*, *Zambian Papers No. 12*, (Manchester: Manchester University Press, 1978), p. 8; C.S Lombard, *The Growth of Co-operatives in Zambia 1914-1971*, *Zambia paper No 6*; (Manchester: Manchester University Press, 1971), pp. 1-30.

postulated advantages of such an approach when he noted: 'In most developing countries, historical, political, economic and social problems are so entangled that considering them separately is difficult, if not unrealistic. Neither governmental motives nor regional needs can be adequately examined from only one perspective. This is particularly true in organizing co-operative movement'.⁵⁰

This study assess factors that influenced formation and growth of co-operatives in Eastern and Southern Province and how they performed by helping in transforming the rural area and benefited the peasant. The study also compares how changes in agriculture policies a period 1952-2015 have negatively affected their success and performance of farming co-operatives. The major discussion on the comparative analysis of agricultural policies on the farming co-operatives during this study period makes major theoretical or conceptual contributions.

This is however, an awareness of certain key concepts which have been the subject of repeated academic debates. Peasant is the most important concept in this study.⁵¹ This is seen with many major writers on African agricultural history such as R. Palmer and N. Parsons, Colin Bundy and Martin Klien. However, J.S. Saul and R. Wood definition of peasantry is satisfactory guide. Saul and Wood states that 'Peasants are those whose ultimate security and subsistence lies in their having certain rights in land and in the labour of family members on the land, but who are involved, through rights and obligations, in a wider economic system which includes the participation of non-peasants.'⁵² The definition fits the African cultivator in Eastern and Southern province during the period 1952-2015. The purpose of this study was to discuss a comparative analysis of agricultural policies on the farming co-operatives in Eastern and Southern province within the context of government co-operative policy. Other terms of major concern that have been used in this study is the marketing union and primary co-operative societies. By primary societies I mean

⁵⁰ E. Konrad, *Building Co-operative Movements in Developing Countries: The Sociology and Psychological Aspects* (New York: Frederick. A Praeger Publishers, 1968, 1968), p. 4.

⁵¹ Banda, 'The Impact of the PCMU on the Peasant Economy in the Petauke District of Eastern Province in Northern Rhodesia 1947-1964', pp. 1-8.

⁵² J.S. Saul & R. Wood, 'African Peasantry', in T. Shanin (ed.). *Peasant and Peasant Societies* (Harmondsworth: 1977), p. 105; See also G. Arrighi and J.S Saul, *Easy on the Political Economy of Africa* (Nairobi: E.A.P.H. Ltd, 1974) p.407; J.S. Saul, *African Peasants and Revolution Review of African Political Economy* (1978), pp 48-68; T.O Ranger, 'Reflections on Peasants and Research in Central and Southern Africa', *Journal of Southern African Studies*, 5, 1 (October 1978), pp. 99-133; F. Cooper, 'Peasant Capitalists and Historians', *Journal of Southern African Studies*, 7,2 (1981), pp. 281-314; See introduction in Palmer and Parson, *The Roots of Rural Poverty*, 1977, pp. 1-26; C. Bundy, *The Rise and Fall of the South African Peasantry* (London: Heinemann Educational Books, 1979), pp. 4-12.

the constituent units of the marketing union that operated buying stations in the remote places of the provinces.

The Zambian economy has a lot of potential for growth and development. Perhaps, one important way to the realization of this goal is through the encouragement of co-operative movement.⁵³ Co-operatives were established by like-minded persons to pursue mutually beneficial economic interest. Scholars are of the opinion to compare and analyse that under normal circumstances, co-operatives play significant roles in the provision of services that enhance agricultural development. Regular and optimal performance of these roles will accelerate the transformation of agriculture and rural economic development. It is the co-operative that embraces all types of farmers and a well-organized and supportive co-operative is a pillar of strength for agriculture in Zambia.⁵⁴

This is the way the Zambian government after independence perceived the co-operative movement. Widstrand shows that co-operative movements have been able to show increased productivity and member income of members at the price of widening social inequalities in the communities which these institutions serve. On the other hand, the Zambian leadership has identified co-operatives as an instrument for reducing social inequalities in the rural areas.⁵⁵ President Kaunda consistently described co-operative societies as effective tools in removing bad seeds of economic exploitation of man by man. In his chifubu speech, President Kaunda saw co-operatives as a tool to achieve the desired way of life which involves increased prosperity, coupled with an egalitarian distribution of income, political democracy and social atmosphere.

Andreyev, on the other hand, argues that co-operatives can lead either to an increase or decrease in social inequalities depending on the nature of state's economic policies. According to Andreyev, in a capitalist state, co-operatives can lead to increased inequalities but this is not so in a socialist state.⁵⁶ In Zambia so far no study has been conducted to compare and analyse agricultural policies on farming co-operatives and also investigate the social consequences of the co-operative movements. There is an assumption that co-operatives offer the masses chances to be effectively

⁵³ L. P, Moonga, and O. Mgemzulu, 'New Challenges Facing Co-operatives and Co-operative Development in the Eastern Province of Zambia', Lusaka, ZAMSIF/Ministry of Finance and National Planning, 2006, pp. 6-12.

⁵⁴ N.A.Z SEC2/191 to SEC/192, Newsletters, No. 1-11, 1948 to 1956; Rita Hiden, *Co-operation on Colonies, A Report to the Fabian colonial Bureau* (London, George Allen and Unwin Ltd, 1945), pp. 187-188.

⁵⁵ Widstrand, Carl costa (ed.), *African Co-operation and Efficiency* (Uppsala: Scandinavian institute of African studies, 1970), p. 24.

⁵⁶ J. Andreyev, *Socialism and Developing Countries* (Moscow: Moscow Progress Publishers, 1974), p. 34.

involved in development processes. There is need therefore, to look at the comparative analysis management of the agricultural policies on farming co-operatives in relation to operations. Giles and Braumann have stressed the role that co-operatives play in financing agricultural development. Peasants on their own cannot easily raise capital needed to buy inputs, tools and hired labour necessary for improved farming.⁵⁷ Musakanya and Chilivumbo suggest that co-operatives agriculture financing to peasant has enabled members of co-operative societies to engage in improved farming.⁵⁸ However, these findings are not conclusive and more research is needed.

3.0. Methodology

I used diverse sources in order to improve my understanding on research issues. Data for this study came from various diverse sources and has been collected through many ways. Data on the co-operative as a whole was obtained from the Department of Co-operatives in Lusaka, Chipata, Livingstone and Choma. Data was also collected from District Council offices and Ministry of Agriculture offices in Eastern and Southern Provinces. Background information on the agriculture and co-operative sector was gathered from reports and other materials in the national archives of Zambia.

I also looked at letters and other correspondences of co-operatives in the colonial government and independence era. I also focused on secretariat series that contain district tour reports, district note books, district and provincial report and departmental reports on Agricultural and co-operatives which are found on various Centre's in provincial headquarters. These Centre's are an extension of the National Archives of Zambia and were established at provincial headquarters under the general direction of the policy of decentralization which were formally promulgated in 1980. The major limitation of the Record Centre is that its materials were not properly organized and most of the documents which may have been useful to the present study would have been destroyed due to limited space for keeping them.

I also conducted interviews with officers and several people who have been associated with co-operative in Eastern and Southern province. Here I should mention one setback in obtaining data from some founding officers who were sometimes not closely associated with the co-operatives. I

⁵⁷ K. Braumann, *Man Conquers Poverty* (Gunnar international, 1963), p. 123.

⁵⁸ A. Chilivumbo, *Communal Co-operation Experimental in Rural Socialism* (Lusaka: RDSB-NCDP, 1984), p. 56.

wrote them several letters. However, I did so with little hope to get their replies as I anticipated several fruitless appointments from them.

George Kay's original study on changing patterns in the settlement of the Eastern province and other region readings have added a great deal in placing oral data perspective.⁵⁹ From Kay, Co-operative Union records hope to obtain illustrative statistical data and changes in organizing and presenting them in original documents. The limited data available obtained would give a general indication and failure of the co-operative movement in Southern and Eastern Province.

Finally, it was my sincere hope and conviction that an investigation and evaluation of the accumulated experience during the development of the co-operative movement in Eastern and Southern province would provide a useful frame of reference for studying the Zambia government agriculture policy. This is because co-operatives in particular and African independent government in general, have continued to demonstrate a commitment to co-operative as a strategy for rural agricultural improvement.



CHAPTER TWO

DEVELOPMENT OF FARMING CO-OPERATIVES IN EASTERN AND SOUTHERN PROVINCE OF NORTHERN RHODESIA, 1952-1964

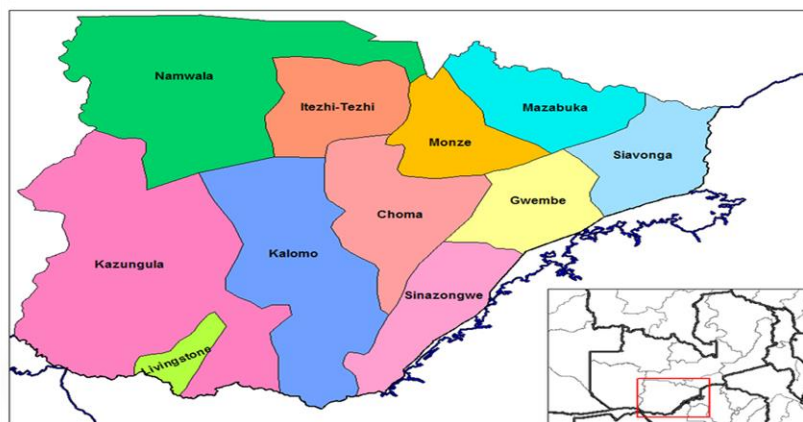
Introduction

In this chapter, I compare and analyse the agricultural policies leading to the development of farming co-operatives in Eastern and Southern Provinces of Zambia between 1952 and 1964. I begin outlining briefly, the description of Eastern and Southern province's economic sectors in which people are engaged. The second part discusses colonial Agricultural co-operative policy and the importance of grain marketing in Northern Rhodesia. The third part looks at the reasons which

⁵⁹See G. Kay, *Changing Patterns of Settlement and Land use in the Eastern Province of Northern Rhodesia* (Hull: University of Hull Publications, 1965), p. 104; D.J. Dodge, *Agricultural Policy and Performance in Zambia, History, Prospects and Proposals for Change* (Berkeley: University of California Press, 1977); J.A. Hellen, *Rural Economic Development in Zambia 1890-1964* (Munchehi: P.A.S, 1968); R.E. Baldwin, *Economic Development and Export Growth: a Study of Northern Rhodesia 1920-1964* (Los Angeles: University of California, 1966), p. 140.

led to the formation of co-operatives in Eastern and Southern province. The fourth part explains the post-colonial agricultural co-operative policy in order to understand development of co-operatives in Eastern and Southern province and shows why colonial and post independent periods are important context. The larger part of the discussion is devoted to discussing the comparative activity which led to the growth of co-operatives in Eastern and Southern provinces and the impact on the peasant economy. The last part is a conclusion of the chapter and explains the state of co-operatives in the last years of colonial government 1947-1964.

THE POLITICAL ECONOMY OF SOUTHERN PROVINCE



Map 1: Southern Province

Source: Wikipedia, Southern Province, Zambia' wikipedia-en.org

Map 1 shows Southern Province, one of Zambia's ten provinces, and home to "Mosi-oa-Tunya" Zambia's premier tourist attraction, which is also known as Victoria Falls. Zambia shares the Victoria Falls with Zimbabwe. The Southern Plateau is the centre of the province; it has the largest area of commercial farmland of any Zambian province. In the southern border of the province lies the Zambezi River and Lake Kariba, which is formed by the Kariba Dam, lies along the province's south-eastern edge. In the eastern border is the Kariba Gorge and Zambezi, and in the north-east border is the Kafue River with its gorge, dividing it from the province of Lusaka. The Kafue Flats lie mostly within the province's northern border with Central Province. In the North West lies part of the famous Kafue Nation National Park, the largest park in Zambia, and the lake formed by the Itezhi-Tezhi Dam. The south-western border with Western Province runs through the

teak forests around Mulobezi which once supported a commercial Timber industry and for which the Mulobezi Railway was built. The provincial capital is Choma. Until 2011 the provincial capital was Livingstone.

The former provincial capital of Southern Province, Livingstone, is Zambia's tourism hub and home to international tourist attraction Mosi-Oa-Tunya (Victoria Falls). Situated across the Zambezi River. Livingstone competes to be a jumping off point for tourism to the region that includes other attractions such as Lochinvar National Park and the Kafue Flats in the north, the Zambezi and Batoka Gorges in the south, Chobe National Park in Botswana, Kafue National Park and in Zambia, and Lake Kariba on the Zimbabwe border. Tourism is a large and growing part of the Zambian economy, contributing to 7% of GDP in 2005 and receiving more than 800,000 visitors per annum by 2007.⁶⁰

Southern Province borders along with Zimbabwe in the south divided by Victoria Falls, Central in the north, and Western Province in the west and Lusaka Province in the northeast. The general topography of the province is characterized by uplifted plantation surfaces. The general elevation of the nation as a whole is tended towards West to East from the Kalahari. The level of land falls from the upper Congo towards the Zambezi depression in the South forming a plateau. The province lies in the watershed between DR Congo and Zambezi river systems.⁶¹

The provincial administration is set up for administrative purposes and is headed by a minister appointed by the President of Zambia. The administrative head of the province is the Permanent Secretary, appointed by the President. There is a Deputy Permanent Secretary, heads of government departments and civil servants at the provincial level. Southern Province is divided into thirteen districts namely, Chikankata, Choma, Gwembe, Kalomo, Kazungula, Livingstone, Mazabuka, Monze, Namwala, Pemba, Siavonga, Sinazongwe and Zimba.⁶²

All the district headquarters are the same as the district names. There are thirteen councils in the province, each of which is headed by an elected representative, called councilor.⁶³ Each councilor

⁶⁰ Southern Province of Zambia, 'Prospect of Regional Development Public Association of Regional Structural Development', 2005.

⁶¹ W. J. Geoffery, *Physical and Social Geography of Zambia South of the Sahara* (Lusaka: Longman, 1995), pp. 23-30.

⁶² National Heritage Hand Book, Livingstone Museum, 2015, p. 7.

⁶³ Government of the Republic of Zambia (GRZ), 'Living Conditions Monitoring Survey Report' (Lusaka: Central Statistical Office, 2004), p. 10-12.

holds office for five years. Furthermore, administrative staff of the council is selected based on Local Government Service Commission from within or outside the district. The office of the provincial government is located in each of the district headquarters and has provincial local government officers and auditors. Each council is responsible for raising and collecting local taxes and the budgets of the council are audited and submitted every year after the annual budget.⁶⁴ The elected members of the council do not draw salaries, but are paid allowances from the council. Southern Province is a predominantly rural district and hence there are no city or municipal councils. The government stipulates 63 different functions for the councils with the majority of them being infrastructure management and local administration. Councils are mandated to maintain each of their community centers, zoos, local parks, drainage system, playgrounds, cemeteries, caravan sites, libraries, museums and art galleries. The council have also worked along with specific government departments for helping in agriculture, conservation of natural resources, postal service, establishing and maintaining hospitals, schools and colleges. The councils prepare schemes that encourage community participation. The Batonga are the largest ethnic and amorphous group in Southern Province of Zambia between Kafue and Zambezi River. Archeological evidence suggests that they are one of few social groupings in the country whose ancestor's presence in the territory extend back to the early Iron Age.⁶⁵

According to the 2010 Zambia census, Southern Province had a population of 1,589,926, accounting 12.08% of the total Zambian population of 13,092,666. There were 779,659 males and 810,267 females, making the sex ratio to 1,03 women for every 1,000 males, compared to the national average of 1,028. The literacy rate stood at 71.20% against a national average of 70.2%. The rural population constituted 75.33%, while the urban population was 24.67%. The total area of the province was 85,283 km² and the population density was 18.60 per km². The population density during 2000 Zambian census stood at 18.60. The decadal population growth of the province was 2.80%. The median age in the province at the time of marriage was 20.6. The average household size was 5.4, with the families headed by females being 4.6 and 5.7 for families headed by men. The total eligible voters in the province was 64.10%. The unemployment rate of the

⁶⁴ Government of the Republic of Zambia (GRZ), Mapping and Surveying Report' (Lusaka, Ministry of Agriculture Hq, 2008), pp. 6-7.

⁶⁵ E. Colson, 'Biases: Places, Time, Stance', in C. Lancaster and K.P Vickery (ed), *The Tonga-Speaking People of Zambia and Zimbabwe: Essay in Honours of E. Colson*, (Lanhan Maryland: University Press of America, 2007), pp. 345-339.

province was 12.10%. The total fertility rate was 6.1, complete birth rate was 6.2, crude birth rate was 37.0, child women population at birth was 807, general fertility rate was 160, gross reproduction rate was 2.5 and net reproduction rate was 1.8.⁶⁶ The total labour force constituted 55.00% of the total population. Out of the labour force, 64.1% were men and 46.7% women. The annual growth rate of labour force was 4.4%. Tonga was the most spoken language with 74.70% speaking it. Albinism is a condition where the victims do not have any pigment in their skin, hair or eyes. The total population in the province with the condition stood at 3,068. The life expectancy at birth stood at 56 compared to the national average of 51.⁶⁷

As of 2004, the province had 995 basic schools, 45 high schools and the number of school children out of school in ages between 7 and 15 stood at 995. The unemployment rate was 7 per cent and the general unemployment rate for youth stood at 6 per cent as of 2008. The province had 50 doctors as of 2005. There were 344 Malaria incidences for every 1,000 people in the province as of 2005 and there were 12,403 AIDS death as of 2010. Southern Province has the only large source of fossil fuel in Zambia, the Maamba coal mine in the Zambezi valley, served by a branch line of the railway. The Lusaka-Livingstone rail line forms the principal transport axis of the province, running through its centre and its farming towns namely Kalomo, Choma, Pemba, Monze and Mazabuka.

Agriculture is the primary economic activity in Southern Province with a mix of small holder and commercial maize farms across the province. In addition to maize which is a staple food, other commercially important activities include sugar plantations at the edge of the Kafue Flats, and cattle ranching. Compared to other major agricultural regions, such as Eastern Province, Southern Province has more abundant land and access to water, but receives less rainfall.⁶⁸ Southern Province is also home to the "Sweetest Town in Zambia", Mazabuka, where sugarcane farming and sugar processing are a major business.⁶⁹ The total area of crops planted during the year 2014 in the province was 360,160.32 hectares which constituted 18.98% of the total area cultivated in Zambia. The net production stood at 688,122 metric tons, which formed 16.89% of the total

⁶⁶ GRZ, 'Summary Report for 2010 Census', Lusaka, 2010, pp. 2-8.

⁶⁷ Government of the Republic of Zambia (GRZ) 'Descriptive Tables, Southern Province Central Statistical Office Demographic Division', (Lusaka: Central Statistical Office, 2000), pp. 9-15.

⁶⁸ Ministry of Agriculture Handbook on Climate Change, 2017. pp. 1-5.

⁶⁹ Ministry of Agriculture Food and Fisheries Production Report for Southern Province, 1998.

agricultural production in the country. Sorghum was the major crop in the province with 4,695 metric tons, constituting 40.62% of the national output.⁷⁰

Mazabuka grows 90% of sugar grown in Zambia with an estimated 430 tons produced annually. Sugarcane fields in Mazabuka are among the most productive in the world by hectare and low production costs allow production to compete on international markets. Around 60% of sugar is exported to Europe and other markets.⁷¹ However, the export industry is limited due to high transport costs linking processed sugar to export markets. Nationally, the sugar industry in Mazabuka contributes to around 4% of GDP each year. The sugar industry in Mazabuka made international news in 2013, when it was discovered that Zambia Sugar, the biggest sugar company in the country, had paid nothing in corporate taxes to Zambia in the previous 5 years.

Southern Province and Eastern province are the two primary breadbaskets of Zambia. Southern province produces more metric tons of maize each year than other provinces and this comes from a combination of commercial, which are unique to Southern Province, and smallholder farms.⁷² Despite poor rains in recent years and a strong El Nino weather cycle in 2016, Zambian maize output has been predicted to continue to grow.⁷³ Growth in Southern Province and across the country has allowed Zambia to remain a net-exporter of maize to food insecure neighbouring countries, such as Zimbabwe and Malawi which have been hit more severely by the weather.

2.1. Development of Co-operatives in Southern Province 1952-1964

The history of co-operatives in Southern Province of Zambia is traced from the development and activities of Europeans co-operatives society in the country which influenced efforts to organize co-operative society among Africans in rural areas.⁷⁴ These efforts had begun in Southern Province in the early 1920s by missionaries of various denomination particularly the Anglican at Mapanza Mission in Choma and the Seventh Day Adventist Church in Keemba Hill in Monze led by Pastor

⁷⁰ Government of the Republic of Zambia (GRZ) 'Migration and Urbanization 2000 Census Report (Lusaka, Central Statistical Offices, 2004), pp. 7-10.

⁷¹ GRZ, *The Crop Forecasting Survey of the 2018/2019 Agricultural Season and the Food Balance Status for the 2019/2020 Marketing Season* (Lusaka: MoA, 2019), pp. 16-20.

⁷² GRZ *Various years. Crop Forecast Survey Results and National Food Balance Sheets 2015-2020* (Lusaka: Ministry of Agriculture and Central Statistical Office, 2020), p. 45.

⁷³ GRZ, *Zambia Maize Market Fundamentals* (Lusaka: MoAL, 2016), pp. 21-22.

⁷⁴ T.L. Moorson, 'Black Settlers: Hybridity, Neoliberalism and Eco Systemic Change among Tonga Farmers of Southern Province of Zambia, 1964-2008', PhD Thesis, (Ontario: Queens University Kingston, 2016). pp. 33-35.

Samuel Chilumbi.⁷⁵ These initial attempts bore little fruits because it was difficult to sustain interest of members who usually resigned from various African farmers association after a short spell of membership. The missionaries also lacked trained staff could run co-operatives and who could properly sustain membership and interest on government side, some district commissioners and their District Agricultural officers took a personal initiative to form experimental produce and marketing co-operative society in their respective district.

Between 1946 and 1964 the district administrators intensified their independent and uncoordinated efforts to form co-operatives as a result a number of societies were established in Southern Province such as Namwala, Sinazongwe, Gwembe, Mazabuka, Livingstone, Monze and Choma. With the exception of Petauke in the Eastern province and Namwala in the Southern Province, none of these efforts met with any great and lasting success owing to lack of trained supervisory staff and continuity in membership.⁷⁶

Furthermore, since the co-operative societies were sponsored by enthusiastic individuals such as District Commissioners and missionaries, the societies were inclined to cease operation on the departure of those sponsors unless successors or members were also interested in co-operatives movements.⁷⁷ The first co-operative formed in Southern Province was Namwala District Co-operative Union in the area of chief Mungaila and Nalubamba in Namwala District. This was the largest business owned and managed by Africans in Northern Rhodesia and was started in 1951, when the colonial government sent down one of the co-operative and marketing officer, Mr Bathurt Brown, to talk the Ila people there.⁷⁸ The recommendation to send the Marketing Officer came from the registrar of the Department of Co-operatives Societies. The Marketing Officer had under him a Deputy Marketing Officer, an accountant and an engineer who were all Europeans. The European personnel formed the management board of the association and had no African

⁷⁵ McSamuel Richmond Dixon-Fyle, 'Politics and Agrarian Change among the Plateau Tonga of Northern Rhodesia 1924-63', Ph.D. Thesis, London University, (1976), p. 92.

⁷⁶ Northern Rhodesia, Annual Report of the Department of Co-operative Societies, 1947.

⁷⁷ N.A.Z, SP1/2, Co-operative Society in Namwala 1949-55, 34/2/7.

⁷⁸ N.A.Z, SP2/4, Namwala Co-operative Society 1951-56.

members. The District Commissioners nominated the African members to the board committee. Traditional rulers and rural elites were nominated on the basis of loyalty to colonial administration, hard work and their influential status in the societies. The principal of nominating African representatives undermined the governments wish for close supervision and control over the co-operatives and did not encourage grassroots support among Africans.

Additionally, the people of different villages in Namwala liked the idea and decided to form a co-operative through which they would sell their crops and buy farm machinery. Majority of the founding members were unable to read and write. The union started business in an old mud hut at Kabulamwanda. There were 70 members and that year for the first time, villagers sold their crops to the small societies. Nevertheless 10,000 bags were sold and there was a reasonable profit out of every £3 profit made, £1 was given to the big co-operative marketing union to help it to grow.⁷⁹

In 1955, a proposal to introduce co-operative marketing into Mazabuka and Choma district was based on a memorandum submitted by the co-operative and marketing officer. On the 18th January, 1955, it was discussed in by the team and on the 15th February it was commended to the African farming improvement fund committee. This committee approved the scheme on the 28th April, 1955 and after further discussion on the 4th June and 6th August the team recommended that the proposal be adopted.⁸⁰ The following year the North Choma Co-operative Marketing Union started in 1956 in Macha-Mapanza area of Choma District and took over six Maize Control Board (MCB) buying station and opened two new station. A further two buying depots were opened in this area. Seven primary societies were formed and registered namely Maanda, Chilumbwe, Macha, Mosona, Simaubi, Kabaza and Mbabala.⁸¹ These societies formed one secondary society, the North Choma Marketing Union. A total of 38.200 bags of maize were bought by these societies.

⁷⁹ N.A.Z, SP 1/9, Trading Co-operatives and Marketing, 34/2/5 Vol 1.

⁸⁰ N.A.Z, SP4/9/6, Namwala Co-operative Marketing Union, 1957-62.

⁸¹ N.A.Z, SP 1/9, Provincial Marketing Co-operatives Report, 1957-67, AGR 15/1

The department were also asked to carry out a buying in the Singani area of Choma District. No societies were formed in this area but three buying station were opened and run by the new union. A total number of 2, 7000 bags of maize were handled by this marketing union. Total membership of the primary societies in the Macha-Mapanza area was 373 with a share capital paid up £1,168 and a further £737 subscribed. The value of maize crop handled by African producer co-operatives in Southern Province in 1956, was £144, 209.⁸² The amount paid to producers initially; that when it was handed over by the producer to this co-operatives £116, 145. The primary societies also issued small loans to members mainly for implements, barbed wire, building materials, etc. Loans repayments by members to societies and union were successfully done and effective.

The idea of co-operatives further spread to other areas of Southern Province. In 1962, Chisekesi Co-operative Society was formed in Monze district by the influence of the missionary from Chikuni Mission and on the same year it was handed over to the Department of Co-operatives on certain agreements.⁸³ The site was officially given to the local people on 6th January 1965 by the District Commissioner Gwembe and District Officer, Sinazongwe.⁸⁴

Table 1 Co-operatives in Southern Province 1951-64

SN	Name of Co-operative	District	Year formed	Membership	Buying Stations
1	Namwala Co-operative Union	Namwala	1951	70	13
2	North-Choma Co-operative	Choma	1956	373	11
3	Mazabuka Club Society	Mazabuka	1953	32	6
4	Chisekesi Co-operative Society	Monze	1962	23	2
5	Zongwe Co-operative Union	Sinazongwe	1959	42	4
6	Linda Co-operative Society	Livingstone	1956	24	2
7	Mpinda Co-operative Society	Choma	1959	54	1

⁸² N.A.Z, SP 4/9, Namwala Co-operative Union 1958-59, AG/45/2 Vol. v.

⁸³ J.H. Moonga, Missionary Work and Agricultural Technology: A Case of Chikuni Mission, 1905-1939, M.A Thesis, Zambian Open University, 2020.

⁸⁴ N.A.Z, SP 1/9/8, Sinazongwe Co-operative Society Report 1960-65.

8	Chibwe Co-operative Society	Mazabuka	1960	87	5
9	Namnwe Co-operative Society	Namwala	1955	45	2
9	Moomba Co-operative Society	Livingstone	1961	23	1

Source: N.A.Z SP 4/2/55, Co-operative Report for Southern Province, 1949-57.

Table 1 shows the number of earliest co-operatives in Southern Province that were formed during the colonial period 1947-64. The statistics indicates that there were few co-operatives formed compared to Eastern province and this was as a result of peasant farming schemes which had dominated in the area. The idea of peasant farming in Southern Province spread all over the region and this could be the reason which had affected the massive growth of co-operatives. However, co-operatives had a system of operation and a good example was Namwala District Co-operative Union which had a special committee that was formed to decide how to use the money set aside to improve the farming methods of African farmers. The committee saw that scotch-carts were expensive but very necessary for a good farmer so they decided that if a member wanted to buy a scotch-cart, then the union would pay half cost and he would only pay the other half. And they did the same with barbed wire. In this way the marketing union helped the progressive farmers. By the end of 1953, four more small co-operatives societies had joined the marketing union and there were now 200 villagers who were members.⁸⁵

In 1953, there was a very good harvest and the union sold the largest crop grown in the district. The manger paid out over £38,000 and the profit was £8,500 so in 1953, the committee decided to pay each member society more bonus than before 2/- for each bag of maize sold to the union and 5/- for each bag of monkey-nuts. And those societies that managed their buying depots properly were able to pay 2/- over even. In 1954, Namwala Co-operative Marketing Union purchased approximately 38,000 bags of maize and this contributed previous season. This contribution was record as best with 27,000 bags and value of crops that year delivered on the line of rail, with approximately £709,500 and this figure included about 200 bags of groundnuts which were also bought in Namwala.⁸⁶

Table 2, Production of Maize per Bag for Sale to Co-operatives

⁸⁵ N.A.Z, SP 4/2, Co-operative Report of Southern Province 1949-57.

⁸⁶ N.A.Z, 4/9, Namwala Co-operative Union 1958-59, AG/45/2 Vol. V.

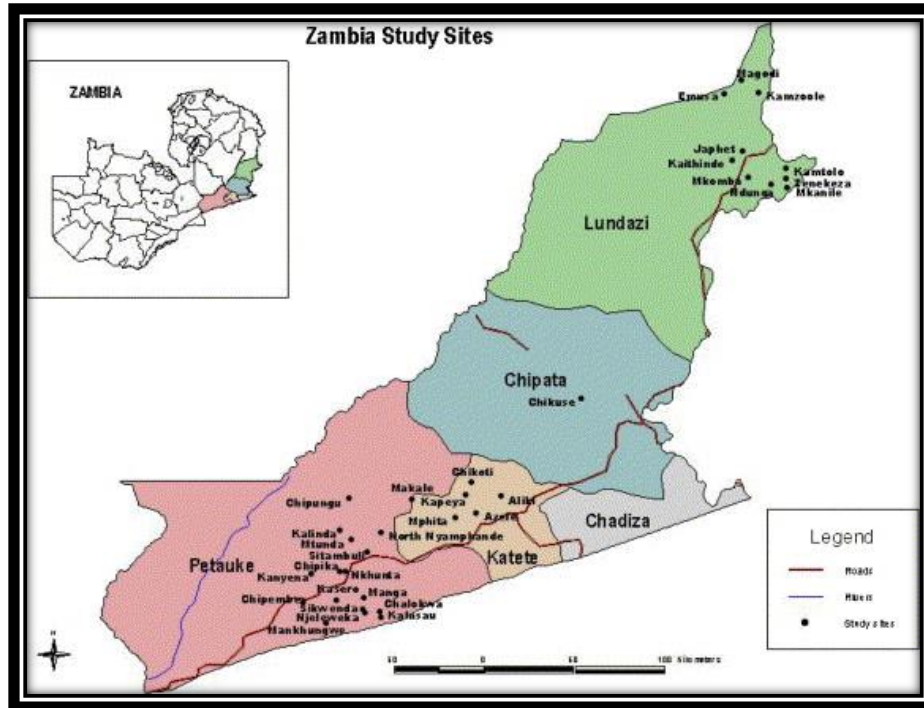
SN	YEAR	EUROPEAN	AFRICAN PEASANTS
1	1946	2734000	302,000
2	1947	264000	183,000
3	1948	234000	124000
4	1949	89,330	123000
5	1950	213000	115,000
6	1951	144000	58,000
7	1952	272000	43000
8	1953	450000	230000
9	1954	173202	63000
10	1955	268,000	84,000

SOURCE: N.AZ, SP/2/2, Agriculture Annual Report 1958.

It can be deduced that many African peasants in Southern Province produced 70% of maize which was sold to co-operatives. Maize farming brought relatively substantial cash reward to many of the large-scale farmers and it is estimated that some of them had gross cash income of between £600 and £1000 in the years between 1952- 1959.⁸⁷ In Southern Province, co-operatives were formed in all the districts of Southern Province and the African peasants (Tonga's) practiced a simple hoe culture in order for them to cultivate crops such as millet and sorghum and these were staple food crops grown. Consequently, production was mainly for subsistence but some families grew more than their subsistence needs in order to have a reserve and sell to co-operative. At such a time, a family had to meet its requirements as well as those of needy kinsmen some of whom may have travelled for miles in search of food. Since they had plenty of land African peasants did not adopt intensive cultivation method. The traditional system was one of shifting cultivation with the widespread use of heat and ash from banned tree's and branches.⁸⁸

⁸⁷ Agriculture Annual Report on Co-operatives, 1956-59.

⁸⁸ C.E Johnson, 'African Farming Improvement in the Plateau Tonga Maize Area of Northern Rhodesia', Agriculture Bulletin, II (1958), pp, 5-13.



Map 2: Eastern Province

SOURCE: Wikipedia, Eastern Province, Zambia' wikipedia-en.org

2.3. Political and Economic Development of Eastern Province

Eastern Province is also one of Zambia's ten provinces. It lies between the Luangwa River and borders with Malawi to the east and Mozambique to the south, from Isoka in the northeast to the north of Luangwa in the south. The Luangwa Valley in Eastern Province has one of the best managed wild life areas in Zambia. The major parks includes; South Luangwa, North Luangwa, Luambe and Lukusuzi National Park. Game management areas cover most of the Luangwa Valley outside the national parks, and many animals migrate through the Province between the valley and game reserves in the highlands of neighbouring.

The provincial headquarters is Chipata, this is the youngest city in the country whose status was conferred in 2016. The city has an area of 51,476 km² (19,875 sq mi), which locally shares border with three other provinces of the country and is divided into nine councils.⁸⁹ Eastern Province is

⁸⁹ Government of the Republic of Zambia, (GRZ) 'Migration and Urbanization's in Eastern Province' (Lusaka, CSO, 2000).

divided into eleven districts as follows: Chadiza, Chipata, Katete, Sinda, Nyimba, Mambwe, Petauke, Lusangazi, Kasenegwa, Vubwi and Chipangali Districts.⁹⁰

All the district headquarters are the same as the district names. There are nine councils in the province, each headed by an elected representative, called councillor. Each councillor holds the office for three years. The administrative staff of the council is selected based on Local Government Service Commission from within or outside the district. The office of the provincial government is located in each of the district headquarters and has provincial local government officers and auditors. Each council is responsible for raising and collecting local taxes, and the budgets of the council are audited and submitted every year after the annual budget. The elected members of the council do not draw salaries, but are paid allowances from the council.

Eastern Province is a predominantly rural area and hence there are no city or municipal councils. The government stipulates 63 different functions for the councils with the majority of them being infrastructure management and local administration. Councils are mandated to maintain each of their community centres, zoos, local parks, drainage system, playgrounds, cemeteries, caravan sites, libraries, museums and art galleries. They also work along with specific government departments for helping in agriculture, conservation of natural resources, postal service, establishing and maintaining hospitals, schools and colleges. The councils prepare schemes that encourage community participation Chama District from the province was aligned to the newly created Muchinga Province in 2011.⁹¹ The history of the people of Eastern province lies on many ethnic groupings who have settled in various district such the Nsenga in Petauke and Nyimba, Chewa in Katete, Chadiza and part of Chipata. The Ngoni lives in Chipata, Tumbuka in Lundazi while the Bisa in Mambwe.

In recent past, Petauke where co-operatives are believed to have originated from in Eastern province has largely been inhabited by the Nsenga-speaking people. They came from Luba-land in modern Shaba (Katanga) Province of Zaire. The Nsenga migrated to the eastern part of present-day Zambia at the same time as Malawi people during fourth or fifteenth century. The largest

⁹⁰ Provincial Administration Annual Audit Report for Eastern Province, 2016-17.

⁹¹ Provincial Local Government Survey Report for Eastern Province, 2015.

political unit among the Nsenga is a chiefdom.⁹² During the early phase of European colonization, more than twelve chiefs were recognized by the colonial government in the Petauke District.

The history of the province is centered on the Chewa people who under the rule of Kalonga Gawa Undi established a vast empire extending to modern day Central Province of Malawi and the north eastern part of Tete Province in Mozambique. The chief had control over most notable of them was Kalonga Gawa Undi X, whose regime started in 1954.⁹³ As of 2010, Chewa was the largest community in the region with 39.7 per cent population and Chewa was the widely spoken language in Eastern province with 34.6 per cent speaking it. The province was claimed as a part of Malawi in 1968 by the then Malawian President Dr. Hastings Kamuzu Banda who was a supporter of the apartheid in South Africa against the wishes of Organization of African Unity (OAU).

On the tourism front, the province has four national parks, while the Nc'wala festival celebrated in Chipata by the Ngoni tribe during February is the most prominent festival in the province. The Nc'wala festival celebrated in Chipata District by Ngoni tribe during February, Kulamba festival celebrated in Katete District by Chewa tribe during August, Kulonga festival celebrated in Lundazi District by Tumbuka tribe during August, Malaila festival celebrated in Mambwe District by Kunda tribe during October, Zengani festival celebrated in Lundazi District by Tumbuka tribe during October, Tuwimba festival celebrated in Petauke District by Nsenga tribe during October are the major festivals in the province. Kulamba Ceremony is the national gathering of Chewa in Zambia, Mozambique and Malawi. The Chewa chiefs pay homage to their king Kalonga Gawa Undi. Historically, the people petitioned to the king their troubles, while in modern times the chieftains inform their issues to the government.⁹⁴ The festival originated during the 15th century. N'cwala is the annual gathering of the Ngoni tribe and is also dubbed as first fruits ceremony.⁹⁵ It is held during the last week of February to the first week of March for three days.

⁹² A.J. Williams-Myers, 'The Nsenga of Central Africa: Political and Economic Aspects of Clan History, 1700 to the late Nineteenth Century', Ph.D, UCLA (1978), esp. Chapter 3; J.R.H. Kingsley, 'Pre-colonial Society and Economy in Chiefdom of Northern Zambia', Ph.D., University of Michigan. (1980), pp. 36-37; 41-155.

⁹³ H.W. Langworthy, *Zambia Before 1890, Aspect of Pre-colonial History* (London: Longmans, 1972), p. 44, E.H Lane Poole, *The Native Tribes of the Eastern Province of Northern Rhodesia Notes on their Migrations and History* (Lusaka: Government Printers, 1938), p. 21. The dispersal might have been before 1600 and was completely by 1780.

⁹⁴ Walima.T. Kalusa and M. Mtonga, *A Biography of African Chief and Nationalist* (Lusaka: Lembani Trust, 2010).

⁹⁵ Ministry of Chiefs and Traditional Affairs: *A Report on Traditional Ceremonies in Eastern Province*, 2015.

The members of the tribe and onlookers attend the event in thousands and arrive at Mutenguleni villages near the city of Chipata.

The co-operative was an attempt by the colonial administration to assert greater control over peasant agricultural production. Co-operatives were used as middle men between the peasant and the commodity markets in Northern Rhodesia and overseas. The co-operatives bought agriculture produce from the rural Africa cultivators and sold the same produce at the local and overseas market under close supervision of the colonial administration. The co-operatives were used to encourage Africans to grow more cash crops such as maize, tobacco and groundnuts.⁹⁶

Despite the colonial policy of trying to protect the interests of the settler community, several co-operatives also emerged among small-scale African farmers. In 1947, the colonial government was forced to recognize co-operatives amongst indigenous Africans under a co-operative ordinance which was followed in 1948 by the formation of a government department, the Department of Marketing and Co-operatives, for the registration and regulation of co-operative enterprises. This was despite the fact that the formation of agricultural co-operatives by Africans was not permissible as Africans were not legally recognized as farmers.

3.3. Importance of Grain Marketing System

Agricultural marketing dates back to the colonial period when it was mainly dominated by White farmers with the support of the colonial administration formed statutory marketing boards in large measures to facilitate the export of agricultural commodities to Europe and to stabilize prices faced by colonial elites and metropolitan buyers.⁹⁷ Marketing boards were also used to undermine and frustrate African agriculture so as to drive them out of independent business and turned them into migrant labour for the settler dominated economy. In the late 1940s, the colonial government realised that the majority of Northern Rhodesia's population lived in rural areas and were basically subsistence farmers. It was therefore, recognized by the colonial government that there should be incentives and opportunities given to the farmers.⁹⁸ Therefore, despite the colonial policy of trying to protect the interest of the settler community, in 1947, the colonial government was forced to

⁹⁶ J.P Mtisi, 'The Economic Impact of Colonial Rule on Eastern Zambia, 1900-1953: The Experience of Chipata and Petauke', PhD, Thesis, University of Ibadan, (1979), pp. 44-296.

⁹⁷ C, Barret and E, Mutambatsere, 'Marketing Boards,' Cornell University, June, 2005, PDF, p. 5.

⁹⁸ GRZ, *The Marketing of African Agricultural produce in Northern Rhodesia*, Rhodes Livingstone Institute (Lusaka: Government Printers, 1962), p. 1.

recognise co-operatives amongst indigenous Africans under a Co-operative Ordinance.⁹⁹ This was followed by the formation of the Department of Marketing and Co-operatives. This department was intended for the registration and regulation of co-operative enterprises.¹⁰⁰

The territorial government also realised that they had a major responsibility for rural economic development and that agricultural marketing provided the essential basis for all economic development. It acknowledged the crucial role of agricultural marketing and that an efficient marketing system was of critical importance to a country under all conditions and at each stage of development.¹⁰¹ The Northern Rhodesian Government thus participated in the marketing of African agricultural produce through co-operatives to ensure that agricultural development was not held back for lack of marketing facilities and also to provide some measure of price stabilisation for key commodities.¹⁰² In Eastern Province, agricultural production was encouraged through the establishment of collection points of farm produce. These collection points were used as 'depots' where farmers assembled all their produce. The state also provided markets along the line of rail and other accessible parts of the territory.¹⁰³ All these efforts to facilitate agricultural marketing and putting in place a marketing system by the colonial government were aimed at increasing food production which led to food security of the local people. Independent Zambia, just like most of the other independent African nations adopted an agricultural marketing system based on statutory marketing boards. Zambia, which inherited an impoverished rural sector, pledged major efforts to stimulate the development of agriculture.¹⁰⁴ As such, a considerable

⁹⁹ The History and Current Structure of Zambian Co-operatives, p1, <http://www.fao.org/docrep/003/V4595E>, Accessed on 16th May, 2014.

¹⁰⁰ Northern Rhodesia (NR), *Annual Reports for the Department of Co-operatives Societies for year 1957* (Lusaka: Government Printers 1957), pp. 1-4.

¹⁰¹ Northern Rhodesia (NR), *Annual Report Marketing of African Agricultural Produce* (Lusaka: Government Printers, 1958), p. 4.

¹⁰² N.A.Z. 23D/19, List of Government Publications, S. M, Makings, Agricultural Marketing Committee; A note on Crop Price Stabilization and Government Responsibility with Reference to Conditions in Northern Rhodesia, 1963, p.10.

¹⁰³ Justina Mapulanga, "Training of Women in Marketing of Food Grains," in GRZ Strengthening Women's Participation in Food and Agricultural Marketing, Proceedings of the National Seminar held at Co-operative College, Lusaka 16-19th April, 1984, National Commission for Development Planning and the University of Zambia, Rural Development Studies Bureau, p. 58.

¹⁰⁴ P.W. Wood and S.C. Shula, 'The State and Agricultural in Zambia; A Review of the Evolution and Consequence of Food and Agricultural Policies in a Mining Economy', in T .Mkandawire and N. Bourenane (eds.) *The State and Agriculture in Africa* (London: CODDESSRIA Book Series, 1987), p. 284.

emphasis was given to agricultural marketing since it was believed that without full and efficient marketing services, efforts to increase agricultural production would be largely thwarted.¹⁰⁵

The agricultural marketing policy adopted by the government was therefore, motivated by equity and social political interests rather than commercial considerations. The main concern of the Zambian government was to ensure food security for the urban consumers and to increase rural agricultural production and guarantee a market for all production as a means of improving rural farmer's income.¹⁰⁶ Zambia maintained the marketing through co-operatives and board system that was the Grain Marketing Board and the Agricultural Rural Marketing Board, formed immediately after independence. These were later amalgamated in 1969, to form the National Agricultural Marketing Board, (NAMBOARD) The Zambian government maintained agricultural marketing through marketing boards because they provided a convenient way for the government to maintain control over the marketing of strategic commodities such as food staples and important export crops.¹⁰⁷

The co-operatives also provided a guaranteed market for the farmers, especially that the economy was relatively weak. They cushioned producers from undue shocks, whether resulting from overseas demand or from internal causes such as drought, floods and diseases.¹⁰⁸ Zambia thus realised the significant role played by agricultural co-operatives in the marketing of agricultural products. It was also believed that agricultural marketing had other trickle down effects on the economy which led to increased food security.

3.4. History of Co-operative in Eastern Province 1952-64

In order to improve agricultural production in Eastern province, the colonial government introduced the co-operatives in Petauke District in the Eastern Province. Two societies were formed in 1946, namely, Petauke African Tobacco Grower Co-operative Society (PATGCS) and Petauke African Producers Co-operative Society (PAPCS). These co-operatives were first formed in Petauke because the district had has a long history of involvement in long-distance trade. For

¹⁰⁵ G.R.Z. First National Development Plan, 1966-1970, Lusaka, 1966, p. 25.

¹⁰⁶ The Instrument of Government control over Co-operatives, <http://www.fao.org/docrep/003/V4595E>, accessed on 16th may, 2014, pp. 1-5.

¹⁰⁷ C. Barret and E. Mutambatsere, 'Marketing Boards,' p. 5.

¹⁰⁸ Report of the Rural Economic Development Working Party, Northern Rhodesia, p. 91.

instance people of chief Sandwe's area bartered ivory for iron tools with people of chief Nyanje's areas. The long distance trade involved the Nsenga rulers and other prominent individuals who exchanged goods such as slaves and ivory for goods such cloths and beads brought into Nsenga land by Arabs, and Portuguese and the Chikunda's from east coast of Africa through Mozambique.¹⁰⁹ This in general facilitated the incorporation of the district in the world economy during the colonial period. In recognition of this, a District Commissioner at Petauke recommended, the introduction of a co-operatives society in the district because he thought that the people had an aptitude for trading.¹¹⁰ Petauke subsequently became an important focus of developmental plans of the colony because of such positive thinking in the colonial administration. In the same year they were grouped into one co-operative society called Petauke Producer Association (PPA) and this was done in an effort to coordinate the activities of two societies and to streamline marketing in the district for tobacco and groundnuts. The Petauke Producer Association operated throughout the district, buying all marketable crops from member and non-members. However, the uncertain circumstances demanded an efficient organisation. The grounds for dissolving PPA in 1949 and creating the PCMU in 1952 were outlined in 1952. The manager of PCMU wrote that PPA had consisted of two primary societies that existed only on paper. He pointed out that the societies had no functioning committees, had not held any meetings since their inception and had few of the attributes of true producer's co-operative societies.¹¹¹

In practice, the PPA had dealt entirely with individual growers. The association did not really coordinate the work of the societies because the member societies did not exist. Therefore, the PCMU was formed to strengthen member societies. Between 1949 and 1952 there was no proper marketing organisation, but the Department of Agriculture and some few but active original members of PATGGS and PAPCS ran affairs of the co-operatives movements. Later, a centralized marketing organisation in the hope of transforming and consolidating the co-operative movement and Petauke Co-operative Marketing Union (PCMU) was formed in 1952.¹¹² The revival of

¹⁰⁹ ¹⁰⁹ Edson A.M Banda, 'The Impact of the Co-operative Marketing Union on the Peasant Economy in Petauke District of Eastern Province in Northern Rhodesia, 1947-1964', M.A. Dissertation, University of Zambia, 1984, pp. 20-30.

¹¹⁰ Northern Rhodesia (NR) *Annual Report for the Department of Co-operatives Societies or Year 1947* (Lusaka: Government Printer, 1947), p. 67.

¹¹¹ N.A.Z, CRC, REP/1/2, PCMU Supervisor's Annual Report for the Year, 1952.

¹¹² E.A.M. Banda, 'The Impact of Petauke Co-operative Union on the Peasant Economy in Petauke District of the Eastern Province in Northern Rhodesia, 1947-64: A Case Study', M.A Thesis, University of Zambia, (1984), pp.44. Simon C. Nkhata looked at the way the economic policies for settlement schemes were formulated and implemented

centralized co-operatives generated a lot of interest and PCMU began with nineteen primary producer co-operatives members of the union. The Petauke Co-operative Marketing Union (PCMU) acted as the umbrella marketing and distributing agency for both Petauke and Katete.¹¹³ PCMU played a vital role in offering loans facilities to the members who were also entitled to a bonus. This was to continue even when settlements schemes were established in the 1950s.

The establishment of co-operatives by the colonial government led to a further integration of the peasant economies in Eastern Province. In 1952, there were thirty co-operatives societies in Petauke alone. The co-operatives marketed produce in Petauke and Katete. Katete had twelve co-operative societies in 1956, and societies were separated from PCMU to form their own Katete Co-operative Marketing Union (KCMU). These co-operatives were used a means of marketing produce. In 1957, a decision was made on practical grounds to take away the Katete societies from PCMU and form their own union in Katete.¹¹⁴ This split although it was good to the side of the people of Katete but it also weakened PCMU because its assets and staff had to be shared with Katete Co-operative Marketing Union (KCMU). It was difficult to justify the breakaway economically since the capacity of the PCMU to deliver service had not been fully utilized since its formation.¹¹⁵

The reasons that caused the split was conflicting tribal loyalties, Chief Kawaza of the Chewa in Katete district, master minded the split. Chief Kawaza mounted a campaign among the Chewa chiefs and their subject in Katete district that the PCMU had not done much to develop the Chewa based co-operative society. He believed most of the PCMU profits were used in Petauke district. This feeling spread and grew among the peasant of Katete district. He eventually demanded the formation of Katete own union which he thought would effectively develop Katete societies.¹¹⁶ Secondly, KCMU was established to counter political propaganda from the African National Congress. (ANC). The ANC spread rumours throughout the colony that Peasant Farming Scheme and co-operatives were a trick to steal money from the Africans. This situation adversely affected

as well as their subsequence performance. One of the features which emerges from the thesis is the introduction of peasant and markets in Eastern Province.

¹¹³ Simon. M. Nkhata, 'Settlement Schemes and Labour Migration in Chipata District of Eastern Province, 1951-76', M.A Dissertation, University of Zambia, (1987), pp. 5-15.

¹¹⁴ A. D. Roberts, *A History of Zambia* (London: Africana Publishing Company, 19760), p. 103-109.

¹¹⁵ B, 'The Impact of the Petauke Co-operative Marketing Union', pp. 10-15.

¹¹⁶ R. N. Coster, *Peasant Farming in Petauke and Katete Area of the Eastern Province of Northern Rhodesia*, *Agricultural Bulletin No 15* (Lusaka: Government Printers, 1958), pp. 26-27; Kay, *Changing Patterns*, p. 90.

the smooth running of the marketing season in 1957-1958. Hence, KCMU was born in 1957, and used by the colonial administration to disseminate anti-congress propaganda. The colonial officials saw KCMU government mouth piece to put across information concerning development because it was considered that there was inadequate circulation of such news in Katete District. The news of the split was received with apprehension in Petauke and PCMU circles because the PCMU official saw the split was wrong because it divided the Chewa people of Katete and the Nsenga's from Petauke that had united them under the PCMU.¹¹⁷ Some other PCMU official further complained that the Eastern Province Co-operative Marketing Association (EPCMA) was formed for unity but the split had undermined the pass of unity.¹¹⁸ In spite of the split of KCMU, PCMU continued to operate and control primary societies in Petauke actively. In fact, PCMU became a founder pillar of KCMU and EPCMA in 1958.¹¹⁹

Thirdly, the colonial officials saw the establishment of KCMU as a means to dissuade two most politically active chiefs in the district, Kawaza and Kathumba from their anti-government and pro-nationalist stance. These chiefs opposed the peasant farming scheme in the area because it was believed that land alienation was primitive accumulation aimed at building up a white dominated capitalist agriculture with a limited number of Africans functionaries.¹²⁰ The colonial administration also saw the chiefs as a stumbling block in implementing the new farming methods. As way of making them to see the benefits of the peasant farming scheme and co-operative societies, the colonial officials thought that a union at Katete would persuade the traditional leaders to desist from politics hostility to the colonial regime. The colonial officials further pointed out that chief Kawaza considered the PCMU committee as "Petauke set only and influenced". The colonial official therefore suggested that a separate Katete marketing union would go a long way towards relieving political tension in Katete district.

In Fort Jameson, co-operative societies were formed between 1952. However, these did not fare well because of competition from the European North-Eastern Rhodesia Co-operatives Society, which received support from the colonial government and acted as government agent for the

¹¹⁷ N.A.Z, EP 1/1, Co-operative Marketing Union Katete, 33/2/2, 1956-1964. pp. 3-5.

¹¹⁸ Banda, 'Impact of Co-operative Movements', pp. 102-105.

¹¹⁹ R. N. Coster, Peasant Farming in Petauke and Katete Area of the Eastern Province of Northern Rhodesia, Agricultural Bulletin No 15 (Lusaka: Government Printers, 1958), pp. 26-27; Kay, *Changing Patterns*, pp. 90-102. Quick, *Humanism or Technocracy? Zambian's Farming Co-operatives 1965-1972*.

¹²⁰ Annual Report of Native Affairs, 1935. (Lusaka: Government Printers, 1936), pp. 73-76.

control of the local maize pool created in 1949 in the Province. The purpose of this arrangement was to have control over maize marketing in the province and to sell maize at union form price.¹²¹ However, the leading role of maize as the peasants' major link with the market economy in Eastern province lasted until 1957-58, when groundnuts and tobacco become the basis of cash farming. Maize fared badly as cash crop because of low prices.

In 1959-60, the territorial price was 35 shillings for 200lb but sales of maize from the Eastern Province along the line of rail netted 12 shillings a bag. There was a charge of 21/2 shillings paid to the Alimi Co-operative Society, which marketed African produced maize in the province for storage and transport expenses, and contribution of 11/2 shillings to the African Farming improvement fund.¹²² This organization was well established and had a high status in marketing the region. In 1952, however, the two primary societies formed the Alimi co-operatives Marketing Union (ACMU) at Chipata. The union co-operative coordinated the activities of the societies in many parts of Chipata and Lundazi districts, where no co-operatives had existed. Thus, between 1952 and 1958, the co-operatives movement that had grown from Petauke to Katete covered the eastern part of the Province while those that started at Chipata covered the northern part of the province. The amalgamation of primary societies at district level was the basis of further province-wide mergers by co-operative union in 1958. The three unions PCMU, KCMU and ACMU established a loose federation of unions called Eastern Province Co-operative Marketing Associations (EPCMA) in 1958.¹²³ PCMU provided finance and personnel support to EPCMA and this is because there were very few people qualified and knowledgeable about the co-operative movement. The other reason is that the colonial administration wanted to take account of all what was happening in the operations of the co-operative. The first manager was J.E Cranshaw who had been PCMU assistant manager. The first chairman of EPCMA was E.S Chembe, one of the African committee member of PCMU while in Katete Mr. D.G Plant was the first manager for KCMU.¹²⁴ The purpose of this federation was to improve the marketing of groundnuts and maize from the province to national and overseas markets. It also took over the functions of the Eastern Province African Agricultural Produce Board (EPAAPB) similar to those of the maize control

¹²¹ Tembo, 'The Colonial State and Africa Agriculture in Chipata District of Northern Rhodesia.' pp. 8-10.

¹²² G. Kay, 'Agricultural Progress in Zambia's Eastern Province', *Journal of Administrative Studies Overseas*, 2 (1966), pp. 98-101.

¹²³ N.A.Z, EP 1/1, Co-operative Marketing Union Katete, 1956-64, 33/2/1. pp. 4-7.

¹²⁴ N.A.Z, SEC1/89, Report on Co-operatives Prospects in Northern Rhodesia 1956-1957.

board which had operated along the line of rail since 1935.¹²⁵ Before the formation of EPCMA, it was the responsibility of the EPAAPB to distribute the produce in the produce and co-operatives acted as its agents. The three unions became completely amalgamated in 1965 when the PCMU, KCMU and ACMU merged into the EPCMA.¹²⁶ This amalgamation was vital because it reduced overhead expenses in marketing by avoiding duplication in work and enabled unions managers to put more effort in how well member societies could be operated and organized.

The peasants continued to form their own co-operatives union in other districts of Eastern Province because they felt that PCMU which was the first co-operatives to be formed in the province did not serve them well. The other major reason why co-operatives were formed in other districts of Eastern Province was because the colonial administrators wanted such organisations to be used in containing political hostility from peasants. Ian Henderson stressed the role of African workers in the origin and growth of Zambian nationalism Thomas Rasmussen postulated that the origin and strength of nationalist movements was in protest of rural peasants. The basis of their political action was land alienation, differential marketing systems done in co-operatives and over-supervision of agricultural changes from late 1940s.¹²⁷ This line of explanation has proved so popular that new apostles continue to line up with case studies. The interpretation has been refined to present political action as consequence of social differentiation and perceived interest of particular peasants groups. For example, Jonathan Momba explains how rich peasants represented conservative trends in nationalism and the poor of the peasantry saw a ray of hope in the radical claims of United National Independence Party (UNIP) from the late 1950s.¹²⁸ The validity of Momba's and Rasmussen's perspective on peasant politics in nationalist phase. Many African peasant had joined the African National Congress between 1952-1956. Momba's contribution is part of stimulating and critical corpus of literature on Zambian political experience. In a critical appraisal of this literature, Mfunze has drawn attention to flow of methodology and key concepts

¹²⁵ N.A.Z, EP 4/1, Agriculture and Farming Eastern Province Co-operative Marketing Association Limited-Minutes, 1957-60, 3/9/9/vol, 1.

¹²⁶ N.A.Z, EP 4/2, Co-operative Department Report, 3/6/4 V2. 1955-56.

¹²⁷ I. Henderson, 'The Origins of Nationalism in East and Central Africa: The Zambian Case', *Journal of African History*, 11,4 (1970), pp. 591-603 and 'Wage-Earners and Political Protest in Colonial Africa: The Case of the Copperbelt', *African Affairs*, 72, 238 (1973), pp. T. Rasmussen, 'The Popular basis of Anti-colonial Protest', W. Tordoff, (ed), *Politics in Zambia* (Manchester: MUP, 1974), pp. 22-34.

¹²⁸ J.C. Momba. 'Peasant Differentiation and Rural Party Politics in Colonial Zambia', *Journal of Southern African Studies*, 11,2 (1983), pp. 281-94.

on which the interpretation is based. According to him, this literature has not shown a correlation between political activism and economic position.¹²⁹ He also draws support from Van Donges's empirically rich account of politics in Lundazi District.¹³⁰ It can be added that this body of scholarship, like the colonial administration's academics who surveyed progress in schemes between 1955-63, readily accepts the success of the schemes in creating a rich peasantry. This is because it championed their problems about low prices, poor marketing and enforcement of agricultural methods associated with the Peasant Framing Scheme (PFS).¹³¹

The colonial government officials forced Africans to form more co-operatives societies for the purpose of marketing their African agriculture products and therefore, they were a photo type of European co-operative society. This is because the structure of the African co-operative society was dominated by colonial interests who did not allow Africans to work independently. The role and participation of people, whom co-operative societies were created for, were limited in the sense that the co-operative societies were administered and directed by European colonial officials. These co-operatives were not a significant source of economic and social change which was or would become center agencies that facilitated or supported colonial administration. Throughout the long history of the co-operative movement in the Eastern Province, there were no serious efforts to build on or to incorporate certain co-operative practices and principles that pre-dated the colonial era.¹³²

¹²⁹ P. Mfune, 'The Formation of Dominant Classes in Zambia: Critical Notes', *Africa Today*, 35,2 (1988), pp. 5-50; See in Zambia B.C, Chikulo, 'The Impact of Elections in Zambia's One party Second Republic', *Africa Today*, 35, 2 (1988), p. 48, also see Ackson M. Kanduza (ed) *Scio-Economic Change in Eastern Zambia: Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1992), pp. 54-55.

¹³⁰ J. Kees Van Donge, 'Politics, Bureaucrats and Farmers: A Zambian Case Study', *Journal of Development Studies*, 19,1 (1982), pp. 88-107.

¹³¹ C.S. Lombard, *The Growth of Co-operatives in Zambia 1914-1971: Zambian Papers No. 6* (Manchester: Manchester University Press, 1971), pp. 8-19.

¹³² D. J. Dodge, *Agriculture Policy and Performance in Zambia, History, Prospects and Proposals for Change* (Berkeley: University of California Press, 1977), A. J. Hellen, *Rural Economic Development in Zambia 1890-1964* (Munich: P. A. S., 1968).

Table 3, Formation of Co-operatives in Eastern Province 1947-1964

SN	Name of Co-operative	District	Year Formed	Membership	No. of Buying stations
1	Petauke African Tobacco Co-operative Society (PATGCS)	Petauke	1946	272	14
2	Petauke African Producers Co-operative Society (PAPCS)	Petauke	1946	200	9
3	Petauke Produce Association	Petauke	1946	87	2
4	Petauke Co-operative Marketing Union	Petauke	1952	176	30
5	Katete Co-operative Marketing Union	Katete	1952	210	12
6	Alimi Co-operative Marketing Union	Chipata	1952	172	15
7	Eastern Co-operative Marketing Association	Chipata	1958	115	10
8	Kunda	Kasenengwa	1948	491	8
9	Kanyanja	Chipata	1950	228	6
10	Mugubudu-Kasenga	Chipangali	1952	384	5
11	Makungwa	Chipata	1954	151	6
12	Chikungu	Kasenengwa	1955	287	8
13	Khowe	Chipangali	1956	35	1
14	Chipangali	Chipangali	1957	61	1
15	Mboza	Kasenengwa	1957	101	5

SOURCE: Kay, *Changing Patterns of Settlement and Land use in the Eastern province*, p. 56.

Table 3, shows the number of co-operatives formed in Eastern Province when the colonial government introduced co-operatives among African peasants. Majority of these co-operative societies when they started operations mainly marketed maize and cotton. Improvement in Africa

agriculture in Eastern Province was also due to the role of producer co-operatives which emerged in the post Second World War period.¹³³ An efficient marketing system was necessary to meet the demands of commercial crop production by African peasant farmers. The Director of Agriculture also acknowledged that the success of co-operatives was dependent to a large extent, on the development of efficient marketing arrangements for the disposal of farm produce. This was in line with government view in the post war era of promoting rural development through marketing organisation developed on the line of co-operatives.¹³⁴

The Department of Co-operative societies posted its first representative in Petauke, Katete and Chipata in July 1948, in order to set the co-operative movement in Eastern Province in motion. The work soon began through local producers in all co-operative societies which were responsible for settling up and running buying station in rural parts of the districts. Each station had a buyer who covered an average of seven to eight village. These societies in turn constituted a marketing union. By 1964, the district had a total of fifteen co-operatives societies.¹³⁵

The co-operative society which started operation in 1947, mainly marketed maize and cotton. Its central buying station was always based at a central point preferably close to the chief. A good example is that at Kunda valley a buying station was based at Masumba in chief Munkhanya's region. Additionally, touring the station in 1952, the District officer D.J. Lewis noted that the marketing of crops good and African growers had no fear of having surplus crops left on their hands or having to sell cheaply to exploitative Indian traders.¹³⁶ This news did not only give hope the people on food security, but equally ensured them that, the area became stable by retaining able-bodied men in the village because of the inflow of cash. The value of crops purchases at Masumba in 1952 as indicated below.

¹³³ Alfred Tembo 'The Colonial State and African Agriculture in Chipata of Northern Rhodesia, M.A, Thesis, University of Zambia, 2013. pp. 19-30.

¹³⁴ Banda, 'The Impact of Co-operatives Movements, pp. 15-20.

¹³⁵ N.A.Z EP 4/1 Alimi Co-operatives Marketing Association (Full Board Minutes) Annual Meeting, 33/6/1 A Vol. 2.

¹³⁶ Tembo, 'The Colonial State and Africa Agriculture', p. 8-9.

Table 4 Crop Purchase at Masumba buying Station

SN	COMMODITY	SALES
1	Maize	3500
2	Cotton	1500
4	Kaffir corn	120
5	Nuts	60
6	Rice	30
	TOTAL	5210

SOURCE: N.A.Z. EP4/2/45, Fort Jameson District Tour Report No. 13 of 1952.

The statistics above show remarkable progress in African peasant agriculture compared to the previous year's 1947-51. This indicated that large sums of money flowed into just one buying station in the valley. The colonial state invention through introduction of co-operatives showed good developed African peasant agriculture had become in the province. The valley had for long been on the acute food shortages even during times of plenty elsewhere. Therefore, this was the progress among the people of Kunda valley whereas the crop situation there had been described as disgraceful in the 1930s. The situation had completely changed in the 1950s and 1960s with government officials using assessments objects such as 'generally good fair, extremely good, very good and abundance' in describing the region food security under such circumstances. The District commissioner proudly acknowledged in 1953, that his area alone was enjoying an annual income of £168.00 from commercial crops production contributed to the growing prosperity of Eastern Province and reflected the emergence of the province from a subsistence agricultural economy into a commercial agricultural economy.¹³⁷

The Eastern Province African Farming Improvement Fund (EPAFIF), was established in 1953, to support P.F.S also made loans to producers through the co-operatives societies. The EPAFIF was

¹³⁷ Tembo, 'The Colonial State and African Agriculture', pp.20-40.

administered by a board with the objective of encouraging improved farming and did so largely by paying bonuses for good farming and by subsidizing the purchase of basic farm equipment, improved seed, fertilizers and construction of approved cattle kraals.¹³⁸ It also provided funds for programs of soil conservation and development of water resources. The funds were started in 1953 under EPAADB. The financial support it periodically gave to co-operatives strengthened the financial position of the union and enabled it to carry out its obligations. With all these sources of money and its own profits from sales, the co-operatives financial position was usually sound.

In 1953 to 1956, the district unions in Chipata, Katete and Petauke increased their business activities. The managers through the office of the District Commissioners requested chiefs and primary societies in their districts to recommend the most upcoming peasant farmers and reliable traders to be supplied with farming implements and trade goods at wholesale price and to a certain extent, on credit.¹³⁹ This response was enthusiastic and with the expansion of business, the district unions established a network of roads communication among the villagers which facilitated the flow of ideas, goods and capital throughout the districts. Local people were advised to prepare roads by their chiefs/headmen in order for the co-operative lorries to use them when collecting produce and peasants responded positively.

In 1956, the co-operatives had an impressive performance. For example PCMU sold 250 bags of groundnuts in Eastern Province at £3 15s a bag at wholesale and £4 1s per bag at retail rate. It also sold 5,980 of nuts to the Grain Marketing Board at £3 10s a bag. PCMU also exported to the United Kingdom 6,000 bags of graded groundnuts through London brokers receiving between £6 4s and £7 9s 3d a bag. It also exported through the Eastern Province Agricultural Produce Board (EPAPB) 30,633 bags at £3 0s 10d.¹⁴⁰ The Unions in all the districts of Eastern Province purchased the crops in outlying areas and transported them to the main marketing points and outside the districts. The cost of transporting from rural market stations in the districts to the grading plants in Chipata, Katete, Sinda and Petauke then to Lusaka was financed with loans from a local bank of Barclays Bank D.C.O. The movement of the produce to world market was financed with the loans from

¹³⁸ R.N. Coster, *Peasant Farming in Petauke and Katete Areas of Eastern Province of Northern Rhodesia*, *Agriculture Bulletin*, No. 15 (Lusaka: Government Printers, 1958), pp. 89-90.

¹³⁹ N.A.Z, EP 3/2, Minutes on PCMU Annual General Meeting held on 22nd September 1954.

¹⁴⁰ E.A. M , 'The Impact of Petauke Co-operative Marketing Union on the Peasant Economy in the Petauke District of Eastern Province in Northern Province 1947-1964', MA. Thesis, University of Zambia, 1984, pp. 5-30.

Standard Bank Limited, which was a branch of Standard Bank Limited based in the Union of South Africa. The co-operatives such as PCMU, KCMU and EPCMU received annual government grants that amounted to about £10,000 every year.

Furthermore, in 1957/58 season, problems of marketing came to a head, especially with regard to sale of maize and groundnuts. For instance, the price of groundnuts exported through the port of Beira via Salima in Nyasaland fell from £66 to £55 per ton, while the price for local consumption dropped from £51 to £49 per ton. Many peasant farmers failed to dispose of their crop due to low price being offered on the market. At the same time, a considerable export trade in groundnuts had emerged in the province which also posed teething challenges regarding overseas sale. In light the Eastern Province Co-operative Marketing Association (EPCMA) was established in 1958 as a loose federation of the province's three co-operative union. To facilitate the export of confection-quality groundnuts, the marketing association installed Gun son's electric grinders at Chipata in order to reduce the use of inefficient manual selection of the nuts. The effectiveness of the EPCMA was shown by the fact that by 1960 confectionary grade groundnuts average £78 per ton c.i.f London and the African peasant farmer received £37 per ton.¹⁴¹

The three co-operatives marketing employed in the district were significant in growth of cash cropping among African peasant farmers. Apart from providing marketing facilities, co-operatives established a system of interaction among present farmers which facilitate the flow of idea. Most of the primary societies also opened shop for selling agricultural implements, seeds, fertilizers as well as a wide range of other consumer goods. Some even set up grading mills at their headquarters in the mid-1950s. These lightened the burden of women from the toil of pounding maize meal using pestle and mortars. They also encouraged members to implement improved agricultural techniques.

By and large, the African peasant farmers had far greater access to loan funds in the co-operatives societies. Those who were members of co-operatives owned more cattle and ploughs than the ordinary farmer who did not belong to any co-operative. They also received higher prices for their produce than non-members. Some of these African peasants even built bricks houses with iron

¹⁴¹ N.A.Z, EP 4/20, Agriculture and Farming in Eastern Province Co-operative and Marketing Association Correspondence 1960-61, pp.3-4.

sheets while other bought bicycles, cattle, sewing machines, guns and radio. Co-operative societies also owned scotch carts of the steel-wheeled and pneumatic-tired type which they lent to their members who did not own any. In this way, it became handy especially during harvest time. A large number of the improved African peasant farmers owned carts and these had become an absolutely necessary part of their agricultural equipment.

3.5. Mechanization of Co-operatives Members in Eastern and Southern Province

Through co-operative societies, agriculture greatly improved. The moderate increase in maize price during the mid-1950s also appeared to have acted as an incentive towards adopting the plough.¹⁴² African peasants were paid or given a bag of maize and this was an improvement on the market situation prevailing in the 1950s when 5/- appeared to have been the highest sum offered. In Kalomo and Monze farmers had to do very little stumping because of the relative treeless nature of the vegetation and the plough was adequately adopted.¹⁴³ The adoption of the plough created the need for draught oxen. Although many families had kept their own oxen many had no cattle's of their own. These tended to rent from their kinsmen during ploughing season. Some owners charged rent of up to 7% a day for the use of two animals but a farmer who was prepared to wait until a neighbour or relative had completed his ploughing usually got oxen free.¹⁴⁴ Those herded cattle for the wealthier farmers were allowed the use of animals in there and some even made money by renting out some of these animals. In villages, oxen came to be valued more highly than cows. Most young men started acquiring their own assets including oxen only after they had acquired enough resources, and turn to buying cows and other essentials.¹⁴⁵

The ox-drawn plough was an important equipment in the African peasant farming industry in post-war era in Eastern and Southern Province. The Department of Agriculture cautiously encouraged the use of ploughs in the provinces as it was fully aware of the benefits as well as the

¹⁴² McSamuel Richmond Dixon-Fyle, 'Politics and Agrarian Change among the Plateau Tonga of Northern Rhodesia 1924-63', Ph.D. Thesis, London University, (1976), p. 98.

¹⁴³ J. Hadfield, 'Peasant Farming Survey in Northern Rhodesia', *Agricultural Bulletin*, No. 20 (Lusaka: Government Printers, 1963).

¹⁴⁴ Samuel. N. Chipungu, *The State, Technology and Peasant Differentiation in Zambia: A Case Study of the Southern Province 1930-1986*, (Lusaka: Historical Association of Zambia, 1988. also see F. Carpenter, 'The Introduction of Commercial Farming into Zambia and its Effects to 1940', in R. Palmer (ed.) *Zambia Land and Labour Studies*, vol.1 (September, 1973), p.3.

¹⁴⁵ M.P Miracle, 'Plateau Tonga Entrepreneur in Historical Inter-Regional Trade', *Rhodes-Livingstone Journal* No, xxvi, 1960, pp. 34-50

danger associated with the plough if not properly used. Both these observations had been ably demonstrated in Eastern and Southern Province of Northern Rhodesia. For this reason, for several years after the war, a permit was required for the purchase of a plough. It was also required to accept condition regarding the proper maintenance of the implement to a relative or hire it out to other people at a small fee.¹⁴⁶ For instance, in chief Mazimawe's and Saili's area in Chipata District among the Ngoni's, there were 42 plough owners, eighteen of whom also had scotch carts. Among the Tonga's in the Batoka plateau, the adoption of the plough created the need for drought oxen. Although several families on the plateau kept their own oxen, many had had no cattle of their own. These tended to rely on kinsmen and neighbours animals during the ploughing season. Some owners charged rents of up to 7% a day for the use of two animals but a farmer who was prepared to wait until a neighbours or relative had completed his ploughing usually got oxen free.¹⁴⁷

The early 1960s witnessed the acquisition and use of tractors by some wealthy African peasant farmers. The acquisition of tractors by Africans was also carefully watched to ensure that the machines were used in a proper manner and did not lead to bad farming on a much bigger scale than was possible through the use of ox-drawn ploughs and hoes. The Department of Agriculture encouraged a system of subsidies contract ploughing so that the benefits of mechanization could trickle down to as many peasant farmers as possible. In this regard, it subsidized the cultivation of peasant farms whose owners did not have tractors. This was done by paying £1 per acre cultivated while the owner of the field was also required to pay the tractor owner £1.5s per acre ploughed. In 1963 for example, two tractor owners chief Chanje's area in Chipata district among the Chewa had a total of 161 acres under that arrangements.¹⁴⁸ These emergent Africa began to learn more on the right to make wills and obtain free hold tenure of land which symbolize a significant new prosperity in the Province.

The colonial state intervention in African peasant agriculture was proved during the 1957/58 season which was described as the poorest in the post-war period that it would remain in the annals of Eastern and Southern Province. This was the most disastrous season but became a blessing in disguise for the reason that it continued on the other hand, with the benefits of improved farming techniques. The most important agricultural province of Zambia up to the mid1970s was Southern

¹⁴⁶ S.M. Makings, 'Problems in African Agricultural Development (Lusaka: Government Printers, 1964), p. 89.

¹⁴⁷ E. Colson, *The Social Organisation of Gwembe Tonga* (Manchester: Manchester University Press, 1967), p. 67.

¹⁴⁸ S. M. Nkhata, 'Settlement Schemes and Labour Migration in Chipata District of Eastern Province, 1951-76', in Ackson M. Kanduzi (ed) *Scio-Economic Change in Eastern Zambia: Pre-colonial to the1980s* (Lusaka: Historical Association of Zambia, 1992). pp, 15-20.

Province.¹⁴⁹ Momba argues that the pattern of rural class formation he identified in Southern Province was largely a product of forces set in motion by the incursion of capitalism into pre capitalist social formation, particularly after the establishment of colonialism in the country. Once peasantization took place it was followed by differentiation, which then resulted to the establishment of distinct rural classes.

This was because the improved African peasant farmer had recorded good yields with a surplus for sale while in areas of tradition agriculture, yields had fallen below subsistence level and famine had crept in. Even the heartland of the Ngoni kingdom and Tonga-Gwembe valley which for long had been the most ecological distressed area, had increased its agricultural productivity. In Chipata for example a district officer P. Smith summarized this when he remarked in 1962 that farming in the Ngoni area had shown intelligence and enterprise and that the fields much better cared for were for the villages to which they belonged. This was a manifestation that co-operatives had played an important part in the area. This was because co-operatives helped the peasants in farming and increased its business activity, which induce them into growing more cash crops by loaning them seeds provided. The co-operatives also provided markets and bonuses to its members.

Analysis of Co-operatives Societies and Impact of the Peasant Economy in Eastern and Southern Province 1952-64, co-operatives played a significance part in commercializing the peasant economy between 1952 and 1964. In reviewing the activities of the co-operatives, it is worth nothing that the co-operative movement started gradually in Southern and later spread to Eastern Province under firm direction and supervision from the colonial administration and this should guide the assessment of the impact of co-operatives.¹⁵⁰ Moomba suggests that a rural bourgeoisie was emerging via three common routes. Firstly, he saw peasant differentiation creating rich peasants who constitute “the dominant fraction of the peasantry and who were evolving into a rural bourgeoisie.” Secondly, he saw some rich peasants establishing themselves, with financial assistance from the state, on large-scale farms, on land cleared and then vacated by European settler farmers. Thus they “joined a growing number of former and current top state officials who purchased such farms, and European farmers who chose to stay at the end of colonial rule”.¹⁵¹

¹⁴⁹ Samuel. N. Chipungu, *The State, Technology and Peasant Differentiation in Zambia: A Case Study of the Southern Province 1930-1986*, (Lusaka: Historical Association of Zambia, 1988), p. 56.

¹⁵⁰ Ackson M. Kanduza (ed) *Scio-Economic Change in Eastern Zambia: Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1992). pp, 15-20.

¹⁵¹ J.C., Moomba, ‘Peasant Differentiation and Rural Party Politics in Colonial Zambia’, *Journal of Southern African Studies*, 112 (1983). pp. 281-294.

Thirdly, he noted that some peasants had left their villages to acquire medium scale farms on the state-funded settlement schemes, where they were closely supervised by the officials from the Department of Agriculture.

1952, was largely a trial period, without much education on co-operative societies which were formed and operated throughout by buying all marketable crops from members and non-members. Members had the privileges of receiving a bonus while non-members did not in order to attract potential members through granting such privileges. The primary societies under co-operatives which were formed operated in rural buying stations. These co-operatives transported produce from depots, fumigated, cleaned, graded the produce, packed and sent it to the consumers along the line of rail and overseas markets. The cost of operating for transport, handling and administrative matters was deducted from the sale of crops. There are no figures to illustrate these expenses for the whole period of the study but a comparative analysis of Eastern and Southern Province in 1953, the calculation for maize only is shown in the table below.

Table 5 Maize Marketing by Co-operatives in Eastern and Southern Province 1952-55

SN	Details	Official GMB		Co-operative Price	
1	Price per bag delivered to GMB Depot	36s	9d		
2	Handling charges			8s	6d
3	Transport costs			13s	0d
4	Others			3s	3d
	TOTAL EXPENDITURE			24s	9d
	Producer price at Rural Buying station	12s	0d	12s	0d

SOURCE: N.A.Z, C. U/1/3, Progress Report on Bonuses 1952-55 also see E.A.M. Banda, 'The Impact of the Petauke C-operative Marketing Union (PCMU) on the Peasant Economy in the Petauke District of Eastern Province in Northern Rhodesia, 1947-1964', MA Thesis, University of Zambia, 1984. P.51. READ AND DISCUSS NAZ/CU/1/3.

Table 5 shows how co-operative met marketing cost in Eastern Province and Southern Province. The marketing co-operatives placed the cost of marketing operations on the producers. The Grain Marketing Board had high price than co-operatives and this is because the board had more freedom

to choose the farmers and supply of markets source while the co-operative was set up by its members and was expected to buy what the members supply and paid a fair price for the produce. This situation affected the co-operative's ability to compete.¹⁵² When maize was sold overseas where prices were attractive, many producers were always affected. This marketing arrangement for most of the cash crops grown in the co-operatives placed co-operatives members at the mercy of their unions. Within the structure outlined earlier, the marketing arrangement took away all initiative from co-operative members in matters of reducing operational costs. As a result, there was much discontent and indignation among the producers, especially considering the fact that inadequate explanation was given to members on the nature of marketing economies affecting the co-operatives in the Eastern and Southern Province. This was the major reason for low maize sales in the co-operatives during this period.¹⁵³ It is, therefore, not easy to definitively conclude in terms of whether price was suitable or not in general terms. It can be suggested that the small amount of maize marketed from co-operatives during the 1950s in Eastern and Southern Province in comparison to tobacco and grounds implies that the price was not particularly encouraging. However, a bonus paid to co-operative members encouraged joining co-operatives.¹⁵⁴ The system of bonus in all co-operatives depended on the total produce each member sold. Generally members were paid on delivery of their crops to the depots and would later receive a bonus per unit volume.

During 1953-55, the price of maize per debbi (a four-gallon tin measure) was two shilling and six pence and bonus was one shilling and nine.¹⁵⁵ The bonus system encouraged many to join the co-operative societies. The co-operative societies paid different price for the crops. The price for the members were better than those of non-members. Table 6, illustrate differential uniform pricing system for the early period of the co-operatives in Eastern and Southern Province a period 1951-53. The principal of paying co-operative members and non-members remained unchanged.

¹⁵² .W.T. Kalusa and M. Mtonga, *Kalunga Gawa Undi X a Biography of African Chiefs and Nationalist* (Lusaka: Lembani Trust, 2010), pp. 45-50.

¹⁵³ R. Hidden (ed), *Co-operation in Colonies*, pp.33-45.

¹⁵⁴ M.R. Dixon-Fyle, 'Politics and Agrarian Change among the Plateau Tonga of Northern Rhodesia 1924-1963', PhD, Thesis, University of London, 1976, p. 181.

¹⁵⁵ Northern Rhodesia (NR), *Co-operative Report for the Years 1953-55*.

Table 6, Price Paid for Members of Co-operative Societies and Non Members in Eastern and Southern Province 1951-53

SN	CASH CROP PER BAG	1951		1952		1953	
		A	B	A	B	A	B
1	Groundnuts (180 lb)	36s	32s	36s	24s	51s. 6d	30s
2	Rice Paddy (200 lb)	80s	72s	80s	72s	10s	72s
3	Beans (200 lb)	27s	18s	27s	18s	42s	30s
4	Maize (200 lb)	10s. 6d	9s	12s	10s. 6d	12s	10s.6d

SOURCE: Northern Rhodesia, *Provincial Administrative Report 1951-55 Fort Jameson* (Lusaka: Government Printers, 1955) also see Banda, 'The Impact of the Petauke Co-operative Marketing Union' p. 53.

The letter 'A' represents price paid to members of the co-operative societies and a majority of whom belonged to Peasant Farming Scheme while 'B' represent price paid to non-members. The different pricing system coupled with the bonus system encouraged people to join member co-operatives under co-operatives and to increased acreage allocation to cash crop production in order to raise the marketable amount of produce. The bonus system encouraged increased sales. In this way the Co-operatives established an economic hold over producer and indirectly forced peasants to comply with farming methods which the Department of Agriculture recommended as necessary for soil conservations and increasing agricultural productivity. The major aim of co-operative societies was to encourage commercial agriculture by organizing markets for African produce in the provinces.¹⁵⁶ The commitment of the colonial administration to co-operatives resulted in the formation of co-operatives in Eastern and Southern Province which became the root and stem for rural development. The managers spread the gospel of co-operatives marketing to almost all the productive parts of the provinces. This was a success story of a colonial administration that was

¹⁵⁶ Northern Rhodesia (NR), Department of Co-operative Societies, Co-operative Newsletter No. 21, 3, 1958: S.A Quick, *Humanism or Technocracy? Zambia's Farming Co-operatives 1965-1972, Zambia Papers 12* (Manchester: Manchester University Press, 1978), p. 13.

highly paternalistic and had extensive experience of intervention that had started since the creation of Native Reserves in the late 1920s.¹⁵⁷

The co-operatives established communication channels for exchange of views on social and economic matters in the Eastern and Southern Province. In 1952, the co-operatives were responsible for encouraging the adoption of improved agricultural techniques among peasants in Eastern and Southern Province. The co-operatives did not achieve much in the initial stages. However, it would be a false assessment to suggest that the peasants in these provinces received an equal amount of services from the co-operatives. This would presuppose a general equality in access to and the benefits derived from the facilities which the co-operatives provided. The membership of peasant farmers in the co-operative society and the requirements of the Peasant Farming Scheme (PFS) gave the co-operative movement the responsibility of supervising discriminatory production and pricing policies. By and large, the peasant farmer had far greater access to loan funds in these co-operatives societies and thus owned more cattle and ploughs than the ordinary co-operative member who did not join the Peasant Farming Scheme.¹⁵⁸ They also received higher prices than those members who were not in the Peasant Farming Scheme. Even more disadvantages were given to those peasants who joined the Peasant Farming Scheme, than Co-operatives Unions nor its affiliates. Therefore, the co-operatives movements were an agent of social differentiation among the peasants in Eastern and Southern Province. This economic and social differentiation was seen in a number of acres each farmer cultivated and also the output from their acres. The other thing is to see how many of these were previously in wage labour before they joined co-operatives and how they fared in farming.¹⁵⁹

The peasant who had accumulated enough money managed to build brick houses with zinc sheet roofs. Some bought bicycles, radios, sewing machines cattle and guns and built restaurants.¹⁶⁰ These restaurants or tea-rooms and village stores got supplies from the co-operative wholesale stores in Petauke, Katete, Chipata, Namwala and Choma. The money from these co-operatives to

¹⁵⁷ Banda, 'Impact of Co-operatives Movements', p. 105.

¹⁵⁸ N.A.Z, CRC, REP/1/2, PCMU Supervisor's Annual Report for the Year 1952.

¹⁵⁹ S.M.C Nkhata, 'Resettlement in Chipata District, 1951-1980' in Ackson M. Kanduza (ed) *Socio-economic Change in Eastern Zambia: Pre-colonial to 1980s* (Lusaka: Historical Association of Zambia, 1992). p. 121.

¹⁶⁰ E.A.M Banda, 'The Impact of the Petauke Co-operative Marketing Union (PCMU) on the Peasant Economy in Petauke District of Eastern Province of Northern Rhodesia, 1947-1964', in Ackson M. Kanduza (ed) *Scio-economic Change in Eastern Zambia: Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1992). pp. 95-102

peasants helped them pay fees for their school-going children and to meet other cash needs. However, those who could afford these services were few. Thus, the impact of co-operative societies was contradictory in that the commercialization of agriculture in the provinces by co-operative unions and its affiliated co-operatives societies was that certain sections of the peasant paid less attention to edible commodities, mainly maize, in order to concentrate on cash crops. These were the peasants who usually hired as labour of their relatively backward counterparts. There was increase social inequalities within the eastern peasantry.

It can also be argued, on the basis of proceeding discussion, that co-operatives failed to significantly modernize agriculture in the provinces. The tools used for cultivation were simple. The hoe remained the dominant agricultural implement. The income received could not enable the majority of peasants to buy big agricultural implements such as tractors.¹⁶¹ The co-operatives also provided retail services. Consequently a number of co-operative society's stores were opened throughout the province. The unions opened modalities such as salt, sugar, paraffin, candles, soap and clothes. Once a primary society purchased goods from wholesale store, the union provided transport and a minimal charge was made to the society concerned. These co-operatives store also stocked agricultural implements for supply to primary societies.¹⁶² The agricultural goods supplied included hoes, shovels, axes, ox-pulled ploughs, Scotch-carts and trek chains. The prices of these agricultural goods were relatively cheaper compared to those found in the Indian Stores in Namwala, Choma, Monze, Katete, Petauke and Chipata. In 1958, for example, the manager of PCMU reported that the price of PCMU trek-chains was k1.25 compared to K1.39 at the Indian stores for chains of the same quality. The price differentials made co-operatives society's stores popular among the peasant in the province. In this way the co-operative movement attracted many members and commercialized the province agricultural development.¹⁶³

During the late 1950s, co-operatives in the Eastern Province and Southern Province were faced with political problems. These rose from hostile political criticism mounted by the African

¹⁶¹ C.W Tembo, 'Peasant and Resettlement Scheme in Chama-Lundazi, 1954-180', in Ackson M. Kanduzi (ed) *Socio-economic Change in Eastern Zambia: Pre-colonial to 1980s* (Lusaka: Historical Association of Zambia, 1992), pp. 67-89.

¹⁶² E.A.M Banda, 'The Impact of the Petauke Co-operative Marketing Union (PCMU) on the Peasant Economy in Petauke District of Eastern Province of Northern Rhodesia, 1947-1964', in Ackson M. Kanduzi (ed) *Scio-economic Change in Eastern Zambia: Pre-colonial to the 1980s* (Lusaka: Historical Association of Zambia, 1992). pp. 95-102.

¹⁶³ N.A.Z, SP 1/9 Agriculture: Co-operative and Marketing Report 1952-60, AGR 15/7.

nationalist parties. The African National Congress (ANC) and the Zambia African National Congress (ZANC) which proceeded in 1959, to become United National Independence Party (UNIP) opposed the colonial government's agricultural and co-operative policies. In the wake of these political conflicts, the peasants questioned the low prices which the co-operatives fixed for the produce. Thomas Rasmussen commented that 'their political problems in Eastern, Southern and central provinces was concentrated usually on questions of prices and marketing arrangements for the most important crops, maize and tobacco'. The ANC organized markets boycotts to protest the exploitation of co-operative societies. The colonial administration therefore supported the amalgamation of various co-operative unions in order to protect them from local political criticisms.

The peasants claimed that co-operatives societies were tricked by the colonial government to steal money in the form of farm produce bought from them at low price. Co-operatives started receiving criticism and became economically weak and even more vulnerable to criticism. These political attacks on the co-operative marketing societies, particularly the UNIP propaganda in the early 1960s almost destroyed co-operatives.¹⁶⁴ Senior members of the co-operatives left to join ANC and UNIP respectively. These men and others left and joined the nationalist parties in order to fight the injustices of colonial government manifesto for the peasants. This created leadership vacuum in the marketing organisation and increased peasant suspicion about the benefit of co-operative membership. Most of the society's retail stores and market stations had to close because the co-operatives societies and unions became a target of nationalist political attacks. This situation led to withdraw of members from the co-operatives societies and forced many co-operative societies into inactivity during 1963-64.¹⁶⁵

In 1963, for example PCMU bought only 373 bags of maize at 20s per 200 lb bag. The price had been increased in order to mitigate the growing criticism and prevent loss of membership. However, without much success most of the peasant boycotted the co-operatives societies market. Those peasant producers who had enough money to pay transport cost delivered their produce directly to the Grain Marketing Board (GMB) depots in Lusaka where they got a favourable price

¹⁶⁴ C.S Lombard, 'Farming Co-operatives in the Development of Zambia Agriculture' *Journal of Modern Africa Studies*, Vol. 10, No. 2 (1972), pp. 220-220.

¹⁶⁵ C.S Lombard, 'The Growth of Co-operatives in Zambia 1914-1971', *Zambian Papers* No. 6 (Manchester: Manchester University Press, 1971), pp. 35-45.

for their produce. It was estimated that during the 1963-64 marketing season 1,282 bags of maize were delivered by peasants to GMB in Lusaka. This marketing situation resulted in a decline in the production of groundnuts because the peasant regarded co-operative societies as exploitative agents of colonial government. They also felt strongly that groundnuts production consumed too much of their labour and time when the reward was minimal.¹⁶⁶

An assessment of the achievements and failures of co-operatives movement in Eastern and Southern province the period 1947-64 clarifies why major co-operatives in Southern and Eastern province lost popularity during the last years of colonial rule. The relatively long history of co-operatives movement played a significant part in commercializing the peasant economy in the period 1947-64. The review the activities of these co-operatives' movements passed through three major phases; of which, 1947-52 was largely a trial period. Without education given to Eastern and Southern peasant about co-operative principles, the predecessors of co-operative were largely inactive.¹⁶⁷ The commitment of the colonial administration to the co-operatives resulted into the formation of Namwala Co-operative Marketing Union in 1951, and Petauke Co-operative Marketing Union in 1952. These societies were quite active during the second phase of the co-operatives movements in Southern and Eastern Province from 1951-58. Co-operatives during this period were very active and rapidly extended their activities to other parts of the provinces. In the final phase, 1958-64, some co-operatives that affiliated to them as of its operational areas were lost.

These co-operatives enabled the establishment communication channels for exchange of views on social and economic matters. Between 1947-52, the co-operatives were responsible for encouraging the adoption of improved agricultural techniques among peasants in all these provinces. Beyond this, the co-operatives movements did not achieve much during the first phase of its formation. A combination of close supervision under the new farming scheme and the poor system of representation worked out by the colonial administration and inadequate preparation of peasants accounted for the inactivity of the predecessors of co-operatives. In the period 1952 to 1958 the co-operatives expanded and extended their services and work. Changes in village

¹⁶⁶ N.A.Z, SEC1/32, Notes on Northern Rhodesia Prospects and Marketing Report 1937-1958: SEC 1/33, Imports and Exports of Tobacco in Eastern and Western (Copperbelt) Provinces 1950-1954.

¹⁶⁷ N.A.Z, SEC2/710-11, Katete Tour Report 1957 and 1958: N.A.Z, CRC 2A/1/1 Confidential Minutes of a Meeting held at the Boma, Fort Jameson 6th December, 1957.

agriculture had been marketed during this period due to the increased marketing facilities under the agencies of co-operatives. These co-operatives were an important channel for income for individual peasants and primary societies that mushroomed in other districts. The Peasant Farming Scheme also received higher prices than those co-operative members who were not in the peasant farming scheme. Even more disadvantaged were those peasants who neither joined the peasant farming scheme thus showing that the co-operatives were an agent of social differentiation among the peasant

Conclusion

According to the colonial administration, the advantages of introducing and developing these agricultural producers and marketing co-operatives among Africans was the possibility of increasing agricultural production, improving farming techniques and promoting the social and economic welfare of the rural dwellers. The focus of the African co-operative movement was rural agricultural production and marketing. In order to understand the nature of co-operative societies established during the colonial period we need to go beyond the stated goals and advantages noted earlier and assumed by colonial administration. The co-operative movement in Eastern and Southern Province during the colonial period can be seen as one of the mechanisms through which African peasants became subordinated to broader considerations of colonial administrations. The rural co-operatives were a forum for African political opinion but also provided information to the government on political responses of the rural African population to mechanisms of social control. The annual meetings of the co-operatives societies expressed their political opinion related to the co-operatives and farming in general. The meetings also gave an opportunity to government to know the opinions of the African population on co-operatives and politics in general. The co-operatives assisted the colonial administrators to evaluate the various responses to the restriction and administrative regulations introduced by the colonial administration and native authorities related to co-operatives. Much of the producer and marketing co-operatives politics were centered on the question of prices and marketing arrangements. The dissatisfaction with prices and the marketing system accounted for the problems that occurred between the colonial government and the African population of the province. This made Africans response very easily to the call to politics to fight the evils of colonialism in the province.

CHAPTER THREE

CO-OPERATIVES IN EASTERN PROVINCE AND SOUTHERN PROVINCE AFTER COLONIAL RULE, 1964-1991

3.0. Introduction

In the previous chapter, I discussed developments leading to the passage of the Co-operatives Ordinance in 1952 and formation of farming co-operatives in Northern Rhodesia. Within this colony-wide context, I outlined how co-operatives emerged in Eastern Province and Southern Province. I argued that the colonial government rationalized the formation of co-operatives in terms of the need to meet world demand for raw materials; and as a strategy to develop African agriculture in particular, and to promote rural development in general. Furthermore, the co-operative movement represented a framework through which the government increased control over African agricultural production. In this chapter, I examine how farming co-operatives were formed 1964-91, in the UNIP government. The first theme looks at President Kaunda's speech in Chifubu on the Copperbelt which signalled government strategic plan on co-operative. The Chifubu speech was a statement of a national policy on co-operative were Eastern and Southern province became one of the main centers of co-operatives in Zambia. The second part looks at the government agricultural co-operative policy and how they were formed in Eastern and Southern Province of Zambia. The third part looks at a government policy shift from farming co-operative to NAMBOARD and a comparative analysis of activities of co-operatives in Eastern and Southern Province.

4.1. Formation of Co-operatives in the UNIP government 1964

During the colonial era, the co-operative marketing operated independently without government intervention on management of their affairs. The government played the role of facilitator and provided the legal frame work by administering the co-operative Act. The co-operatives got majority of the profit and usually paid dividends on shares and patronage bonus. In 1964, the ruling party, United Independence Party (UNIP) enunciated a new policy on co-operative development to those citizens who were idling and in order to lift agricultural production aiming at self-

sufficiency in staple foodstuffs such as maize.¹⁶⁸ Most of the co-operative societies registered up to 1964, the year of Zambia's constitutional independence, were producer marketing organisations. By that date, 220 societies of all types were on the official register, claiming a total of 43,697 members and a paid-up share capital of K17 million.¹⁶⁹ The ruling United National Independence Party made it clear that the majority of Zambians should be involved more fully in economic and social development than they had been hitherto. Co-operative organisation was seen as a strategic way of bringing more Africans into industry, commerce, and non-subsistence farming. It was advice that ten or more people could apply for registration as a society, and thus qualify for financial assistance from the Government.

4.1.1. Chifubu Statement on Co-operative

Soon after attainment of independence in October 1964, President Kaunda's government made it clear that many people should be involved in the co-operative movement in order to realize quick economic and social development.¹⁷⁰ This post-colonial co-operative movement was launched by President Kaunda in Chifubu National rally in Ndola on 17th January 1965. The president addressing a rally launched the campaign for the formation of co-operatives. It was announced that plans and finances were available for starting communally organized production co-operative. He informed the nation that 'money is there and you can form these co-operatives anywhere and we will assist you'.¹⁷¹ President Kaunda launched this 'revitalized' post-independence co-operative movement personally and called on the unemployed to put their various skills to work on planned agricultural and construction projects. He specifically encouraged the formation of farming co-operatives which includes; vegetable, egg, beef, milk, and road-making co-operatives. There was a rapid response to this appeal. During the first five months of 1965, there were 2,000 applications

¹⁶⁸ Yubai Tebulo, 'Agricultural Co-operatives and Rural Development: The Case of Mkushi District', MBA, Thesis, Cooperbelt University, 1999, pp. 7-20.

¹⁶⁹ C.S Lombard, 'Farming Co-operatives in Development of Zambia Agriculture', *The Journal o Modern African Studies*, Vol. No. 2 (Jul, 1972). pp. 294-299.

¹⁷⁰ K.D. Kaunda, 'Speech at Chifubu Rally, 1965' (Lusaka: Zambia information Services, Press Background. No. 3/65: K.D. Kaunda, 'Speech to the First National Convention on the Four Year Plan 1967 (Lusaka: Government printers 1967); K.D. Kaunda, 'Speech to the 1970 Co-operative Conference, 12th January 1970 (Lusaka: Zambia Information Services, Press Background, 1970) No. 5/70. A detailed report was carried in the Northern News (Ndola), 18th January 1965.

¹⁷¹ K.D. Kaunda, *Humanism in Zambia and A Guide to its Implementation Part 1 and 2* (Lusaka: Zambia Information Services 1968 and 1974); See also Third National Development Plan (Lusaka: Government of Zambia, 1975), pp. 169-170; M. Lungu, 'Co-operative Efficiency in Zambia' In C.G. Widstrand (ed.), *African Co-operatives and Efficiency* (Uppsala: The Scandinavian Institute of African Studies, 1972), p. 209.

for registration accompanied by requests for financial aid, compared with only five during the previous year.

In accordance with promises made, the Government allocated generous resources to co-operatives in the form of grants, loans, and subsidies. In addition, a break was made from conventional practices by providing that it would no longer be essential for the members of new societies seeking registration to subscribe share capital before commencing operations, in order that none should be prevented from coming forward. Co-operatives of all kinds sprang up everywhere before the relevant government agencies had the machinery to assist them efficiently. By June 1970, a total of 1,280 societies were registered, showing a membership of 53,000, many of whom had been unemployed or underemployed.¹⁷²

President Kaunda declared that 'rural development is a top priority in our future development project. A co-operative approach was the most suited to rural development, both as way of feeding the fast growing population and accelerating development. Co-operatives remained the hope of the country by offering social and economic participation at the grassroots. This view of co-operatives was further reinforced by the policies of central planning which were actively pursued in Zambia.¹⁷³ As a result the government sponsored initiative and often with donors support primarily societies were formed in all the parts of the country including Eastern and Southern Province. While many of those co-operatives were based on genuine grassroots mobilization, others were established mainly to take advantage of the assistance that was available. This is because some people got money to start other business such as opening up of grocery shops, while others bought animals and building of houses etc.

The Chifubu rally announcement took the peasants in Eastern Province and Southern Province by surprise as there had been no planning effort under taken by the Ministry of Agriculture and Co-operatives. The reason given by the President for instituting a rapid expansion of the movement was to increase per capital income as well as decrease employment. The other reasons were to improve the Zambian way of life and mobilize the skills of individuals in a general movement

¹⁷² C.K. Ndalameta, 'Supervision and Control of Co-operatives in Zambia', BDL, University of Zambia. 1990, pp. 23-41.

¹⁷³ N.A.Z, SEC1/3, Annual Reports on Co-operative, 1983-1984, p. 3. Further details see C.S Lombard Monograph on Growth of Co-operatives in Zambia, 1914-71, Zambian Paper No. 6.

towards development. The Co-operative organisations were seen as a strategic way of bringing more Africans into industry, commerce and non-substance farming, ten or more people could register as a society and thus qualifying for financial assistance from government.

According to the President, K72 million was set aside for the next 13 months. The response to the chifubu declaration was immediate. The Department of co-operatives in Eastern Province and Southern Provinces was not prepared for the hundreds of application to form new co-operative society which were for registration. The Department of Co-operatives did not have enough staff to cope with massive degree of expansion. Prior to independence the co-operatives sector was small and the department of co-operatives was relatively a small agency within the colonial administration. In 1964, there were about 15 African co-operative societies in the register, but by the end of 1965, the Department had doubled the registration to 32 societies with 100 other applicants awaiting consideration for registration.¹⁷⁴

In May 1971, it was officially announced that about 900 co-operatives were operating 'satisfactorily', many with 'a bright future'. Whatever the actual number of members, the Zambian movement was now five times the size it was at independence in terms of registered societies.¹⁷⁵ Three types of co-operative organisations came to dominate the scene between 1965 and 1972. These were producer farming, building and brickmaking, and producer marketing societies, the first two of which were new to Zambia.¹⁷⁶ Farming co-operatives was clearly the most important, and by June 1970 there were 805 of these scattered all over the country, with a direct membership of 12,175.¹⁷⁷ They were mainly involved in the production of maize, a key cash and staple crop. Thus, during the 1967-68 season, of the total of 13,300 acres cultivated by co-operatives, 1,400 acres were reported to be under maize from which a gross income of K250,000 was derived, half the value of all sales from farming co-operatives. The following season, the acreage increased to 16,400 under maize. Over 400 of these farming co-operatives were formed into 64 unions, mainly

¹⁷⁴ N.A.Z SEC1/123-SEC1/124, Newsletters, No. 122 1962-1965; Rita Hinden, 'Co-operation in Colonies, A report to the Fabian Colonial Bureau' (London: George Allen and Unwin Ltd, 1945), p. 187.

¹⁷⁵ Zambia Daily Mail (Lusaka), 15 May 1971.

¹⁷⁶ J.M, Mulwila, *Co-operative Society Law in Zambia; The Development and Problems of Adaptations* (Lusaka: University of Zambia, 1989), pp. 67-69.

¹⁷⁷ I.L.O., Report to the Government of Zambia on Co-operative Management and Administration (Geneva, 1967), p. 3.

to take charge of the tractors and implements previously loaned to member societies, and to provide other helpful common services.¹⁷⁸

4.1.2. The Government Agricultural Co-operatives Policy after Independence

After independence the policy objective guiding the formation of co-operatives between 1965-69, was aimed towards meeting high expectations and creating business organisation in rural areas which would keep and provide people with permanent source of income.¹⁷⁹ In terms of government policies, the agricultural sector was given priority in all the development plans since independence. The policies within the agricultural sector placed emphasis on narrowing the gap between the bases of crop diversity and increasing production for export and nutritional standards. In order to intensify and strengthen its support and control of co-operatives movement, the government utilized the colonial co-operative ordinance to give way to the co-operative society. Donors also joined the government in this effort and also provided technical assistance and grants to needy co-operatives. Co-operative societies at this time were largely viewed as a mechanism for stimulating rural development. Co-operatives were also identified as one way in which to achieve increased production and raise rural standards of living, improved crop production intended not only to meet the needs of the rural people, but also to feed the fast growing urban population.

Table 7 : Growth of African Co-operative Societies in Zambia 1964-68

S/N	Year	Field Staff	African Co-operatives
1	1964	14	201
2	1965	NA	192
3	1966	24	454
4	1967	32	607
5	1968	42	875

Source: *Department of Co-operatives Annual Reports, 1963, 1964, 1965, 1966 and 1967* also see P. Sharma, 'The Role of Primary Co-operative Society in Development of Zambia's Agriculture Sector', M.A Dissertation, University of Zambia, 1981, p. 51,

¹⁷⁸ C.S. Lombard, 'One Zambian Communal Society', in R.J. Apthorpe (ed.), *Rural Co-operatives and Planned Change in Africa*, Vol. 4, Case Studies (U.N. Research Institute for Social Development, Geneva, 1970).

¹⁷⁹ C.K. Ndalameta, 'Supervision of Control of Co-operatives in Zambia', MA, Thesis, University of Zambia, 1990.

Table 7 shows that, immediately after attainment of independence there were very few co-operatives which were formed and against few trained agriculture staff to supervise and monitor the farming co-operatives. This was mainly between 1966 and 1968 where an increase from 454 to 875 was realised. Therefore, as time went on, the numbers started increasing and this can be seen in table 2 which has shown the progression. The successful response by Zambians to form more co-operatives has been the main reason for many of their problems. The rapid expansion of the movement took place without adequate administrative supervision. Most of the appropriate government departments were not geared to assist the new co-operatives. In 1964, there were only about 100 African graduates and 1,200 with secondary school certificates about the same number as Ghana had in 1943 and Uganda in 1955.¹⁸⁰ The economy as a whole still had problems severely from the lack of skilled and trained man power. As a result, many vital posts in key departments were vacant because ex- patriates had left and appropriately qualified Zambians were still not yet available. The magnitude of the problem may be gauged by the fact that even in 1972, there are only 2,000 field-officers employed by the Departments of Agriculture and Co-operatives to deal with some 600,000 farming families, 800 farming co-operatives, and 700 large-scale commercial farms not to mention several direct state production schemes.

As the initiative for the development of co-operatives came from the government, there was a lot of political pressure on the Department of Co-operatives to encourage and register more co-operatives. The department was aware of the need to slow down but unwilling to face the wrath of the politicians.¹⁸¹ The reason cited for the slowdown in registering co-operatives, was to have a limited number of co-operatives because resources allocated to the district were limited. Apart from this, there was also few supervisory co-operative staff from the Ministry of Agriculture co-operatives to monitor the operations. The director and the registrar of co-operatives spread the responsibility of registering co-operatives and other agencies for example, the provincial development committee in Chipata and Choma had to approve new registration and no group was registered automatically this slowed registration indirectly. The government agricultural sector was given a priority in all the development plans since independence. The policies within the

¹⁸⁰ C.S Lombard, 'Farming Co-operatives in Development of Zambia Agriculture', *The Journal o Modern African Studies*, Vol. No. 2 (Jul, 1972). pp. 294-299.

¹⁸¹ P. Sharma, 'The Role of Primary Co-operative Society in Development of Zambia's Agriculture Sector', M.A Dissertation, University of Zambia, 1981, p.16.

agricultural sector have remained unaltered with emphasis placed on narrowing the gap between rural and urban incomes, attaining sufficiently in base food crops, diversifying and increasing production for export and improving motivated standards.¹⁸² The co-operative movement in Zambia after independence empowered by service provisions that were introduced by the Ministry of Agriculture and Co-operatives such as National Marketing Board (NAMBOARD) which replaced the two institutions during the 1969-1970 season.¹⁸³

The formation of NAMBOARD was considered appropriate because of the dual marketing system that was inherited from the colonial period with the division between Europeans and African Agriculture and between farmers on the line of rail and farmers in rural remote areas. Since establishment NAMBOARD has been responsible for marketing functions. It monopolized the purchase, sales, import and storage of maize at the national level. It also had a monopoly on distribution and a sale of fertilizer and distribution other agricultural supplies including seeds in competition with the commercial sector. The performance of NAMBOARD was strongly criticized in parliament because its operations were not good.¹⁸⁴ His study was good because it aimed to provide a detailed evidence-based analysis of the impacts of maize marketing and trade policies on smallholder agricultural production growth, access to food by consumers, and other important national policy objectives. These insights his study from Zambia can hopefully move forward the continuing debate in the region on how maize marketing and trade policies should be structured in the future.

The provincial agricultural officer's annual report accounts of seeds and fertilizers not arriving on time for planting and of the failure of agents to show up at marketing depots to receive the farmer crops.¹⁸⁵ NAMBOARD often attempted projects without knowledge of special requirements and hence incurred substantial losses. For example, in 1970 it attempted to store onions and potatoes without specialized storage facilities and equipment, or knowledge of techniques required.¹⁸⁶

¹⁸² T.L. Moorson, 'Black: Hybridity Neoliberalization and Ecosystematic Change among the Tonga Farmers of Southern Province, 1964-2008', PhD Thesis, Queens University, 2016.

¹⁸³ N.A.Z SEC2/781, Annual Co-operative Report, 1970.

¹⁸⁴ Ruth Phiri, 'A History of the National Agricultural Marketing Board (NAMBOARD) in Promoting Food Security in Zambia, 1969-1989', MA Thesis, University of Zambia 1969-1989', MA, Thesis, University of Zambia, 2016.. Also see C.S Lombard, 'Farming Co-operatives in Development of Zambia Agriculture', *The Journal of Modern African Studies*, Vol. No. 2 (Jul, 1972). Pp. 294-299.

¹⁸⁵ N.A.Z, Act 1969-1970, Act No. 30 of 1966, p. 159.

¹⁸⁶ Provincial Agriculture Annual Report for Eastern Province, 1971/1972.

NAMBOARD was unhelpful, since NAMBOARD had supposedly been in a process during the last three years of handing over part of its operations as the distributor of inputs and purchaser of produce to the provincial co-operatives. According to Zambia's Storage Requirements, the overall marketing had been undertaken by NAMBOARD, but after 1981, the intra-provincial responsibility was that of the co-operatives, while the inter-provincial trade remained with NAMBOARD. As a result approximately one thousand tons of both onion and potatoes were destroyed. By the end of 1972, the board had incurred a financial loss of over 4.4 million and addition K900, 000 had been spent on buildings and equipment.¹⁸⁷ The performance of NAMBOARD, however, had been strongly criticized. Several scholars such as Dodge, Wood et al, Klepper to mention but a few argued that NAMBOARD performed below its expectations. According to Wood and Shula, NAMBOARD was increasingly criticized for its inefficiency and the poor quality of services it offered to the farmers.¹⁸⁸

In 1971, the board was commissioned by the Zambia government to do a thorough study of NAMBOARD and the following resolutions came out.¹⁸⁹ The first was lack of clear objectives neither the board nor the government was sure of what NAMBOARD meant to achieve. The second point was excessive government control where the Minister of Agriculture gave directives for all NAMBOARD functions as a result of which the board rapidly found scapegoats for any insufficiencies in its operations and little incentive to improve.¹⁹⁰ As a result of its inefficiencies, government proposed to hand over the marketing functions of NAMBOARD to the cooperative marketing unions. The distribution of seeds was taken over by a National seed company. The marketing co-operative continued to play a vital role in agriculture development and took over responsibility from NAMBOARD. By 1979, the co-operatives marketing unions bought more maize than NAMBOARD.

¹⁸⁷ N.A.Z, SEC2/331, General file on Co-operative 3/1vo/v,11,10/1/6.

¹⁸⁸ P. Wood and S.C. Shula, 'The State and Agriculture in Zambia, A Review of the Evolution and Consequence of Food and Agriculture Policies in Mining economy,' in T. Mkandawire and N. Bourenane (eds.) *The State and Agriculture in Africa*, p. 284.

¹⁸⁹ Ruth Phiri, *A History of the National Agricultural Marketing Board (NAMBOARD) in Promoting Food Security in Zambia, 1969-1989*, MA Thesis, University of Zambia 1969-1989', MA, Thesis, University of Zambia, 2016.

¹⁹⁰ Dodge, *Agriculture Policing and Performance in Zambia, History, Prospect and Proposal for Change*, pp. 125-128.

TABLE 8, Maize bought by NAMBOARD, 1975-79

Year	Co-operative	NAMBOARD	Total	Co-operatives
1975	28,2502	43,2168	71,4670	33.51%
1976	35,8706	53,9319	89,8025	38.41%
1977	37,1102	40,1891	77,2993	46.23%
1978	30,0847	30,4,039	44,1535	53.92%
1979	20,9100	14,0688	34,9788	53.5%

SOURCE: *Department of Marketing and Co-operatives Reports 1998.*

Table 8 indicates that the principal players in maize marketing were the co-operatives and NAMBOARD. Co-operatives had a federated structure that ran from primary societies and village level to district level and provincial co-operatives. At the summit was the Zambia Co-operative Federation (ZCF) with its specialized organs such as the engineering, transport and financial units that were set up to service the various co-operatives.¹⁹¹ In theory, co-operatives were voluntary organization formed by farmers at local level who were selected as representatives at a higher level of the structure. However, there was little doubt that their formation and existence was strongly linked to the interventionist and developmentalist philosophy of government which saw them as important vehicles for enhancing development in areas outside the line of rail.¹⁹²

4.1.3. Co-operatives in Eastern Province since Independence, 1964-91

In 1965, all the unions in Eastern Province became completely amalgamated and merged into the Eastern Province Co-operative Marketing Association (EPCMA). This amalgamation was vital because it reduced overhead expense in marketing by avoiding duplication of work and enabled union managers to put in more effort on how well member societies could be operated and organized. Many co-operatives in Eastern Province operated under EPCMA and many small primary co-operative societies in Eastern Province were formed up in the following districts Petauke, Katete, Chipata, Lundazi and Chadiza adding to those that were formed in the colonial government. They greatly contributed to continuity in the history of the district co-operative

¹⁹¹ GRZ, ZCF; Position Statement on the Problems of Co-operative Development in Zambia (Lusaka: ZCF, 1985) also see GRZ, 'Zambia Co-operative Federation (ZCF): Minute for 26th Annual Conference, Lusaka, 2008.

¹⁹² World Bank, 'Zambia Policy option and Strategies for Agriculture Growth', Lusaka: World Bank, 1984.

movement. The primary societies were formed to improve the marketing system for Maize and groundnuts. The Department of Agriculture organized marketing but the producers bore the cost of transport and handling.¹⁹³ The formation of the primary co-operative meant that it would bear the cost of marketing and reduce the burden on individual member and reduce organizational difficulty for the department of Agriculture.¹⁹⁴ The grain marketing was organized through a well-defined channel of Primary Societies (PSs) District Co-operative Union (DCUs) and Provincial Co-operative Union (PCUs). The crop activities of co-operatives involved the distribution of empty grain bags to farmers. After farmers harvested their crop and bagged it to primary societies at the village level and handed the bags over to the district cooperatives union which in turn handed them over to provincial co-operative union. Storage and sales of grain to industrial mills in urban centers was by provincial co-operatives unions.¹⁹⁵

The transportation was done by ZCF/FS using its own vehicles or hired transport from the PCU and DCU or through private transport. The crop price was fixed by the government at the beginning of the marketing season. To cover losses incurred by co-operatives, the government paid marketing subsidies to provincial co-operatives unions and primary co-operative societies. Thus both district co-operatives unions and primary societies were not autonomous maize traders, but agents for the respective provincial co-operatives unions. These in turn, were agents for NAMBOARD and later for the Zambia co-operative federation. Agriculture inputs were originally distributed on a loan basis to the farmers through co-operative marketing chains (i.e. PCU, DCU, and PCS). However, they began to distribute through the provincial branch of ZCF/FS. The transport of inputs to the PCU was undertaken by transporters. At the PCU level, the inputs were distributed to farmers by credit supervisor and staff members of the society. No commission was given for the recovery of loans. The input firm Nitrogen chemicals of Zambia and Zambia seed company (ZAMSEED) sold for cash against fixed price and distributed through the PCS, DCU, PCU channel to farmers. A commission on each bag of fertilizer or of seed sold was given to cooperatives. Transport and of

¹⁹³ GRZ, Ministry of Agriculture and Water Development. Food Strategy Annexes Food Crop Production and Nutrition', Lusaka, 1981.

¹⁹⁴ Banda, 'The Impact of P.C.M.U. on the Peasant Economy'

¹⁹⁵ A.K, Mwamba, 'Zambia Agricultural Policy Paper, Planning Division; Ministry of Agriculture', Lusaka: 1986.

the inputs was by the PCU and then the DCUs. Some PCUs and DCUs were also agents of LINTICOL in areas where cotton growing and marketing was prevalent.¹⁹⁶

In 1971, the EPCMA was recognized and became a consolidated co-operative union called Eastern Co-operative Union (ECU) to run all the co-operatives societies in the Province. It was manned by a board of sixteen members who were elected from district co-operative unions such as KCMU, PCMU and Lundazi. The general manager for ECU in 1971, was Mr. E Chirwa; later in 1972 was succeeded by Mr. Jordan Denis Mazala who retired in 1977. He was replaced by Mr. John Sankhulani who was his administrative officer and also a board secretary. Mr. E Chirwa made various contributions to the history of co-operatives in Eastern Province while serving as Manager for ECU. Many primary co-operatives were formed and there was also improvement in infrastructure where houses and storage sheds were built in various primary co-operatives. He also recommended purchase of TATA light trucks and five motor bikes for district co-operative unions to help as transport during marketing season. It was also during his time that manufacturing of cooking oil using sunflower and groundnuts had started.¹⁹⁷

ECU was also heavily funded by the Swedish government through the director of co-operative in Lusaka and the Swedish Government always sent a representative based in Chipata to monitor the activities of its operation. The district co-operative unions in Eastern Province also received annual government grants that amounted to about £100,000 every year. However, in order to improve the co-operative movement the government of the Republic of Zambia directed all provincial co-operative unions to buy crops through district marketing unions and primary co-operatives. The policy of the Zambian government was to ensure food security through increased crop production and diversification and availability by providing high producer price for various crops especially maize the national staple food crop. Maize production was encouraged throughout the country including regions which were not suitable for maize production.¹⁹⁸ In order to provide incentives for maize production the government introduced uniform prices for inputs (fertilizers, seeds and agricultural chemicals). This was a government policy and in the case of Eastern

¹⁹⁶ FAO/FSD/MAFF, 'Maize Marketing Cost and Margins; A Preliminary Analysis of Efficiency and Profitability of Private Maize Trade during the 1994/95 Marketing Season; Market Liberalization Impact Studies, (Lusaka; Marketing Management Assistance Project. 1995).

¹⁹⁷ N.A.Z, EP 2/4, Eastern Co-operative Union Audit Report, 1972.

¹⁹⁸ P.N. Magande, 'Some Economic Aspect of Small Scale Farming in Zambia. A Case Study of Ngwezi Settlement Scheme in Mazabuka District' M.A Thesis, Makerere University, 1975, pp. 56-60.

province, ECU was always funded and channelled the money to all district co-operative marketing union and primary co-operative societies each season.¹⁹⁹

The district and primary co-operatives bought crops for the government through this channel. Crops which were bought included maize, groundnuts, sunflower, soya beans, beans, rice and cowpeas. The primary co-operative bought crops every season and were given bonus every after marketing. Bonus is a sum of money added to a person wages for a good performance. Bonus was only given when ECU the mother body had made a profit in that marketing season. The same bonus was given according to the way the society performed in marketing. Bonus was in form of money and was paid per bag. For example between 1970 and 1981 the bonus per bag of maize ranged from five Ngwee to one Kwacha five Ngwee.²⁰⁰

The co-operatives in the province were honoured by ECU because of good production, for example 1975-1976 season Vulamkoko primary co-operative in Katete District was awarded a subsidized loan of a tractor with all the equipment's such as planter, trailer, plough and Sheller, to help the peasant farmers.²⁰¹ Kunda valley Co-operative Society and Feni Primary Co-operative Society were each also awarded a tractor and a planter. The impact of the tractor was seen on the crop production in the following marketing season. Many peasants had good income because of high produce after harvesting. The number of bags taken to the market had doubled than ever before and this made them increase hectares of production in the following season. From the profits made, many peasants built brick houses with iron sheet roofing in villages. Others bought radios, bicycles, ox-carts, cattle and were able to pay School fees for their children with less difficulties and this was a motivation to many others to join co-operatives. The other reason for awarding them tractors by ECU was because the co-operatives were strategically positioned to help many farmers around the same area. The same tractors were not restricted to one co-operative alone because even non co-operatives members could hire at a low price. This created a stiff competition among the co-operative in Katete district because each society worked so hard in order to be awarded and be given bonus at the end of the season. It is important to note that two percent from nine Kwacha

¹⁹⁹ N.A.Z, EP2/4, Provincial Co-operative Annual Report Eastern Province, 1971-1972.

²⁰⁰ N.A.Z, EP1/2, Chipata File Set/5, Department of Co-operatives, January 1970.

²⁰¹ N.A.Z, EP1/2, Katete District Co-operative Annual Report 1975-1976, p. 4.

per bag of maize which was paid as bonus used to be given to a co-operative members while the other remaining amount was for the co-operative investment and training of members.²⁰²

This system encouraged people to join co-operatives and many co-operative societies in the Province increased acreage allocation to cash crops production in order to raise the marketable amount of produce. For example membership at Feni co-operative in Chipata had increased from 84 to 131 a period 1976-78. Vulamkoko in Katete had an increase in membership from 64 to 142 during 1977-79.²⁰³ Bonus system further encouraged increased sales and in this way these co-operatives established an economic hold over producers and directly forced all producers in the provinces to comply with the farming methods. These farming methods were encouraged and recommended by Ministry of Agriculture as necessary for soil conservation and increasing agricultural productivity. This bonus made co-operative societies even more popular and increased wider coverage of buying crops. The bonus depended on the total produce such that each member sold. In general, members were paid on delivery of their crops to depots, and received a bonus per unit volume.

The major aim of these co-operatives was to encourage commercial agriculture by organizing markets for the produce in the district. Each member paid joining fee amounting 25 Ngwee which was across the board in all co-operatives in Katete.²⁰⁴ Membership and shares were renewed every year at one kwacha. For those who failed to pay the money was deducted from their bonus during marketing season²⁰⁵. This system encouraged everyone to pay in time as co-operatives were able to open accounts with banks for the safety of their money.

Between 1970 and 1983, Eastern Co-operative Marketing Union bought a bag of groundnuts at K2.6 and that of Maize at K1.6. The bonus ranged from nine Ngwee to one kwacha nine ngwee per bag of groundnuts and four ngwee to eight ngwee bag of maize. The union purchased all farm produce from members and non-members of the co-operative societies. The unions paid low prices to the peasants on the grounds that operational costs were high. The high transport and handling charges forced the union to pay low prices. This in turn did little to encourage production. ECU

²⁰² Provincial Co-operative Annual Report for Eastern Province 1977-1978, p. 11.

²⁰³ N.A.Z SEC 12/302, Report on Co-operatives No. 23, 12/11/79.

²⁰⁴ N.A.Z SEC12/701, Report on Co-operative No. 7, 17/10/77.

²⁰⁵ N.A.Z SEC 11/212, Annual Report on Co-operative, 1978.

realized a large income annually because of the high differential between the prices it paid and that at which it sold.²⁰⁶

The major aim of the co-operative societies was to encourage diversification in agriculture and organizing market for the peasant produce in the provinces. This was achieved because most importantly, peasant farmers responded to national appeal to “feed the nation”. This appeal coincided with individual and community desires for development and advancement. They were encouraged to adopt new crops, increase and improve livestock holdings, venture into milk production, and adopt new technologies in all these processes. They were also encouraged to take on loans, though this remained limited to a small portion of the peasantry and the (largely white) commercial farmers.²⁰⁷ In 1976 ECU, PCMU, and KCMU purchased 344000 tons of Maize grown by about 2013 growers and in 1977 this rose to 112 tons this was a an improvement in market. These same co-operatives also marketed 150,000 bags of groundnuts in 1977. The local price given to the grower was K2. 6N per 180kg bag. ECU later sold maize on the line of rail at a net of five kwacha fourteen Ngwee excluding transport charges. This arrangement in pricing resulted into a total profit of ten thousand five hundred to the unions. The growers were paid bonus amounting to five hundred kwacha. This bonus was mainly paid in form fertilizer, ploughs and other essentials. It is clear why fertilizer and ploughs were paid as bonus. This is because top union management wanted growers to improve in their produce in the following marketing season.²⁰⁸

A commission was also another motivating factor for primary co-operatives which was given each season to any co-operative that was involved in marketing.²⁰⁹ A commission is a sum paid to an agent in a commercial transaction. For example, between 1970 to1983, the members of the co-operative union under KCMU received a commission of 51 Ngwee per bag of groundnuts and 30 Ngwee of Maize. The condition attached is that a commission was given to all the co-operatives members that were involved in marketing even if ECU had made a loss in that particular season. A commission and bonus helped much in the development of both district marketing union and primary co-operative society because this became part of the source of income. Consequently,

²⁰⁶ N.A.Z, CRC REP/1/2, PCMU Minutes of meeting held at Petauke, 12th October, 1983.

²⁰⁷ T.L, Moorson, ‘Black Settlers’: Hybridity, Neoliberalism and Ecosystemic Change among Tonga Farmers of Southern Zambia, 1964-2008’, PhD, Thesis, Queens University, 2006, pp. 78-90.

²⁰⁸ N.A.Z, EP1/3, Eastern Co-operative Union: Minutes of the Annual General Meeting held on 12th October, 1977.

²⁰⁹ N.A.Z, EP1/2, Katete District Co-operative Marketing Union Annual Report (KCMU), 1983.

Primary co-operatives ventured into income generating activities in order to invest their money which helped their members and non-members. Many primary co-operatives in eastern province built some retail shops and used to sell groceries. Other asset included poultry, piggery, storage shades, Tractor and cattle. Their shops were also equipped with farming inputs such as fertilizers, seeds and chemicals; were members were privileged to buy on hire purchase. In terms of grocery members used to buy the commodities at subsidized price and they were always issued with a receipt for each purchase.²¹⁰

The idea was for accountability as well as rewarding the members whose total receipt value were among the highest.²¹¹ This idea encouraged many peasants to join co-operative and also attracted them to buy more goods in the local co-operative shop than elsewhere. The shops used to make a lot of profits because their products used to make orders every week. It was out of the profits made from the shop that construction of storage shades and many more other investments were done. The profits from their business were being shared among the members each season and anyone who had a financial problem would be assisted and repayment was done in instalments with 10% interest. Non-members would also be assisted as well but payment was at 50% from the total amount borrowed. Co-operatives members benefited a certain percentage of money from their co-operatives without paying back in certain occasions such as weddings, funerals, sickness and calamities which were examined and accessed by executive members. This trend was to a larger extent commonly practised in many co-operatives in Eastern Province. However, it brought confusion in some co-operatives in Chipata and Petauke certain co-operative members were sidelined from being assisted. In these two co-operatives this idea later came to an end because it was biased. Some primary co-operatives emerged as the best in the province because they had more assets which included staff houses, shops, a piggery, poultry and storage shades. The same

²¹⁰ N.A.Z, SEC2/1, Agriculture Co-operative Report, 1972.

²¹¹ N.A.Z, EP1/3, Agriculture Annual Co-operative Report, 1978.

co-operative also supplied more farming inputs to its members than any other co-operative. The reasons given for being the best co-operatives is that they were well managed and attracted many peasants to join resulting into wider area coverage. Above all, it had well qualified executive members who were sponsored and trained by their co-operative from co-operative colleges in Lusaka and others in Katete.²¹²

From the bonus, commission and other incentive which the co-operatives made, a certain percentage used to be allocated for educating the co-operative members. Each year co-operative members used to be trained and this was a government policy to educate co-operative member so that co-operatives are operated in the professional way.²¹³ The co-operative college was opened in Lusaka and Katete in order to impart knowledge and skills in co-operative members. Apart from colleges which were opened, co-operatives members also used to be trained through workshop and meetings organized by the Department of co-operative. Eastern emerged as one of the best province in co-operative movement because the co-operative college was opened in Katete district. This helped many peasants to have access to training and workshops. Trainings and workshops were always held at co-operative college and sometimes at Farmers Training Centre (FTC) in Katete and Petauke and Katopola Farm Institute in Chipata. The structural and organization of these co-operatives in the districts were very pleasing such that they functioned as expected. Presently the co-operative college in Katete is still in existence and has greatly improved because it is now offers diploma courses in Agriculture marketing and Accounts.

²¹² N.A.Z, EP1/2, Katete District Co-operative Union Report, 1977.

²¹³ All Annual reports on co-operatives indicate that co-operative executive members continued to be sent for training to co-operative colleges and farm institute available throughout the country. See for instance District annual Report on Co-operative in Katete 1977-1978, 15. District Annual Report on Co-operatives in Katete 1979/1980, 8. District Annual Report on co-operatives in Katete 1981-1982. District Annual Report on Co-operative for Katete 1985/1986, 4.

Table 9, Assets of Co-operatives in Eastern Province, 1971-1986

Society or Union	District	Type of Assets	Number of Trained Members
Petauke Co-operative Marketing Union	Petauke	-16 staff houses, 3 big shades, 1 grocery shop, 2 light trucks , 3 motor bikes,1 Datsun van	22
Eastern Co-operative Union	Chipata	-1 grocery, 5 shad, 5 trucks, light trucks, motor bikes, 5 vans, 32 houses	18
Katete Co-operative Marketing Union	Katete	-26 houses, 2 light tracks, 5 motor bikes, 1 bar and grocery, 3 vans	
Kafumbwe Co-operative Union	Katete	1 grocery, 1 staff house, piggery	5
Kunda	Kasenengwa	-1 grocery, 1 shade	4
Makungwa	Chipata	-1 grocery, a piggery	2
Chikungu	Kasenengwa	1 grocery, 1 shade	4
Chipangali	Chipangali	-1 grocery, 1 shade	3
Mboza	Kasenengwa	-1 grocery, 1 storage shed -1 piggery	Nil
Vulamkoko	Katete	1 grocery and a shade	6
Mung'omba	Katete	1 grocery and a shade	4

SOURCE: N.A.Z, EP1/2, Annual Co-operative Report for ECU, 1971-1986.

From table 9, it is important to note that co-operatives during UNIP government 1971-1986, had fixed assets which were growing. These assets were able to grow because of good government agricultural policy in training co-operative members. The number of trained members at least in each co-operative greatly contributed to the good performance of a co-operative. Most of the co-operative members were at least exposed to workshops and trainings despite that some were not

awarded with certificates. The members were able to acquire, marketing and financial management skills. They were also able learn how to formulate by-laws and workers organisation within their enterprise. The also learnt new methods of farming and business entrepreneur skills

4.1.4. Impact of Agriculture Policy on Farming Co-operative in Eastern Province 1964-1991

The co-operatives impacted positively on the farming community through its functions of marketing. Co-operatives had advantage of bulk buying and storage which encouraged the farmers to produce more.²¹⁴ Marketed maize production kept on increasing steadily since independence despite the fact that many expatriate commercial farmers had left the country. This trend was maintained because more Zambians had since moved up to semi-commercial production levels and the small scale farmers were given favourable incentives. Further, the guaranteed market motivated the farming community to increase production as they were assured of a ready market. The impact of good agricultural policies on co-operatives is that many primary co-operative societies were formed in Eastern Province immediately after independence. Many peasants joined co-operative movement such that those who were creative became wealthy. Others managed to build brick houses with zinc sheet roofs. As E.A.M Banda showed for Petauke, some bought bicycles, radios, sewing machines, cattle, and guns and built restaurants. The money from these co-operatives also helped peasants to pay fees for their school-going children and meet other cash needs.²¹⁵

Co-operatives also impacted positively on the farming community in that it spearheaded the operations involved in the movement of various crops after marketing and material from the farm to the final consumer.²¹⁶ It had well established rural buying centres where farm produce was purchased from individual farmers. Maize often had to be graded, packed, stored and fumigated to kill insects.²¹⁷ Further, co-operatives had to pay the essential workers at these buying stations. With the establishment of primary co-operative societies, there was an increase in the number of rural buying stations. By 1971, there were about 550 locations in Eastern Province for buying controlled

²¹⁴ C.S Lombard and A.H.C. Tweedie, *Agriculture in Zambia since Independence*, (Lusaka: NECZAM, 1972), p. 17.

²¹⁵ See also Banda, 'The Impact of the Co-operative Movement in the Eastern Province', Kanduzi (ed.), *Socio-Economic Change in Eastern Zambia* (Lusaka: Historical Association of Zambia, 1992), pp. 97-101.

²¹⁶ Interviews with Mr. Banda Stanely, Former Chief Clerk for ECU, Chipata, 12th May 2021

²¹⁷ Interviews with Mr. Abby Ngoma, Former Depot Clerk, KCMU, 20th June, 2021.

grain from the farmers.²¹⁸ These were planned to help towards a more efficient marketing system. Co-operatives also had its own depots in the Eastern Province where it had approximately 100 depots, although many of them were no more than pick up points on the roadside

Additionally, Katete Co-operative Marketing Union, which operated under ECU also opened the green leaf co-operative bar and wholesale store at Katete Boma. The wholesale supplied the society's retail shops with essentials commodities such as salt, cooking oil, soap and cloths. Once a primary society purchased goods from the wholesale store, the union provided transport and a minimal charge was made to the society concerned.²¹⁹ The agricultural goods supplied included hoes, shovel, axes, ox-pulled ploughs, scotch-carts and trek-chains.²²⁰ The prices of all these agricultural goods were relatively cheaper compared to Asian shops which was a major supplier of these commodities. The price differentials made co-operative societies stores popular among the peasant in the District. In this way the co-operative movement attracted many members and commercialized the district as well as the province's agricultural development.

In 1975, Eastern Co-operative Union bought a roller meal grinding machine and started processing roller meal which it supplied the whole eastern region. The following year 1976 a grading and polishing machines for maize, groundnuts and rice/wheat were bought from India and taken to all the district marketing unions.²²¹ These machines helped in improving and speeding up works during marketing season which was one of the challenges. In 1984, ECU started a cooking oil plant in Katete and Petauke and the third one was also constructed the following year in Chipata in 1985.²²² The cooking oil plants became the major processing industry of these district and attracted a lot of employment opportunities to the local and outsider. The plants created a lot of employment to the majority locals of Petauke, Chipata and Katete who managed to sponsor their children to school.²²³ They also managed to buy assets such radios, farms, cattle and bicycles. Others managed to build their own brick-iron roofed houses. Cooking oil and mealie meal processed by marketing

²¹⁸ A.P. Wood and E.C.W. Shula, 'The State and Agriculture in Zambia; A Review of the Evolution and consequences of Food and Agricultural Policies in a Mining Economy' in T Mkandawire and N Bourenane (eds.) *The State and Agriculture in Africa*, (London: CODESSRIA Book Series, 1987), p. 287.

²¹⁹ N.A.Z, EP1/2, Chipata District Co-operative Report, 1979.

²²⁰ District Co-operative Annual Report for Katete District 1980/1981, 12.

²²¹ C.M, Muntanga, Evaluating of the Uniform Pricing System for Maize in Zambia. M.S, Thesis, University of Manitoba Winnipeg, 1984.

²²² N.A.Z, EP1/3, Provincial Co-operative Annual Report, 1985.

²²³ Interviews with Mrs Grace Phiri, Former Secretary, KCMU, 14th June, 2021.

unions was sold at a cheaper price locally unlike when it was taken outside the districts and this was an advantage to the local people.²²⁴ During this period both district union and primary societies had assets which assisted the peasant.

Eastern Co-operative Union through KCMU/ZCF also gave seasonal loans and other support services to peasants and these made the union popular. These loans were medium and long term loans and were recovered from sales of produce. The security for repayment of loans was often no more than the good reputation of the peasant although the size of the loan was sometimes limited to about 75 per cent of the estimated value of the loan. Loans were usually given to primary co-operatives, members and reputed peasant through recommendations from executive members from the co-operative and headmen.²²⁵ These loans were in both money and material form which included ploughs, cattle, seeds, fertilizers, ploughs and scotch carts. All the primary co-operatives in Eastern province benefited from these loans. Recoveries were made using a stop order through Eastern Co-operative Union which deducted from the sales of their produce during marketing from the farmer and later paid to ZCF.

Table 10, Loans given to Members in Eastern Province Co-operatives 1980-86

SOCIETY	Total Loan Outstanding (K)	Number of Loans (K)	Average Loan Per Loanee (K)	Membership
Kunda	10963	16	6160	46
Mtilizi	12464	20	7120	71
Kasusu	10141	17	6260	55
Vizimumba	1810	12	1314	23
Chipangali	1676	1	1676	86
Makungwa	88710	9	9165	91
Chimwa	2186	1	1676	58
Kafumbwe	96189	23	443	92
Chafulu	39910	28	183	54
Vulamkoko	244176	13	140	102

SOURCE: NAZ, (CRC) REP/1/2 ECU Annual Report for the year 1983-1986: Confidential Annual Report 1983 to 1985.

Table 10 shows the loans that were given to peasants a period 1980-86 and these loans were recovered from the sales of the produce. The security for repayments was often no more than the

²²⁴ Interviews with Dickson Phiri, Former Security Guard for KCMU, 15th June, 2021.

²²⁵ N.A.Z, EP1/3, Eastern Province Co-operative Audit Report, 1985.

good reputation of the peasant although the size of the loan was sometimes limited to about 75% of the estimated value of the loanee's crop. Loans were therefore usually given to reputed peasant farmers.

1.1.5. Co-operatives in Southern Province after Independence 1964-91

The first co-operatives formed in Southern Province were Namwala and North Choma Co-operative Marketing Union in 1952. These were one of the first farming co-operatives to have been formed in the province during the colonial period. By 1957, each had more than seven member societies, such that by 1965, North Choma alone had 13 member societies two were actually geographically situated as members. North Choma Co-operative acted as a provincial centre for Southern Province and consisted of provincial co-operative and marketing officer based in Choma. Many co-operatives were formed in other parts of Southern Province and these became viable.

TABLE 11 Formation of Co-operatives after Independence in Southern Province

SN	Names of Co-operatives	Area	Membership	Share Capital Paid	Share Subscribed
1	Maunda	Choma	71	£250	£355
2	Macha	Choma	114	£253.10.0	£570
3	Masonsa	Choma	30	£130.0.0	£150
4	Simaubi	Choma	73	£232.100	£360
5	Mbabala	Choma	70	£283.0.0	£350
6	Kabala	Choma	81	£94.0.0	£405
7	Kabanze	Choma	50	£132.0.0	£250
8	Kalindi	Choma	83	£15.0.0	£415
9	Sedumbwa	Choma	39	----	£195
10	Nabukowa	Choma	24	£25	£120
11	Man'unza	Choma	65	£10	£325
12	Chikanta	Choma	32	----	£160
13	Chubo	Choma	40	----	£20
14	Malcomba	Pemba	33	----	£165

SOURCE: N.A.Z, SP1/9, Marketing Union Mergers Southern Province 1971.

Table 12 Formation of Co-operatives in Southern Province for Pemba and Kalomo District

SN	Name of a Co-operative	District	Membership	Share Capital Paid	Share Capital Subscribed
1	Malcomba	Pemba	33	----	£165
2	Kasiya	Pemba	32	£5	£16
3	Kanchomba	Pemba	59	£10	£160
4	Batoka	Pemba	22	----	£110
5	Siamaluba	Pemba	31	----	£155
6	Siasikabole	Pemba	31	----	£160
7	Singani	Pemba	33	----	£165
8	Cazangwe	Pemba	32	----	£160
9	Siamuleya	Pemba	20	----	£100
10	Sikatumba	Pemba	22	----	£110
11	Chilwe	Kalomo	39	----	£195
12	Chaboola	Kalomo	61	----	£305
13	Nachikungu	Kalomo	54	----	£270
14	Chiyobola	Kalomo	29	£87	£145
15	N'gwezi	Kalomo	35	----	£175
16	Mwita	Kalomo	61	----	£355

SOURCE: N.A.Z, SP1/9, Marketing Union Mergers Southern Province 1971.

Table 12 shows the number of co-operatives that were formed after independence adding up to those that were formed during the colonial times. In Kalomo district, there were seven societies namely Macha, Mansoma, Simaubi, Chilumbwe, Mbabala and Kabanze. The membership increased from 373 as 31st December 1966, by 117 membership and this was as a result of buying season commencement for new maize.²²⁶

The organisation structure of North Choma Co-operative in Southern Province had a composition of the Provincial Co-operative Officer and Marketing Officer who were based in Choma. There

²²⁶ N.A.Z, SP1/4, Report on Co-operative, 1966.

were also two co-operative and marketing officers in Choma and Monze. Three Senior Inspectors in Livingstone and five Inspectors in Kalomo, Choma, Kabulamwanda and Mapanza. There were also two learner inspectors in Mbeza and Kabulamwanda, two learners clerk at Choma and two orderlies at Choma and Monze as well as two drivers in Choma and Monze.²²⁷ From the above list the staff may appear adequate but in fact it was not so. For instance, of the seven inspectors or learner inspectors only three were experienced responsible inspectors, the remaining four were learners and the amount of work and assistance they could give was very limited. The position was further aggravated by lack of housing in suitable centers. Due to untrained or unevaluable employed staff of the primary societies and the marketing union and three of the learners inspectors were occupied almost entirely on book-keeping of the societies.

The co-operative and marketing officers were both new to the department and were doing extra ordinarily well in coping with the trained amount of work due to expansion of the departments work each season. Housing for co-operative and marketing officers in Choma still presented a problem and although temporarily housed in Choma. Departmental transport available in Southern Province were two Land rovers, two motor bicycles, and one extra land rover was made available from June until August 1968. The provincial co-operative and marketing officer's private vehicle was in use on restricted mileage due to finances available. One motor bicycle only had been in operation at any time.²²⁸

In August 1968, the Senior Inspector, Livingstone and the Inspector Kalomo, had problem in opening up buying stations because one of the land rover went off the road for repair. This situation was critical even in the opening of the buying station the following year on 13th May 1969. In the same year a meeting was held in Mapanza in order to purchase a van. The purchase of a pickup van by union greatly assisted in the paying out for crops at the buying stations. North Choma Marketing Union had only a manager who was in charge of Pemba and Kalomo buying stations. According the general meeting held on the 4th of October 1969, they recommended that, at least three managers were required and two immediately for the Pemba and Kalomo marketing Union and one as replacement for the manager.²²⁹ The recommendation were raised because of pressure of work in these out stations which needed more technical support. As a result, a house was built

²²⁷ N.A.Z, SP1/3, Provincial Co-operative Annual Report, 1966-67.

²²⁸ N.A.Z, SP1/3, Provincial Co-operative Annual Report, 1968.

²²⁹ N.A.Z, SP3/2, Audit Minutes on Co-operative, 1969.

at Mapanza for the manager of North Choma marketing Union and plans were going ahead for sectioning of part of the storage shed as an office. The telephone installations were expected in the next three months which were to be a great help in coordinating sites. This had been investigated in Pemba and Kalomo for suitable marketing union headquarters, but little was done immediately until more share capital was collected. The sign posts were also ordered for all primary and secondary societies and these were fixed for identification. The office barriers of the newly formed societies were taken to Namwala to see the Namwala Co-operative Marketing Union functioning and a visit was arranged for delegates of the four marketing unions for Petauke in separate.²³⁰ North Choma Co-operative Marketing Union was a mother body for all primary producer societies in Choma and Kalomo District both in financial and other operations.

The orders were being placed by this union for agricultural implements, building materials, such as; hard wire, iron monger, tool fuel lubricants, flour, salts, sugar, beads, and mattresses and scotch Carts. The successful purchase of these items had been completed. The union also bought maize and provisional figures were, Choma District, 19,903 bags while Kalomo district 3,088 bags. The revised estimates for new maize crops were Choma district 130, 00 bags and Kalomo district 20,000 bags.²³¹ Common prices for the produce other than maize had been established for societies in new areas. Regardless, this gave an incentive to more societies to grow crops other than maize and to complete with traders who had raised their prices on realizing their monopoly had gone with the establishment of co-operatives buying stations.

TABLE 13, PROVISIONAL PRODUCER PRICE BUYING STATIONS

	PRODUCE		
	Maize	30/-	203/bs
	Groundnuts	75/-	183/bs
	Cow peas	27/-	203/bs
	Velvet	30/-	203/bs
	Sunhemp	80/-	203/bs

SOURCE; N.A.Z, SP1/9, Marketing Union Mergers Southern Province 1971.

²³⁰ Banda, 'The Impact of PCMU on Peasant Economy'

²³¹ Interview With Mr. Hagumbe, Former North Choma Co-operative Member, Choma District, 21th October, 2020.

The provisional producer price was uniform in all the buying stations in Southern Province and price system was flexible and this allowed a wide diversity of goods and services. The uniform Prices acted as a signal to both producers and consumers. A high price gave advantage to the peasant and this told producers that a product is on demand and they should produce more. A low price indicated to producers that a product is being overproduced. Therefore, farming co-operatives during this period created opportunities to lift people out of poverty in Southern Province. The co-operatives created more jobs, beginning with farmers, and continuing with farm equipment makers, food processing plants, transportation, infrastructure and manufacturing.

In Livingstone, the first farming co-operative to be formed in 1967, was Dambwa Virginia Tobacco Co-operative and started with only twenty members.²³² The name Dambwa comes from the stream called Dambwa found in Livingstone. The members opened the farm on 27th July 1967 and were brought by the government lorry when they arrived at the farm. The membership number later increased to thirty-five and had paid a share capital of sixty four kwacha, Twenty-five Ngwee.²³³ The society was given a water Engine to put on the borehole and later bought other equipment such as; two tractors, one plough, one watercart, a planter, a Disc-hullow, and a ridger etc. All these were bought during the first year on the farm. Although they came in late, the co-operative had already managed to plough about hundred acres of land of which forty five acres was used for Tobacco planting and the other fifty five was used for maize planting.²³⁴

During the first year, all the fields were planting and cultivation was done by hands, which was difficult for the members. The members had also built houses for themselves and this was a modest start. They also had to repair the burns as well as buying some flue-pipes. The farm had twenty barns but only twelve were in use and this was because of shortage of man power. During this very same year, the society had no seed beds of their own, but used to buy seeds from neighbouring farmers. The major transport used at the farm was the tractors which were also used to take school children to schools until when the society was granted a loan of Dastsun Vanettee. During 1968/69 season, the co-operative had full experience and knowledge of farming and this compelled them

²³² N.A.Z, SP2/4, Annual General Minutes on Co-operative, 1967.

²³³ N.A.Z, SP2/3, Livingstone District Report on Co-operatives, 1968.

²³⁴ N.A.Z, SP2/3, Provincial Co-operative Report, 1967.

to buy better implements and to send five tractor drivers to Luanshya and two to Monze for a two weeks training.²³⁵

Furthermore, in the following season, the co-operative planted 150 acres of Maize and 60 acres of Tobacco. The cultivation was done using machinery, this led to massive production which was doubled compared to the previous season. During marketing, the co-operative sold 38 tons of Tobacco and 12 tons of Maize and some bags of Maize were left as food for members. As years went on, progress was being made by the society because they bought a Radio, a table for the office as well as four chairs. They also started planting an acre of beans and also rearing pigs.²³⁶

4.1.5. Government Policy Shift of Co-operative to NAMBOARD

In 1980, NAMBOARD was directed to be marketing operations through District Marketing Union. NAMBOARD was a government marketing agency created to provide cheap food to mining industrial workers and to guarantee a market for maize and other major crops. NAMBOARD enhanced food security through its nationwide marketing functions and the guaranteed market encouraged farmers to take part in market agriculture.²³⁷ NAMBOARD was also created as a non-profit service Organisation designed to regulate and control the prices and marketing of certain agricultural products and agricultural requisites. NAMBOARD among other things operated in all the provinces of the country and to a limited extent in the Eastern and Southern Provinces. This was because these provinces had a good network of co-operative unions that marketed their produce. What this meant was that the role of NAMBOARD from inception was to offer services to the farming community regardless of their location and without amassing any profit. The board was not expected to generate any revenue for the government but was instead the recipient of subsidies from it. NAMBOARD extended its duties beyond providing a guaranteed market and ensured that the country was adequately supplied from internal production and through importation when necessary. The establishment of NAMBOARD was based on the belief that centralized agricultural marketing that was going to streamline the operations. On the other hand, the promotion of co-operative unions was viewed as a way of protecting the peasant farmers from

²³⁵ N.A.Z, SP1/3, Provincial Co-operative Report, 1968/69.

²³⁶ N.A.Z. SP1/3, Provincial Co-operative Report, 1970.

²³⁷ R.L. Kohls, Marketing Agricultural Products, (Purdue University, 1972), p, 235.

exploitation.²³⁸ This situation created a problem in many co-operatives in Eastern and Southern Province because co-operatives did not buy more crops during this period. Consequently co-operative societies did not benefit much from bonus and commission which was awarded after marketing. Between 1983 and 1986, this was gradually reversed culminating in the virtual abolition of NAMBOARD in 1987 and co-operative unions were revived in servicing the agricultural sector in terms of production, marketing and supplying productive implements to rural co-operatives.²³⁹ Among the major policy changes was the introduction of extensive price and restriction of agricultural marketing in maize and fertilizer to Co-operatives and NAMBOARD.

In mid-1988, maize marketing was further restricted to Provincial Co-operatives. In mid-1988/1989, the government announced the dissolution of NAMBOARD and transfer of its agricultural marketing and related functions including fertilizer importation to ZCF.²⁴⁰ The government decision partly was as a result of lobbying from the co-operative movements that all marketing functions were to be performed by co-operatives only. NAMBOARD was to be responsible for transportation of fertilizer and maintenance of strategic maize reserves. In 1989, NAMBOARD was abolished and all its services were transferred to ZCF, which for sometime had actively advocated this course of action.²⁴¹ Other functions which were transferred to ZCF were distribution of grain bags, maintenance of maize strategic reserves and provisions of fumigation services. It was further envisaged that by transferring these functions to ZCF co-ordination with other co-operatives would be easier and thus the system would be much more efficient.²⁴²

This was not the case because the introduced system did not improve the programme. The same problems were encountered such as late input delivery and late payment to farmers persisted. The move to dissolve NAMBOARD was subsequently criticized by many peasant farmers in Eastern

²³⁸ P. Wood and S.C. Shula, 'The State and Agriculture in Zambia,' p. 303.

²³⁹ N.A.Z, SEC/2, NAMBOARD Revenue Budget, Lusaka, 1983.

²⁴⁰ K. Sipula, 'Reforms in Maize Markets Systems in Zambia Issues of Price and Market Price and Market Policies Co-operatives and Interprovincial Transportation', Unpublished PHD Dissertation, Michigan State University, 1993, P. 12-33.

²⁴¹ D. J. Dodge, *Agriculture, Policy and Performance in Zambia; History, Prospects and Proposals for change* (California: University of California, 1977), p. 79.

²⁴² G. Gisela, 'Who is losing? Structural Adjustment Gender and the Agricultural Sector in Zambia' *The journal of Modern African Studies*, Vol, 30, No. 1 (1992), pp.113-139.

and Southern Province including cabinet ministers in parliament.²⁴³ Many peasants in these areas complained of marketing system such that, in 1991, the UNIP government was voted out of power. The main objection being the fact that ZCF as a private organisation could not be responsible for administering part of the law of land, in the case of the Agricultural marketing act.²⁴⁴ Peasants also thought that the change of government would improve the co-operative movement and marketing system of their produce in the district. The reaction of co-operatives in Eastern and Southern Province towards the establishment, work and abolition of NAMBOARD was the same.

The state of co-operative movement in Eastern and Southern Province by 1990 was questionable but still the majority of farmers continued to sale their produce to co-operatives. This is because the operations of co-operatives after the abolition of NAMBOARD were very weak. The reasons are that the government had to withdraw funding to co-operatives because of pressure of elections which followed the same year. The other reason is that government had abolished NAMBOARD which was a major transporter of inputs and that the role of ZCF had changed. Many farmers who sold their produce to co-operatives in 1990/91 season had problems in getting their money.²⁴⁵ This is because co-operatives were politicized and government purchased crops on credit. The other reason is that government was under pressure with the opposition and campaigns such that what followed next was the general election. Consequently, UNIP government lost the election in 1991, to Movement for Multi-party Democracy (MMD) and markets were now characterized by pervasive government control. Since independence co-operative were seen as potentially important contributors to overall rural mobilization and Agricultural development rather than as member business organization.²⁴⁶

4.1.6. Comparative Analysis of Farming Co-operatives in Eastern and Southern Province 1964-91

As discussed, a number of farming co-operative societies mushroomed in Eastern and Southern Province immediately after independence by 1965, and this was in response to the President's call.

²⁴³ Robert Klepper, *Zambian Agricultural Structure and Performance*, in Ben Turok (ed.) *Development in Zambia* (Lusaka: Zed Press, 1979), p. 143.

²⁴⁴ Matoka, 'The Role of Co-operatives in Rural Development of Zambia', p. 23.

²⁴⁵ E.M, Chungu, 'A Critique Management of Agricultural Support Service in Zambia', MBA, Thesis, Copperbelt University, 2007.

²⁴⁶ J. Mawere, 'Agricultural Marketing Information and Maize Marketing in Zambia, A Study of Kabwe District in Central Province of Zambia,' M.A Dissertation, Copperbelt University, 2008, p. 3.

Most of these co-operatives in Eastern and Southern Province were small before independence with an average of only 20-30 members who cultivated a small area. The growth in the number of societies had been so great such that, there was an acute shortage of extension staff. Many peasants had formed farming co-operative societies only to claim the stumping subsidy and any other benefits the government offered. In 1970/71, the government discouraged the registration of new societies and liquidated the non-viable ones. In order to make the co-operatives societies more viable economically, groups of 10-20 small primary societies throughout Zambia amalgamated to form co-operative unions. A comparative analysis shows that farming co-operatives in Eastern and Southern Province were all run by managers seconded from the Department of Marketing and Co-operatives. These managers were responsible for administrative and advisory side of management aspect. Each society had a selected committee headed by a chairman. The Department of co-operative provided them with management co-operative by-laws, extension and advisory services and training.

Furthermore, Eastern and Southern Province agricultural extension services on co-operatives were provided as a matter of government policy by the Ministry of Agriculture and Water Development through the Department of Agriculture. The impact of these services varied from province to province depending on the agricultural potentials of that particular province, number of extension workers and transport availability. These services were largely provided by extension workers who personally visited farmers. However, dissemination of agricultural knowledge was supplemented by short terms course, seminars and discussion groups held either at the society's headquarters or at the Agriculture Farm Institute. The effectiveness of the diffusion of agricultural knowledge was very much dependent on the frequency of visits of extension workers to farmers who assisted through practical instructions of teaching peasants proper methods of planting of crops. Examples of these crops were hybrid maize, sunflower, groundnuts and other services included terms of spacing, correct application of fertilizers as regards to time, quantity and type of fertilizer applied.

A comparison of visit of extension workers to members and non-members of the co-operative societies in Eastern and Southern Province showed that more members than non-members were visited and as such giving an advantage to members of the co-operative societies over non-

members.²⁴⁷ On the basis of evidence, it is clear that membership in the co-operative societies was given more access to facilities of acquiring agricultural knowledge and skills. Membership in the co-operatives union also was given more access to improved means of farming.²⁴⁸ The peasants who were members of the co-operatives unions had a right to use ox-plough and hoe or plough alone because these were supplied by co-operatives. Tractors for those who hired them were provided to District Marketing Union such as Namwala, North Choma, KCMU, PCMU and ECU. When co-operatives unions provided tractors, only its members were allowed to hire them through the primary co-operative society. This ruled out non-members even if they had the capital to hire. In most instances the trend was that co-operative society hired the tractors from Provincial or District Union, in turn the members of the society hired on individual basis from their society. Members paid the society which in turn paid the co-operative union. As a result it was not possible for non-members to hire a tractor directly from the co-operative union. These results were the same in the two provinces and explains why only a few non-members used tractors.²⁴⁹

Furthermore, availability of labour was an important aspect of successful farming. This indicates and demonstrated that members in co-operatives had a high chance of supplementary household labour with wage labour. This in addition improved ones farming and created employment to the wider society. Access to loans was highly in favour of co-operatives membership in Eastern and Southern Province. The members in the co-operatives society had more advantages compared non-members in affording the purchasing of the needed inputs such as fertilizer.²⁵⁰ This enabled peasants to have access to other inputs such as hybrid seeds which were needed to achieve higher production. Hybrid seed was expensive and many farmers could not afford to purchase the seed. Consequently, many peasants planted local maize. Improvement of production required application of some inputs that needed to be bought. Co-operative societies normally provided loans either in terms of cash or input to their members as a result a lot of peasants in the co-operative society were able to improve the quality of their production.

²⁴⁷ Interviews with Mr. Abel, Siasobanda Abel, Former Namwala Co-operative Member, Choma District, 25th September 2020.

²⁴⁸ C.K, Ndalameta, 'Supervision and Control of Co-operatives in Zambia', M.A, Thesis, University of Zambia, 1990.

²⁴⁹ M.M, Chama, *Basic Co-operative Information* (Lusaka: Co-operative College, 1982).

²⁵⁰ Interviews with Mrs. Atines Mbewe, Former Depot Buyer, Feni Co-operative, Chipata District, 17th September, 2020.

A comparative analysis further showed that farming co-operatives in Eastern and Southern engaged in growing a number of crops both food and cash crops and this indicated that there was an improved level of farming. On the hand, growing only maize was indicative of less improved farming. For instance, although maize is a cash crop it is predominantly a food crop. The peasants who were members of the co-operatives societies on the whole had higher yield than non-members. This production reflection was simply a result of the use of inputs such as fertilizer which were widely used among members of the co-operatives societies than non-members.

Similarly, co-operatives members in Eastern and Southern Province acquired more assets such as bicycles, Radios, ploughs and animals than non-members. A bicycle was an important means of transport. Radio and record players were the next widely owned items and a few among members of co-operatives owned cars, motor cycle. None of the non-members of the co-operatives society owned a car nor a motor cycle.²⁵¹ A comparative analysis also explains that, the co-operative movement in Eastern and Southern Province provided opportunities to members to participate in a democratic process and this gave them a feeling of control over their own affairs.

A comparison in Eastern and Southern also indicated that, through collective work and training, members in co-operatives had developed a degree of entrepreneurial skills. Sharing experiences among members was reported as crucial to increasing members' self-confidence and identifying the most profitable and viable marketing. To support members in this respect, each co-operative had a loan committee whose role was to assess the viability of field preparation and marketing in the previous season.²⁵² The common bond of belonging to the same community means that members knew each other very well. This generated a degree of mutual control in terms of loan repayment. It also enabled the loan committee to know more about the collateral held by the member who was asking for a loan.²⁵³ However, the most important collateral considered was the number of shares owned by the member. Members also engaged in joint co-operative business ventures, which generated resources for the co-operative. Potential to add value to farming activities was seen from this. Co-operatives had been engaged with value addition to a very small

²⁵¹ M.S Muntamba, 'Expectation Unfulfilled: The Underdevelopment of Peasant Agriculture in Zambia, Case of Kabwe Rural District, 1964-1970', *Journal of Southern African Studies*, 5,1. pp. 55-85.

²⁵² Interviews with Mr. Hazwell Malambo, 'Former Member of Dambwa North Co-operative', Livingstone District, 12th October, 2020.

²⁵³ Interviews with Mr. Harod Kamanga, 'Former Executive Member of Kafumbwe Co-operative', Katete District, 2nd November 2020.

extent so far. In this respect, there was high demand for skills to improve business competitiveness that had to be met by the Unions.

A comparison also shows that co-operatives also provided opportunities for millions of people in all economic sectors, particularly in the rural and urban low income groups, to escape poverty in sustainable ways. Statistics indicate that, co-operatives were third from the government and mines in employment, particularly in Eastern and Southern Province during the UNIP era. And certainly there was no bigger provider of employment in the formal sector than the co-operatives in their various types and forms.²⁵⁴ Co-operatives meant to provide its members with some benefits and opportunities which ordinarily costed more if it was to be derived outside the co-operatives. According to Mbasela, co-operative societies in Eastern and Southern Province had resolved some of the financial challenges faced by workers or Low income marketing owners, by using the power of numbers to provide individual needs from resources pooled together by the collective efforts. The financial challenges were identified to be poverty, low income, high cost of living, inflationary pressures and lack of access to credit.²⁵⁵ Further findings from Eastern and Southern Province also reviews that factors such as age, gender, educational background, literacy, marital status and so on, did not affect the co-operative's operation towards its members as all members were almost treated equally. Although, members who had higher ratings of participation or post in the co-operatives were subjected to some benefits, which is termed 'normal and common', even among other forms of co-operatives. Some of these benefits include easy access to loan, recognition and respect among members of the co-operatives and so on.

Conclusion

The Chapter looked at a comparative analysis of agricultural policies on the farming co-operatives during the UNIP government. Evidence presented strongly supported that co-operatives had an impact in improving agriculture. Through marketing, co-operatives also acted as link between the rural enclave economy and the wider world economy. The data provided conclusively showed that the co-operative movement had been able to provide large proportion of its member's with loans and inputs which helped them to improve farming. This was as a result of good policies of

²⁵⁴ J. Banda, 'A Study of the Impact of Co-operatives Members Participation Programme (CMPP) on the Women of Sitakunyu Multi-Purpose Co-operative Society', Diploma Report, University of Zambia, 1995.

²⁵⁵ M.K. Mbasela, *The Co-operative Movement in Zambia* (Lusaka, ZCF, 1988).

agriculture initiated by the UNIP government that was in power from 1964-91. A comparison between co-operative members and non-member indicated that loans and inputs were more available to members than to non-members. The results also showed that peasants who were members of co-operatives had high production levels, more assets, and easy access to farming inputs than non-members. The difference rose from the co-operatives ability to assist its members in improving their farming. The effect of membership in the co-operative movement is further illustrated by looking at wealth of members of co-operative society and non-members. The outcome showed that members were much better off than those who did not join the co-operatives movement. In summary the study's findings showed that agriculture policies that were initiated between 1964 and 1991 had an impact on the development of farming co-operative movements. The farming co-operative movements had been able to increase the average food production and income of its members. The co-operative movements contributed to the widening of social inequalities in the rural area. This study also may suggest that there is need for the masses to join co-operatives in order to raise standards of living. In general, the efficiency gains from membership in agricultural cooperatives emerged from the analysis has important policy implications. It suggests that besides their progressive role in input and output marketing, agricultural co-operatives in Eastern and Southern Province were effective in providing embedded supportive services, significantly contributing to members' technical efficiency. Therefore, promoting agricultural co-operatives as complementary institutions to public extensions services should further enhance smallholders' technical efficiency.

CHAPTER FOUR

REVERSAL OF GAINS: FARMING CO-OPERATIVE IN EASTERN AND SOUTHERN PROVINCE, 1992-2002.

4.0. Introduction

In the previous chapter, I discussed the development of co-operatives in Zambia and how they continued developing in Eastern and Southern Province in the period between 1964-1991. I explained that during this period government rationalized the formation of co-operatives in terms of promoting rural development in general. There was also need to meet world demand for raw

materials and as a strategy to develop African agriculture and to promote rural development in general. These approaches were still carried on immediately after colonial rule. The UNIP government continued to embark on active promotion of co-operatives throughout the country as a strategy for rural development and meeting obligation of being self-sufficient in food, especially for the rapidly growing urban. Further, the co-operative movement represented a framework through which the government increased control over rural agricultural production. According to Ian Scott and Doris Jansen, 'the UNIP government from 1964 pursued agricultural co-operative to reward its political supporters, promote rural development and diversify the economy. Economic diversification aimed at reducing dependence on copper mining, a notion which was still carried on by the UNIP government. In this chapter, I shall first outline the agricultural co-operative policies laid by the Movement for Multiparty Democracy (MMD) administration and secondly, I shall discuss the reasons for liberalization in the agriculture sector. The third part is a comparative analysis on agricultural co-operatives in the period 1992-2002 and liberalization responses.

4.1. Co-operative Policies in 1992-2002

By December 1992, the Government liberalized the agricultural sector and farming co-operatives. The policy of the government included an unequivocal commitment to the fostering of an enabling economic environment for the growth of the private business sector. This sector included co-operatives and the government recognised that a necessary requirement was a policy of non-interference from the state and political parties in co-operative affairs.²⁵⁶ In the policy manifesto of the governing party it is stated that: 'it will insist that the spirit of the Co-operative Societies Act is implemented where the motivation for forming and managing co-operatives is from the individuals concerned and not forced from government.'²⁵⁷ It is stated in both the Policy Framework Paper and the Public Investment Paper, the official government policy papers on the management of the economy, that the government policy is one of non-interference in private sector business operations.²⁵⁸ The decision by the Ministry of Agriculture was therefore that the Co-operative Act must be revised in such a manner that provisions were to be removed that gave authority to the government, the Registrar of co-operative societies in particular, to unnecessarily interfere in co-operative operations.

²⁵⁶ A.K, Banda, 'Policy Planning, Ministry of Agriculture, Food and Fisheries (MAFF). Lusaka, November 27, 1996.

²⁵⁷ C. Chabala, *Development of Primary Co-operative Societies in Zambia* (Lusaka: Swedish Co-operative Centre, 1996).

²⁵⁸ F.T.J, Chiluba, *Democracy; The Challenge of Change* (Lusaka: Multimedia Publications, 1995), pp. 23-27.

The Ministry of Agriculture Food and Fisheries, which was the responsible Ministry for co-operative affairs within the government drafted a new Agricultural Marketing Act in 1992.²⁵⁹ The draft was designed to ensure liberalization in terms of both actors and prices in agricultural marketing. Accordingly, the responsibility for all regulated agricultural marketing operations were to be reassumed by the government, thereby paving the way for the development of a market oriented and competitive agricultural marketing system. The draft was submitted to the government in January 1992 to facilitate for its adoption by parliament prior to the 1992/93 marketing season. The matter, which appeared to have been rather contentious within the government, had since not been resolved. There were indications that the draft legislation on the matter was to be submitted to parliament during the 1993 session, and that its contents were to be broadly in line with the co-operative proposal.

One issue of crucial importance to co-operatives in the revision of the Agricultural Marketing Act was the handling of the assets, liabilities and staff that were taken over from NAMBOARD. The assets mainly include national storage facilities and staff houses. As a temporary measure pending the revision of the Act, co-operatives agreed to lease all storage facilities not used to the government, which in return sub-leased them to its appointed marketing agents. The procedure that was tentatively agreed upon as regards to staff houses is that they will be sold to co-operatives as a part of a deal through which co-operatives were compensated for the liabilities it had incurred in the course of administering the Act.²⁶⁰ In June 1993, the Ministry of Agriculture approved the new Agricultural Marketing Act in preparation for its submission to parliament. In reviewing the final draft it was observed by the Ministry that it included provisions for the retransfer of previous NAMBOARD assets to the government and co-operatives, but it was however also noted that the corresponding transfer of liabilities had been omitted.²⁶¹

It was expected that the quick intervention by co-operatives to rectify this anomaly, which would have resulted in a serious economic weakening of the apex organization, was to be successful.

²⁵⁹ Government of the Republic of Zambia (GRZ), Ministry of Agriculture Food and Fisheries (MAFF), 'Zambia: From Transition to Consolidation. A Critical Policy Review of the Liberalization of Maize and Agricultural Input Markets 1993–1996', *Market Liberalization Impact Studies* No. 18. Lusaka (December, 1996), pp. 4-10..

²⁶⁰ GRZ, Ministry of Agriculture Food and Fisheries (MAFF): "Maize Marketing costs and Margins", *Market Liberalization Impact Studies* No. 4. Lusaka (February, 1995).

²⁶¹ Agriculture Annual Report, MAFF, 1999.

Intensive contacts between co-operatives and the government continued also on other matters. The Department of Co-operative submitted its proposal for a new Co-operative Societies Act, in October 1992, after having been requested to do so by the Vice President on the Co-operative Day in early July. The draft was in line with the new government policy of fully accepting the co-operative movement as a group of independent private business organizations owned and controlled by their farmer members.²⁶² The proposal was prepared through a process of consultation both within the co-operatives and with representatives from its affiliates. Towards the end of this exercise, the Ministry of Agriculture through the Department of Marketing and Co-operatives started the process of drafting a new Act.²⁶³ The co-operatives were asked to participate but declined as its own draft Act was almost completed and as it was thought unwise to delay its submission. Through a process of active lobbying and information dissemination the co-operatives have managed to convey the fact that their widespread image of being associated with inefficiency and mismanagement have been partly incorrect, and largely due to the central planning, restrictive and interventionist policies of the previous government.²⁶⁴ The co-operative movement has therefore moved from a point of threatened de-registration to being fully recognized by the national leadership. The government, at the highest level, has come to appreciate the achievements of the co-operatives in undertaking agricultural marketing activities under difficult circumstances. Currently, there is a genuine interest in creating a conducive environment for co-operatives in the emerging market economic system. The co-operative movement has itself taken resolute action, and made considerable progress in changing its legal environment and influencing national policy. It has similarly engaged itself in the development of its business competence, in promoting the advancement of primary co-operative societies, and in organizational rationalization.

4.1.2. Reasons for Liberalization in the Agriculture Sector

The liberalization of agricultural markets was largely due to push factors following the adoption of structural adjustment programs in which there was deterioration of finances on state-owned

²⁶² GRZ, 2004a, *National Agricultural Policy*, (Lusaka: Ministry of Agriculture and Co-operatives, 2004), p.6.

²⁶³ Government Republic of Zambia (GRZ), *Zambia Poverty Reduction Strategy Paper 2002-2004* (Lusaka: Ministry of Finance and National Planning, 2002).

²⁶⁴ GRZ, *Agricultural Commercialization Program (ACP)* (Lusaka: Ministry of Agriculture Food and Fisheries, 2002).

enterprises.²⁶⁵ Others were high subsidies via increasing budget deficits and inflexible government determined pricing systems were identified as some of the structural factors leading to weakness in economic growth. The deregulation of agricultural markets was legislated in the agriculture new Co-operative Societies Act, in October 1992 in which private traders were required to be licensed annually to operate in specific markets.²⁶⁶ Maize exports were controlled, minimum producer prices were to be announced annually and co-operatives were to buy at these guaranteed prices, and private traders were to submit monthly statements of their transactions. In effect, there were no significant barriers to entry into the marketing of agricultural produce. The state had to withdraw its traditional supportive role to co-operatives in order to remain in tandem with the spirit of liberalization.²⁶⁷ In Zambia, support services like audit, supervision and management training were the first to be withdrawn by the state. However, there was no contingency plan to replace these support services with an alternative institution that could perform the functions.²⁶⁸ It was assumed that the free market would automatically respond to demand for these services by co-operatives. These measures were followed by reducing the size of the government co-operative development departments, which previously provided the withdrawn services. The expectation was that co-operatives would henceforth organise themselves for the provision of these services or seek the same from the market.

By December 1992, the Movement for Multi-Party Democracy (MMD) government liberalized the agricultural sector and farming co-operatives. The state ceased its direct role in marketing food crops and agricultural inputs through co-operatives, removed all subsidies, privatized parastatal companies in the agricultural sector and completely freed producer prices.²⁶⁹ The government was to restrict itself to managing strategic grain reserves and fostering an environment that empowered

²⁶⁵ M.F. McPherson, 'The Sequencing of Economic Reforms: Lessons from Zambia', *Development Discussion Paper*, No. 516, Harvard Institute for International Development (HIID), (November, 1995), pp. 89-90.

²⁶⁶ T. Mkandawire, and A. Olukoshi, *Between Liberalisation and Repression: The Politics of Adjustment in Africa* (Dakar: CODESRIA, 1995), pp. 34-45.

²⁶⁷ A. Mwenda, 'Foreign Exchange Liberalisation in Zambia: Nature, Performance and Prospects'. Paper Prepared for the Bank of Zambia International Conference on 'Economic Liberalisation: Experiences and the Way Forward'. Lusaka: (August 21-23, 1996), pp. 65-79.

²⁶⁸ J. Govereh, T. S. Jayne, J.J. Nijhoff, J. J. Shawa, H. Haantuba, A. Belemu, E. Ngulube, B. Zulu, and A.K. Banda, 'Developments in Fertilizer Marketing in Zambia: Commercial Trading, Government Programs, and Smallholder Farmers', *Policy Synthesis No. 3*, (Lusaka: Food Security Research Project, 2002), pp. 90-102.

²⁶⁹ FAO/FSD/MAFF, *The Adjustment by the Co-operatives Sector to Liberalized Marketing Environment: A Preliminary Analysis of Co-operatives Sector Performance in Crop Input Marketing Season in Central, Eastern and Southern Provinces, Zambia Market Liberalization Impact Studies* (Lusaka: Marketing Management Assistance Project, 1995), pp. 78-90.

the private sector to take on functions that were previously performed by the state. The government proceeded to liberalize agricultural co-operatives and marketing functions and co-operatives were taken over by the private sector because government had withdrawn the support and control over them. The state gave powers to private buyers who started competing with co-operatives and the licensing procedure was highly decentralized.²⁷⁰

The Department of Agriculture Marketing Co-operative was responsible for issuing licenses. The number of licensed private traders increased from 477 in 1994/95 to 917 in the 1995/96 season and tapered off in 1997/98 season to 543.²⁷¹ Due to the capacity constraints in the Ministry of Agriculture and the lack of enforcement of licensing requirements by 1993, many traders never bothered to renew or obtain licenses and the private marketing system was completely unregulated by 1996.²⁷² Licensing was no longer a requirement for the marketing of smallholder agricultural crops. However, it is important to note that liberalization of marketing activities largely formalized small-scale private traders' activities that were hitherto informal. The only significant new entries in agricultural produce and input marketing were the large-scale private traders (institutional companies) and manufacturers. Several previous studies provide evidence that small-scale private traders existed prior to liberalization and accounted for a significant proportion of the marketed food surpluses.

The government was forced to adopt measures to assist the private sector enter grain marketing. The private traders were given loans to construct grain storage shade and this was to promote farm storage in order to reduce the amount of grain marketed at once. This was also done to avoid overstressing the capacity of the new marketing system. A marketing credit revolving fund was also to be provided to private buying agents through commercial banks which were established. The two funds were phased out at the end of 1996; a time at which it was hoped that the private sector would be able to discharge the marketing functions without further assistance from the state.²⁷³ It is clear that the government over-estimated the likely scale of the private sector response

²⁷⁰ Agriculture Annual Report, MAFF, 1996.

²⁷¹ Central Statistical Office (CSO), *Zambia in Figures*. Lusaka: Government Printers. 1995: *Zambia in Figures*. (Lusaka: Government Printers, 1997).

²⁷² Interviews Mr. Allan Sakala, Former District Marketing Officer MAFF (Retired), Chipata, 12th October, 2020.

²⁷³ J. A, Harvard and C, Mungoma, C, 'Zambia's Stop and go Revolution: the Impact of Policies and Organizations on the Development and Spread of Maize Technology' *Policy Synthesis for United States Agency for International Development (USAID), Bureau for Africa Office of Sustainable Development*, Number 26, Michigan: Michigan State University, 1996, pp. 56-80.

and the extent to which the private sector could fully take over the responsibilities of government-supported marketing institutions. Most type of traders in Eastern and Southern Province who dominated were Zambian of Asian origins. These were businessmen running basically retail trade related business. This overestimation of the private sector's response and capacity may have arisen from the fact that very little was known in Zambia about marketing. In the absence of such information, policymakers and planners based their decisions on implicit and untested assumptions about how private traders were likely to behave in the face of market liberalization.²⁷⁴ Research in Malawi and Kenya has indicated that lack of reliable data has consistently led to policy changes deriving from implicit assumptions based on the inadequate knowledge that policymakers have of markets and the people expected responses to various constraints and incentives.²⁷⁵ These factors includes poor infrastructure (which may raise transportation costs) and lack of sufficient capital for investment in large-scale grain marketing functions (for example, storage) because of limited access to formal credit.

The lack of resources despite the fact that co-operatives were privately owned, may, in turn, be linked to the nature of political patronage with players who lack political support having little access to credit and other resources. Social factors, such as the status of women and different ethnic groups in a trading network, affect the ability of participants to mobilize capital for further investment to expand their marketing activities. Private traders also were reluctant to invest further in the market because of an unstable policy environment. Consequently, owing to these and other reasons, it was anticipated that private traders were going to find some regions unprofitable to service. Observers of agricultural reforms (Liberalization) in sub-Saharan Africa had concluded that their success greatly depended on the capacity of the private sector to respond rapidly and take up the functions previously performed by farming co-operatives and state companies. Under donor pressure, most sub-Saharan African countries were in the process of dismantling the state

²⁷⁴ E. Njobvu, 'The Conduct of Fiscal Policy in a Liberalized Economy. The case of Zambia'. Paper prepared for the Bank of Zambia International Conference on "Economic Liberalisation Experiences and the Way Forward". Lusaka (August 21–23, 1996)

²⁷⁵ ILO, 'Co-operatives in Africa: From Reform to Reconstruction', International Labour Organization Workshop Report, Ezulwini, Swaziland, 3 August 1999.

monopolies in agricultural marketing erected in the 1960s and 1970s.²⁷⁶ Liberalisation in Zambia had advanced much further than in most Sub Sahara Africa countries.

4.1.3. Farming Co-operatives in Eastern and Southern Province and Liberalisation

The liberalization of agricultural marketing in Eastern and Southern Province brought new private institutions of different scales including large-scale trading companies and manufacturers, large wholesalers and other large traders, small scale traders or vendors, and large scale estates. These institutions had varying accessibility to small scale farmers in rural areas. Large scale trading companies and manufacturers tended to specialize in the crops such as cotton, maize and soya beans. Cotton Ginners and maize meal producers tend to specialize in maize and cotton trade. Most of these large-scale traders were mainly based in urban or peri-urban centres which were major trading centres. Large wholesalers and other large traders were limited companies whose main business was trading. These were less specialized and bought various types of agricultural produce from small scale farmers, but also tended to be located in urban centres or peri-urban trading centres. Small scale retailers or vendors were small and often unregistered traders usually resided in the village or were shop owners or had mobile pick-up trucks and operated mobile markets. These small-scale traders operated in the villages and in border districts some come from neighbouring countries and as for Eastern Province; they came from Malawi and Mozambique while Southern Province they came from Namibia, Botswana and Zimbabwe. The vendors were active in the certain areas of Southern province such as: Mapatizya, Chikanta, Magoye Mubanga and Mbabala where accessibility was not a major problem because of good road infrastructure. In the Eastern Province, the vendors were more active in areas such as Chipangali, Kalichelo, Kunda valley, Feni, Mtandaza, Nyanje, Kwenje, Matunga and mtilizi.

The various private traders played different roles in the marketing of agricultural produce and inputs, complementing and competing against activities of co-operatives. The co-operative and private traders concentrated on the crop produce market, particularly on the sales and purchases of maize. Both co-operatives and vendors purchased and sold maize, while largescale traders only

²⁷⁶ J, Kydd, A, DoRward J, Morrison and G, Cadish, 'Agricultural Development and Pro-poor Economic Growth in Sub-Saharan Africa: Potential and Policy', *Oxford Development Studies* Volume 32 (1): (2004), p, 1-22.

bought maize from farmers. However, one factor that distinguishes the marketing aspects of co-operatives and private traders was accessibility to markets by small scale farmers. Small scale farmers had co-operative markets within reasonable distances particularly in active markets compared to large-scale private traders. Nonetheless small-scale traders or vendor were the most accessible as they conducted door-to-door services for the purchase and sale of maize.

In terms of reliability, small-scale private traders were more reliable while large-scale traders were less reliable. Small scale farmers still found co-operatives to be reliable although sometimes they had problems with funds to buy crops from farmers and had irregular maize stock in lean seasons.²⁷⁷ Price competitiveness of various marketing institutions was also an important distinguishing feature in rural markets. Generally, in all sample sites co-operatives offered the lowest maize producer and consumer prices. Such prices were fixed and stable throughout the season and were not discriminatory across sellers and buyers. Large-scale private traders, on the other hand, offered the highest producer prices for produce including maize.²⁷⁸ However, these prices were volatile and some traders tended to price discriminate and negotiated for lower prices, with small scale producers that had no countervailing power. Vendors tended to offer intermediate maize producer prices between those offered by co-operative and those offered by large-scale private traders, but charged substantially higher maize consumer prices than co-operatives. In all the study sites in Eastern and Southern Province, it was reported that vendors bargained more over prices than large-scale traders. Prices therefore tended to be very volatile and there was high discrimination in the purchase price.²⁷⁹ The vendors did not have a uniform price. They used to go house to house buying a pail (*approximately 30 kilograms*) of maize at K10, at the next house they would offer K12.00, the next would be K15 and then K20 per pail.²⁸⁰ Their prices varied from one house to the next per pail. It is apparent that most private traders operated as discriminating monopolists in the purchase of maize and other agricultural produce and as discriminating monopolists in the sale of maize. This casts doubts on the efficiency of the private marketing

²⁷⁷ Interviews with Mr Baziliyo Phiri Small Scale Trader Village in Katete, 4th December 2020.

²⁷⁸ Interviews with Mr Abson Banda, Former Sable Company Buyer, 13th November 2020.

²⁷⁹ A, Mwanamo, 'Agricultural Marketing Policy Reforms in Zambia', *Agriculture Transformation in Africa Conference*, June 27-30, Nairobi, (1999), pp. 102-105.

²⁸⁰ For extensive discussion on the marketing system, refer to FAO/FSD/MAFF, 1995, 'The Adjustment by the Co-operative Sector to the Liberalization Marketing Environment. A Preliminary Analysis of Co-operative Sector Performance in Crop and Input Marketing during the 1994/95 Marketing Season in Eastern and Southern Province, Zambia.

system in Zambia, but may also explain why the profit margins were quite high among traders in Eastern and Southern Province.

Moreover, the pricing behaviour of private traders created a lot of price uncertainties for farmers in rural areas and in most cases this uncertainty did not seem to motivate farmers to respond to price developments positively. For instance, maize was the most commonly grown produce to meet their subsistence needs other than to generate income for most poor farming households. Selling maize for income generation was usually out of distress and as such the decision to sell part of the maize was residual for the poor farmers. The most problematic area with the private marketing system that adversely affected the incentive structure of small scale farmers was the quality of business practices.

The fact that private marketing was completely unregulated, combined with the monopolistic tendencies of private traders in Eastern and Southern Province, fair trading practices had not evolved over time. While it was true that for many crops, private traders tended to offer higher producer prices, some of the business practices had the potential to off-set the positive gains and the incomes of rural farmers.²⁸¹ First, the most cited problem associated with the private traders was the cheating on measurement and weights, although co-operative members in isolated cases were also engaged in cheating practices.²⁸² Some small scale farmers felt that they were cheated more when they are conducting business with private traders than when doing business with co-operatives. Private traders, particularly vendors, tampered with their weighing scales more than co-operatives. The extent of cheating by small-scale private traders on measurements is captured by many annual marketing reports.²⁸³

The cases of cheating on measurements tend to be limited to instances where private traders used volume other than weight measures in the purchase of produce. The reported cheating in volume measures occur because some private traders tended to use larger pails than those used by the farmers or by deliberately undervaluing the produce to buy at a lower price or use smaller plates when selling the maize to farmers.²⁸⁴ The assertion that there is more cheating among private

²⁸¹ A. Mwanaumo. 'An Evaluation of the Marketing System for Maize in Zambia' M.S, Thesis, Purdue University, 1987, pp. 90-93.

²⁸² Interviews with Mr Lungu Thayo, Clerk Cotton Company, Fisheni Village, Chipata, 7th October, 2020.

²⁸³ Interviews with Mr. Hamandu Michelo, Small Scale Trader Chikonga Village in Monze, 12th November 2020.

²⁸⁴ Interviews with Mrs. Kaliza, Former Small Scale Trader, Choma, 2th December 2020.

traders was supported by the fact that farmers were not allowed to verify private traders' weighing scales compared to co-operatives where farmers could verify the weighing scales and the weight of their produce. The other form of cheating was the announced prices versus the actual prices paid to farmers. Vendors tended to announce better producer prices, but they actually paid the farmer less than the announced price when trading was taking place. On the contrary, co-operatives displayed the prices for all the farmers and abide by the announced prices.²⁸⁵

Another difference between co-operatives and private traders was the timeliness of trade. Private traders, particularly vendors, ranked highly on providing markets for produce earlier in the selling season than large scale traders and co-operatives. The early entry of vendors in purchasing produce was viewed as a positive aspect of the private marketing system because it provided opportunities for farmers to earn income when they need it most. However, there were sometimes losses made by farmers because vendors tended to offer lower prices than the prices that was offered when co-operative and large scale traders were also purchasing produce from the farmers.²⁸⁶

Traders also followed the commercial farmers to their door steps because they had at least a more produce for sell. This process involved traders going out into remote villages looking for grain from farmers. Larger traders engaged subagents to collect maize from the farmers and delivered the commodity to central place in the village, a practice which was similar to depot station once operated by the co-operatives.²⁸⁷ The subagents were given money by traders to purchase maize from farmers and they in turn were given a commission on a bag. The traders then transported the maize from collection points to their place of sale by hired trucks. However, the next season saw a bumper harvest and competition was immediately heightened as private traders entered the market.

TABLE 14: Maize Bought by Co-operative and Private Traders in Eastern and Southern Province, 1992-95 in 90kg Bags

²⁸⁵ Interviews with Mr Haalumba, Former Small Scale Trader, Livingstone, 16th December 2020.

²⁸⁶ GRZ, *A Frame Work for Agriculture Policies to the Year 2000* (Lusaka; Ministry of Agriculture Food & Fisheries, 1993), p. 12.

²⁸⁷ A, Mwanaumo, 'Agricultural Marketing Policy Reforms in Zambia', *Agriculture Transformation in Africa Conference*, June 27-30, Nairobi, (1999), pp. 76-78.

Year	Estimated Price PER 90KG Bag (K)	Co-operatives in Eastern Province	Private Traders in Eastern Province	Co-operatives in Southern Province	Private Traders in Southern Province
1992/1993	7,727	3,44,0231	1,631, 366	3,301,088	1,481,556
1993/1994	12,315	5,101,434	13,342,771	4,202,468	14,276,874
1994/1995	16,198	129,123	6,821,211	295,040	6,265,446
1995/1996	20,753	50,521	11,122, 450	40,822	8,202,912
1996/1997	22,203	16,432	9, 191, 654	24,396	10,476,934

SOURCE; *Department of Marketing and Co-operatives Annual Report, 1996.*

Table 14 above shows that in Eastern and Southern province private traders bought more maize than co-operatives a period 1993-95. The declining trends on what co-operatives bought was as result of government withdraw in funding them while private sector bought more produce because of government support in funding which was consistent with government policy of supporting private sector after liberalization. Secondly, private traders bought more produce because it was on cash basis than co-operatives. Most large scale trading was dominated by companies such as Clark Cotton, Sable, Kavulamungu, Shiffa, Senegalia, Nezi Enterprise, Aliboo in Lundazi and Kersons Enterprise in Eastern Province. All these companies were specialized in grain marketing and transportation and Sable Company was also into construction. These companies have continued in grain marketing in the Eastern Province. Sable sold the commodities it purchased mainly to the local market especially National Milling and some foreign bulk buyers and the transaction were on a cash basis. Clark Cotton was dealing mainly in the local market and paid cash within two days or paid a cheque. Shiffa paid cash for some of its purchase and some on credit. Senegalia bought crops immediately after harvest on a cash basis and exported. Nezi Enterprise dealt with individual institution and schools were major its market and that it bought

crops mainly maize throughout the year. Its business transactions were all on a cash basis although credits were sometimes used.²⁸⁸

In Southern Province major private traders were Moomba Enterprise in Monze, Clark Cotton, Lonhro and all these companies were in grain marketing before the liberalization policies were announced. However, these went onto crop marketing after 1992, when market was liberalized. These large scale traders were largely business who engage in other business activity besides agriculture trading. They used more casual workers than permanent worker. The large scale farmers bought crops in bulk on a daily basis in cash. Some private traders bought commodities on credit and were expected to add 10% of the price.²⁸⁹

Another source of competition with traders were the traditional lending institutions like Lima bank, Credit Union of Saving Association (CUSA) and Zambia Co-operative Federation Financial Services (ZCF-FS). These were principal buying agents who were appointed by the MMD government to be buying grain after liberalization and these institutions were only involved in marketing for the purpose of loan recovering.²⁹⁰ The institution did not serve the farmers well in Eastern and Southern Province because they were lending institutions which supplied farmers with input and others got the money with high interest rates. They were therefore, not genuine maize traders but principal buying agents. These agents were not trading in maize autonomously but relying heavily on government support finance and price mechanisms. These institutions gave loans to farmers in Eastern and Southern Province and many farmers who benefited were those who were once in the co-operatives. There were no restrictions on who was to benefit from these loans. Many co-operatives which were in remote areas had a few members benefiting. The co-operatives which benefited more were those which were closer to the district urban. Many farmers had problems in paying back these loans because they did not use them for the intended purposes. Those who defaulted were black listed in the first year when the loans were introduced.

²⁸⁸ D.K Chiwele, P. Muyatwa, K. Sipula, H. Kalinda, 'Private Response to Agricultural Marketing Liberalization in Zambia', A Case Study of Eastern Province Maize Marketing Research, Report No.107, 1998.

²⁸⁹ Katete District Co-operative Annual Report 1996-1997. p.32: Also see A. Mwanaumo, 'The Effects of Maize Marketing Policy Reforms in Zambia', MA Dissertation, Department of Agricultural Economics, Purdue University, 1994.

²⁹⁰ N.A.Z, SEC/43, 'Notes on Co-operatives in Zambia and Markets Reports 1991-1995, SEC 2/32 Imports and Exports of Maize in Eastern Province.

These loans were recovered and those who failed to pay back lost their property such as cattle, goats and ploughs. Some of the farmers had their iron sheets removed from their houses because of defaulting. The loans were recovered with interest and deducted immediately after the sales of produce and farmers were only given the balance.²⁹¹ These institutions in Eastern and Southern Province were involved in grain marketing for the purpose of input and money recovery which was invested in farmers. The major impact of these institutions was that food security among small scale farmers was increased and this was also attributed to good rainfall. Maize production was encouraged throughout the country even in regions which are not suitable for maize production. In order to provide attractive incentives for maize production, the government introduced uniform prices for inputs (fertilizer, seeds and agricultural chemicals) and uniform crop producer prices.)²⁹² This resulted in high production of maize and other crops but at a colossal cost to the economy. While providing high crop producer prices, the government policy was also to keep the prices of processed agro-products (like Mealie meal, cooking oil etc.) Apart from this, some of the farmers increased their acreage and were able to buy asset such as radios, cattle, ploughs, ox-carts and also sent their children to school.

4.1.5. A Comparative Analysis of Co-operatives in Eastern and Southern Province 1991-2002

The withdrawal of government from controlling co-operatives seems to have invited management and financial problems in most of the movement. With little capacity for effective regulation, leaders had tended to abuse their positions by ignoring the entire membership. Some co-operatives had not held Annual General Meetings (AGMs) for prolonged periods of time. For example, the Eastern Province Co-operative Union, Namwala Co-operative and North Choma co-operative had not held an AGM in the last five years. This form of governance had seen many co-operatives plunge into a multiplicity of problems that affected their performance and sustainability. Another example is that of Petauke Co-operative Marketing Union (PCMU) in the Eastern Province. Like most co-operatives in Zambia, PCMU was negatively affected by liberalization policies. Prior to liberalization, the co-operative was doing well as an agricultural input supplier and purchased grains from peasant farmers.

²⁹¹ A. Mwanaumo, 'The Effects of Maize Policy Reform in Zambia', PhD. Dissertation, Department of Agricultural Economics, Purdue University, 1994.

²⁹² J, Chizuni, Food Policies and Food Security in Zambia', *Nordic Journal of African Studies* 3(1): 46-51 (1994).

A comparative analysis in Eastern and Southern Province indicates that there was a reduction in grain marketing for co-operatives because government no longer funded the institution after liberalization. This can be proofed through the performance of grain marketing were private traders had fully assumed the role that was played by co-operatives. The government instead appointed principal buying agents. Many primary co-operative members in Eastern and Southern Province, especially those who were educated and influential, became agents or contact buyers for private traders. These people were engaged because of their experience in grain marketing and also to help them as a temporal employment. The private traders made contacts with the farmers through buying agents even before crops were ready.²⁹³ The contacts were based on either order price or order quantity. The total number of traders who made contacts with farmers was estimated at 67 percent. These agents purchased and assembled produce from many small scale farmers and then a trader would come to collect the commodity. The agents were given a commission for each bag assembled at a central place. Most traders had a challenge of theft and transport which constrained them from going out to buy the grain on their own. The hire charges for transport ranged from 75/ton/km for maize and 200/ton/km for cotton, Groundnuts and Sunflower. The price per ton was higher for remote areas such Kasamanda, in Mambwe district, Ukwimi in Petauke, Kunda in Kasenengwa, Mugubudu in Chipata in the Eastern Province. This situation was the same even in Southern Province areas like Mapanza and Mbalala in Choma, Keembe in Monze and Mubanga in Kalomo etc. This was as a result of long distances and poor road network.

Furthermore, private traders in Eastern and Southern Province had similar problems in storage shades. Few companies such as Sable, Clark Cotton and Lonhro Company had enough storage facilities in the Eastern Province and these also rented to other traders. Similarly, Southern Province Moomba Enterprise, Beenzu Traders and Export Inn also had enough storage sheds and also rented them out to other traders. The charge reported for the rented storage was K54 million annually with an estimated capacity of 200 tons. Cark Cotton used to open slabs for storage and no ownership charge was levied.²⁹⁴ Unlike the co-operatives, private traders like Sable, Kavulamungu and Kersons, used to sell their commodities to local markets such as National Milling. According to Central Statistical Office (2000), Eastern Province estimated 50.8 percent of small and medium scale farmers sold their grain to private buyers between the years 1993 to

²⁹³ Provincial Annual Co-operative Union Report 1994-1995. p.24.

²⁹⁴ Provincial Annual Co-operative Report for Eastern Province 1998-1999. 33.

1997. Only 12.6% was sold to the co-operatives which acted as principal buying and others sold to deficit local households which was double those to co-operatives.²⁹⁵

The MMD government liberalized the grain marketing barely one month after coming to power.²⁹⁶ This timing was not right because they paralyzed the role of co-operative movements which had dominated grain marketing in Eastern and Southern Province since the 1970s.²⁹⁷ In fact, just before complete liberalization, it was found that 97% of farmers in Eastern and Southern Province sold their produce to co-operative, while remaining 3% sold to private traders who comprised 56% commercial farmers, 19% millers and 25% to local villagers.²⁹⁸ The role of co-operatives in the Eastern and Southern Province declined tremendously since liberalization. Statistical data indicated that maize marketing through co-operatives had declined by 90% during 1993-98.²⁹⁹ This decline was as a result of low access to inputs and maize along with poor marketing accounted for decrease in income from crops. Women also dominated activities such as growing of groundnuts which was more marketable by private traders.³⁰⁰ This means that only 10% grain was bought through co-operatives which were under principal lending institutions.³⁰¹ Competition in the input trade was less stiff during this period.

The major competitions in distribution of inputs in Eastern and Southern Province were Nitrogen Chemicals of Zambia and Zamseed. The Nitrogen Chemicals of Zambia supplied fertilizers while Zamseed Company supplied seed. The inputs were distributed to farmers by credit supervisors a staff member of the society. No commission was given to them for distribution of inputs. A commission was however, paid for the recovery of loan. These companies both operated a wholesale and retail network and entered the market. The other registered fertilizer dealers

²⁹⁵ GRZ, National Census of Agriculture 1999/2000, Census Report part 1, Lusaka, 1990.

²⁹⁶ Rakner, *Political and Economic Liberalization in Zambia 1991-2001*, p. 12.

²⁹⁷ A. Mwanaumo, W.A Master, P.V. Preckel, 'A Spatial Analysis of Maize Marketing Policy Reforms in Zambia', *American Journal of Agricultural Economics*: 79, 1997, pp .514-523.

²⁹⁸ A, Mwanaumo etal, 'A Spatial Analysis of Maize Marketing Policy Reforms in Zambia', *American Journal of Agricultural Economics*, Vol. 79, No. 2 (May, 1997), pp, 514-523.

²⁹⁹ D.K Chiwele, P. Muyatwa, K. Sipula, H. Kalinda, 'Private Response to Agricultural Marketing Liberalization in Zambia', A Case Study of Eastern Province Maize Marketing Research, Report No.107, 1998. This study concluded that marketing systems at the end of liberalization was still under developed with most actors and actresses unable to effectively discharge the marketing functions that had once been carried out by the co-operatives.

³⁰⁰ P.H, Nyanga 'Impact of Agricultural Policy Changes in Household Food Security among Small Scale Farmers in Zambia', M.A, Thesis, Norweigan University of Life Science, 2006.

³⁰¹ FAO/FSD/MAFF, *Some Characteristics of Emerging Grain Market; Preliminary Review of Private Sector Maize Trade during the 1994/95 Marketing Season, Market Liberalization Impact Studies* (Lusaka: Marketing management assistance project, 1995).

includes, Cavmont Merchant Bank, Omnia, kynoch, Pannar and Cargill.³⁰² These institutions operated in all the provinces of Zambia with the similar approach. All these companies distributed fertilizer to farmers on behalf of the government and co-operatives were able to source inputs on credit to sell farmers for cash. Thus liquidity problems did not present major constraints in this regards although there was a risk that farmers would fail to repay loans.

A comparative analysis reviewed that the co-operatives were no longer the dominant players and it is tempting to conclude that private traders fully assumed the role that was played by co-operatives in Eastern and Southern Province.³⁰³ Although this is likely in due course and the situation proved that there was a long way to go. In all the co-operatives in Eastern and Southern Province, farmers were dissatisfied with these arrangements and looked back with nostalgia to the days of the co-operatives during the UNIP era. The major concern was that private traders were not always coming to their areas to purchase grain.³⁰⁴ As earlier mentioned, this problem arose from the poor state of the roads, more especially roads to co-operatives. Before liberalization all farmers were assumed that their grain would be purchased without them having to take it outside their local area.

This situation was not the case after liberalization because the MMD government did not fulfill its promise to the farmers because they struggled in marketing.³⁰⁵ Farmers, especially those in remote locations of Eastern such as Mugubudu, Chipangali, Mwanjabanthu, Nyanje, Matunga and in Southern, areas like Chikanta, Mapatizya, Dundundumwezi, Mubanga, found that they had to take their grain to public markets which were often outside their areas. These ended up selling at market places which had low prices. Very few farmers had the advantage of traders who purchased maize from their own locality more especially farmers who were close to urban areas.³⁰⁶ On the input side, farmers were obtaining fertilizer and seeds from distributors other than credit coordinators often had to travel long distances before obtaining their inputs.

³⁰² GRZ, Ministry of Agriculture and Co-operatives: A Review Paper on Liberalization. 1998.

³⁰³ Rakner, *Political and Economic Liberalization in Zambia 1991-2001*, p. 18.

³⁰⁴ Interviews with Mr Sakala Mijere, Former Agent Buyer for Sable Company in Katete, 8th October, 2020.

³⁰⁵ GRZ, Provincial Agriculture Report, MAFF, 1998.

³⁰⁶ D. Chiwele, 'Stabilisation, the Real Wage, Employment and Welfare: The Case of Zambia's Formal Sector Employees'. Unpublished Ph.D. Dissertation, Institute of Development Studies, University of Sussex, 1993.

A comparison of distribution of inputs in Eastern and Southern Province indicates that there were often located at the districts and farmers in all the co-operatives went there to buy the supplies they needed. This became a very big disadvantage to the farmers from remote places because they had been used to collect inputs in their areas during the UNIP era. The acute transport problem faced by farmers made this arrangement rather cumbersome as it was during the UNIP era. Co-operatives had been trying to integrate into the new policy environment, but with much difficulty. A number of them had not been able to compete effectively in either distribution of crops or inputs distribution markets especially after the government stopped funding them and this created a face of intense competition from the private sector.³⁰⁷ Prior to liberalization, agricultural markets were characterized by pervasive government controls. Various reforms were introduced after liberalization which include removal of price control, liberalization of domestic and external trade, decontrol of interest rates, introduction of foreign exchange rates, tax reforms and formulation of policies and legislation. This meant no direct government involvement in the running of the co-operatives. Liberalization saw the mergers and splits of various co-operatives societies. They split into small uneconomic groups of mismanagement and mainly fuelled other factors beyond managements control like fluctuating market prices.³⁰⁸ The Political influences could not be avoided and some individuals in management used their positions to gain political coverage.

A comparative analysis also showed that most co-operatives in Eastern and Southern Province performed poorly and were unable to provide their members with services and support that they initially were formed to provide.³⁰⁹ The service which they provided include, awarding their members, giving their members subsidized inputs and training them. The weakening of these co-operatives affected food security and income of the farmers. Analysis of trends in performance of major crops such as maize, groundnut, sunflower and cotton revealed the collapse of co-operatives in agriculture.³¹⁰ Maize production declined by more than 50% between 1995 and 2002. The decline in production through co-operatives was more pronounced than the estate sector. The

³⁰⁷ B. Kaluwa and W. Chilowa, 'Malawi Food Marketing Liberalization and Household Food Security; Preliminary Results from Baseline Surveys', in Rukuni and J. B. Wycoff (eds.) *Market Reforms Research Policies and Food Security* (Harare: UZ/MSU, 1991), pp. 23-45.

³⁰⁸ F. Wanyama (eds.), *Co-operating out of Poverty; the Renaissances of African Co-operatives Movement* (Geneva: ILO, 2008), p.56.

³⁰⁹ GRZ, District Marketing Report for Chipata, MAFF 1997.

³¹⁰ N.A.Z SEC1/87, Eastern Province Annual Co-operative Report, November 1998; See also District Reports of Agriculture Economic Census 2001.

liberalization of maize as staple food was poorly timed, wrongly sequenced, not well monitored and lacked preparation of the stake holders co-operatives societies.³¹¹ Marketing unions and input agents who offered services like credit, farm input and extension services were adversely affected.

On the other hand, a comparative analysis highlights that co-operatives in Eastern and Southern Province had been unable to provide farmers with credit and farm input such as ploughs cattle, fertilizers and chemicals for financing production as they used to do during the UNIP era. Households had been unable to produce enough staple crops for their own consumption. The fall income from the scale of food crops have also implied that disposable income used to buy food requirements from the markets have fallen.³¹² This has adversely affected the household food security. Other household's needs such as school fees and medical fees were equally adversely affected. Production of cotton was also affected due to the collapse of co-operatives. There was a reduction in cotton production and the reason attributed to this reduction was because of purchase of inputs particularly insecticides was tended to be expensive.

Other challenges faced by most of the co-operatives in Eastern and Southern Province that resulted from liberalization was the management of the newly found freedom from the government. As a result of government withdrawing strict state supervision on co-operatives, they were left without a regulatory mechanism to play the role that government had previously played. The newly acquired freedom was dangerously abused by elected leaders to the detriment of many co-operative societies. This resulted in many cases of corruption, gross mismanagement by officials, theft of co-operatives resources, split of viable co-operatives into small uneconomic units, failure to surrender members and deposits to co-operatives dismissal of staff.³¹³ The management committee refused to vacate office after being voted out by members. Conflict of interest among co-operatives official were endless and illegal payments to the management committees were increasingly reported nearly in all the co-operatives in the provinces.³¹⁴ However, such problems were more

³¹¹ K. Sipula, 'Reforms of Maize Market System in Zambia Issue of Price and Market Policies Co-operatives and Interprovincial Transportation', Unpublished PhD. Dissertation, Department of Agricultural Economics, Michigan State University, 1993, p.45.

³¹² C. Chabala, & P. Ojezmark, *The Development of Independent Co-operatives in Zambia; A Case Study* (Rome: United Nations Food and Agricultural Organization, 1994), pp. 78-79.

³¹³ D. Andrew, *Rethinking Agriculture Input Subsidy Programme in a Changing World Paper Prepared for the Trade and Markets Division, Food and Agriculture Organisation of the United Nations* (London: University of London, 2009), p. 45.

³¹⁴ Provincial Co-operative Strategic Report for Eastern Province, 14th November 2002.

demoralizing than building the solidarity of the members to operate their enterprise. Consequently, many co-operatives especially in rural remote areas, closed down their operations.

Furthermore, lack of financial resources to provide services to their members meant that some members would naturally seek services from other providers that had now been permitted to trade. As already pointed out, the market now comprised of many sellers, and buyers who were efficient, competitive pricing and transparent. Many were the members of co-operatives that trooped from mismanaged and malfunctioning co-operatives to find alternative markets for their produce. For example, the retreat by government and emergence private entrepreneurs, particularly in the marketing of agricultural produce led to the collapse of many primary co-operatives and co-operatives union. The private buyers offered better prices and paid farmers on cash basis as a result co-operative societies drastically declined.³¹⁵ With little incentives from co-operatives such as better prices, increased efficiency, benefits of economics of scale and or access to agricultural credits, members were simply looking for a buyer to purchase their produce at competitive prices.

The end result is that members ceased to market their produce through primary co-operatives and at the same time few primary co-operatives managed to retain their members by offering slim better services and were found doing business with their co-operative unions rather than exploitative. Due to insolvency, the union paid lower commission to primary co-operatives which were inadequate to cover the operation cost of the service that they rendered. At the same time, primary co-operatives were at liberty to sell the produce to any willing buyer on the market. Primary co-operatives stopped doing business with co-operative unions.³¹⁶ Co-operatives unions viewed their union as dead institutions and were happy with liberalization because it had offered those better marketing channels as well as the possibility of obtaining poor quality produce traditionally rejected by co-operative unions. With nature of such members, co-operatives unions naturally collapsed.³¹⁷

Between 1991 and 1996, nearly all the co-operatives in Eastern and Southern Province went into bankruptcy and such that they were unable to maintain operations and were liquidated. All the

³¹⁵ GRZ, 'A Framework for Agricultural Policies to the Year 2000 and Beyond', Lusaka, 1992.

³¹⁶ C. Chabala, *Development of Primary Co-operative Societies in Zambia* (Lusaka: Swedish Co-operative Centre, 1996), pp. 5-10.

³¹⁷ L. P. Moonga, & O. Mgemezulu *New Challenges Facing Co-operatives and Co-operative Development in the Eastern Province of Zambia* (Lusaka, ZAMSIF/Ministry of Finance and National Planning, 2005), pp. 23-45.

major co-operatives in Eastern and Southern Province such as ECU, PCMU, KCMU, Namwala Co-operative, and North Choma Co-operative were closed with all its operation shut down. Prior to the closure of these Unions, workers were not paid for many months and later the organizations were closed. The Liberalization policy on co-operatives had four major effects in Eastern and Southern Province which disadvantaged farmers.³¹⁸ Firstly, these policies disregarded the co-operative membership as owners of the organisation. These policies disregarded co-operatives to be managed, controlled democratically and autonomously by the members themselves. Secondly, policies were politically motivated and encouraged political prominence of the nation rather than the socio-economic and social progress of the members and of the local communities. Thirdly, the co-operatives had no structure and on a scale not coinciding with objectives of the membership. Lastly, these agriculture policies resulted in destabilizing the co-operatives for the co-operatives became weaker and weaker in managerial, financial and operational stance by losing assets.

A comparative analysis indicated that all the workers in co-operatives were laid off without being compensated and a majority of them had worked with the organisation for more than 20 years.³¹⁹ Therefore, workers sold their properties which they had acquired in order to survive and send their children to school. Those who were sitting tenants in the houses built by the organisations could not move out because of the terminal benefits which were not given to them. Majority got these houses as compensation and later processed titles from the Ministry of Lands. Others sold their houses in order to get their package and government could not retaliate on the same issue.³²⁰ The most affected workers who went with nothing, were those that were not accommodated in institutional houses. This is because they had nothing to hold on to when the institutions closed. All the office equipment, trucks and motor bikes were taken to provincial co-operative unions and no one knows how they were auctioned to the public.³²¹

The impact was also felt by the local people in all the provinces who depended on the services provided by the co-operatives such as, production of cooking oil and Mealie meal which was cheaper. In 1997, all the remaining assets in most of the co-operatives were auctioned. For example, the oil plant and the grinding machine in Katete were bought by Ibrahim the local

³¹⁸ Rakner, *Political and Economic Liberalization in Zambia 1991-2001*, p. 12.

³¹⁹ Provincial Agriculture Annual Report, 1997.

³²⁰ Eastern Co-operative Union Audit Report submitted to Investigator General, 1995.

³²¹ Interviews with Mr. Joseph Kamanga, Former ECU Deport Clerk, 4th October, 2020.

business man of Asian origin who failed to utilize the equipment's.³²² In Chipata, most of the assets were bought by Mosali and Kavulamungu. The land and storage shades were the union operated in Chipata was also bought by Ali and Sons another indigenous Zambian Asian local businessman by origin who has also not yet utilized the land premises. Currently the land is very idle and buildings are dilapidated and some have collapsed.³²³

However, despite that the land and all the assets were auctioned but still workers were not compensated up to date and many of these people have died as a result of age and depression.³²⁴ Others had to sell their property in order to send their children to school and reallocate to their home villages. Some of these people had a rough experience because their children had to stop school as a result of lack of sponsorship. Only very few primary co-operative societies survived with very few assets and these had political influence from the chiefs but later also went bankrupt. The only assets of co-operatives that survived few assets such as grocery shops and storage shades and both operated below standard level. The reason why these co-operative were still surviving was because they were closer to the chief palace and the chiefs sided with occasional help.³²⁵

Furthermore, there appeared to be a lack of attention to processes of liberalization and many officials and politicians were still hostile. Many local restrictions and regulations stayed in place. There were few support programmes to assist traders particularly with their needs for loans finance or guaranteed market with pan-seasonal territorial prices.³²⁶ The few marketing relations were often confusing to farmers and extension officers. Most of their crops were sold by farmers soon after harvest because they lacked cash and storage facilities.

³²² Eastern Province Co-operative Union Report, 1997.

³²³ Van de Walle, Nicholas and Dennis Chiwele, 'Economic Reform and Democratization in Zambia'. MSU Democratic Governance Working Papers. No. 9, 1994.

³²⁴ N.A.Z SEC1/87, Eastern Province District Annual Report on Co-operatives 1999; Also see District Report on May/June 2000, Audit Report of Co-operative Assets.

³²⁵ C. A, Njovu, et al. *Report on the Systematic Client Consultation Study of the Status of Smallholder Farming and Agricultural Services in Lundazi and Chama Districts, Eastern Province, Zambia* (Lusaka: Institute for African Studies, University of Zambia, 1995), pp. 23-30.

³²⁶ S. Carter, *Agricultural Marketing Management; A Teaching Manual Network and Centre for Agricultural and Training in Eastern and Southern Africa* (Harare: Longman, 1992), p.123.

Most of the shades in these primary societies were dilapidated and some collapsed and renovations were not made because of lack of resources.³²⁷ The prices during the main harvest marketing season were wider between the consumer and the producer. This created a big gap such that farm prices were at similar levels regardless of distance from the main consumer market. This appears to be an indication that traders can push farm prices down to some sort of minimum which does not reflect marketing costs. Part of the argument for liberalization is that it was going to encourage a competitive market at primary (farm gate) level so that part of the gains from liberalization would accrue producers because of competition between crop buyers.³²⁸ Liberalization resulted into removal of farming input such as fertilizers, storage insecticides and fertilizer subsidies.³²⁹ However, the predominantly small traders did not have access to input supply operations. Farmers were faced with higher prices and higher costs of obtaining inputs. This was due to lack of local supplies and a lack of access to seasonal loans following the collapse of the co-operative operational.³³⁰

The liberalization program had been a negative experience for many farmers and may have harmed agricultural development. The lack of service for small traders, particularly finance, has delayed the establishment of an efficient marketing system. It appears that implementation of liberalization was poorly managed and introduced too quickly after structural adjustment started. It is indeed worth to recall here that after liberalization, most co-operatives in Eastern and Southern were financially unstable and some become insolvent. The main problems co-operatives faced included persistent low business efficiency, weak capital base, heavy indebtedness and limited credit worthiness. Other problems include weak entrepreneurial capability of managers, boarder members and the unbalanced organizational structures of the movement. The policy of liberalization of the economy and the movement presented further challenges that resulted into the collapse of many co-operatives.³³¹

³²⁷ Agriculture Annual Report by Camp Extension Officers, MAFF, 1998.

³²⁸ FAO/MAFF, *The Adjustment by the Co-operatives Sector to Liberalized market Environment* (Lusaka: Marketing Assistance Project, 2000).

³²⁹ J. Theron, 'Co-operative in Southern Africa; A Movement (re) Emerging' in P. Develtere, I. Pollet & F. Wanyama (eds.), *Co-operating out of Poverty; The Renaissances of the African Co-operative Movement* (Geneva: ILO, 2008), p. 189.

³³⁰ A. Mwanaumo, W.A. Master, P.V. Preckel, 'A Spatial Analysis of Maize Marketing Policy Reforms in Zambia', *American Journal of Agricultural Economics*, 79 (May 1997), pp. 514-523.

³³¹ A. Mwanaumo, 'The Effect of Maize policy Reform in Zambia', Ph.D. Dissertation, Purdue University, 1994.

4.1.6. Agricultural Co-operative Liberalisation and Responses

The Liberalisation of agricultural farming co-operatives and markets has been rated the greatest failure of the MMD government. The initial pace of implementation had to put the non-stabilized economy under great pressure. Most of all, the process of replacing a set of, albeit poorly functioning state monopolies with decentralized private networks resulted in tremendous dislocations for the large majority of rural small-scale producers in agriculture. In this situation, state subsidies for maize production had become the only social welfare mechanism from the state. Due to the subsidized grain marketing system the maize sector was very sensitive to political interference. Generally, the problems encountered in the implementation of the agricultural Liberalisation greatly undermined the confidence in the economic reform measures.

The criticism towards MMD's economic policies and the structural adjustment programme emerging from 1994 onwards was largely related to the troubles encountered in the Liberalisation of agriculture implementation. The three droughts that required the farmers to borrow substantial amounts of funds in order to finance inputs for the next season was also to be considered influential.³³² Borrowing in circumstances of severe macro-economic imbalance placed a heavy burden on the farmers as interest payments rose dramatically. Furthermore, the initial Liberalisation caused similar dislocations for agricultural producers as for the manufacturing industry as Zambia liberalized its trade prior to rationalizing its tariff regime. Given the level of development and lack of competitive advantages, Zambian agriculture farming co-operatives were un-able to compete with other countries such as South Africa and Zimbabwe, both in export and domestic trade. Imports of agricultural products from the neighbouring countries greatly undermined Zambian locally produced goods. It is indeed the case that immediately following the introduction of this strategy, many of the co-operatives collapsed given that they had been ill equipped for the new liberalized economic environment. Indeed, the state did not put in place a regulatory mechanism to guard against rogue members who took advantage of the relaxed regulatory environment to pursue their personal interests to the detriment of the general members.

³³² Josue, Dione, 'Informing Food Security Policy in Mali: Interactions Between Technology, Institutions and Market Reforms'. Unpublished Ph.D. Dissertation, Dept. of Agricultural Economics, Michigan State University, 1988.

Further, there was an immediate failure of the co-operatives because of the new competitive environment that co-operatives had not been used to, having operated in a monopolistic market whereby they were shielded by the State from direct competition.

However, it is crucial to note that liberalization was not bad for co-operatives and indeed, the adoption of this strategy was generally a success despite the hiccups when examined in totality. The immediate failure of co-operatives following the adoption of this strategy can be attributed to the inadequate preparation for the transition. There was evidence to the effect that liberalization strategy was a success given that several co-operatives were able to survive the transition into the liberalized economic environment and came out stronger than they had been, in the previous regime.

Conclusion

It has been the purpose in this discussion to highlight the impact of liberalization measures on the performance of co-operatives in Eastern and Southern Province. Evidence from the field suggests that co-operatives had indeed successes and failures of the liberalization strategy adopted by the MMD government in the years between 1991-2002, with special reference to policy, practices, and reforms till this day. As has been set out herein, the strategy by the State of removing itself from direct involvement in the activities of co-operatives and as facilitated by the various legislation and policies was in the main, success.

Nonetheless, the immediate implementation of the strategy caused a collapse of a number of co-operatives due to the ill-manner in which the strategy was implemented without having due regard for transitional issues. This is because the new-found freedom became amenable to abuse by management committees thus leading to the down-fall of co-operatives. Efforts to remedy the problem have been the subject of various policies and pieces of legislation such as Amendments to the Co-operatives Societies Act. Be that as it may, some few co-operatives were still able to do well during this period and become self-reliant due to good management. Further, examining the state of co-operatives after this transition period, the co-operatives that were able to survive the liberalization stage emerged stronger and more self-reliant. Consequently, the liberalization strategy of opening up the environment, and increasing competition for the co-operatives was a step in the right direction. The lack of support services for small traders particularly for finance, delayed the establishment of liberalization. This was poorly managed and also introduced too

quickly after structure adjustments started. Liberalization took place at a time when the macroeconomic and the rural infrastructural situation appeared inadequate.

Finally, the MMD seems to have been in a hurry to introduce reforms and marketing system that destroyed the role of co-operatives. Liberalization was announced just two months after it assumed office. What appears to explain this is that MMD perceived the co-operatives movement which had stood solidly behind united national independence party at the dawn of multiparty politics, continued to be loyal to UNIP. When the decision to help the private sector gained access to marketing credit was taken, co-operatives appear to have been discriminated against and there appear to have been unwritten policy of ensuring the co-operatives did not benefit from the programme of new government. Instead MMD politicians formed front companies were used to access the resources but which clearly had no firm footing in Agricultural marketing. Most companies put the money into treasury bills and quickly dropped out of the marketing system. This left a private sector that had little capacity to discharge fully the various marketing functions that had been undertaken by co-operative.

CHAPTER FIVE

FARMERS INPUT SUPPORT PROGRAMME (FISP) AND CO-OPERATIVES IN EASTERN AND SOUTHERN PROVINCE, 2002-2008.

In Chapter four, I examined the impact of agricultural and economic liberalization on agricultural co-operatives in Eastern and Southern Province. These were policies the new administration of the MMD implemented from the time they assumed power at the end of October 1991. I stated that main policy changes in MMD government and the impact of liberalization on farming co-operatives in Eastern and Southern Province and its economy were negative. In the present Chapter, I discuss changes in MMD policy of what the new president, Dr Levy Patrick Mwanawasa called 'New Deal Administration'. In the agricultural sector, the new policy direction launched the Farmers Support Programme (FSP) on farming co-operatives in 2002/2003. The first part explains the introduction of FSP and its composition to the co-operative members. The second part discusses a comparative analysis on the distribution of inputs and challenges faced by beneficiaries

in Eastern and Southern Province. The last part explains on government interventions to challenges and a conclusion which is a summary of the chapter.

5.1.0. Introduction of Farmers' Input Support Program on Co-operatives

After liberalizing the economy, the Zambian government introduced a fertilizer subsidy programme which did not do well. This led governments legalizing private trade in distributing fertilizer throughout the liberalization programme. Later, government started distributing loans of large quantities of fertilizer and seed worth millions of Kwacha.³³³ The loan system had its own challenges and it later broke down. The government, as a way of mitigation measure, decided to introduce Farmers Support Programme (FSP) in 2002/2003 aimed at subsidizing input to small scale farmers. All small scale farmers in were to reorganize and had to form new co-operatives in order for them to benefit from the programme. The government initiated FSP only to be distributed to farmers through co-operatives under the Ministry of Agriculture and Co-operatives.³³⁴ The reason behind the government use of co-operatives was to revive and make them viable. The New government deal under President Levy Mwanawasa on co-operatives was to help farmers improve on food security and transform the rural areas. The introduction of Farmers Support Programme was also as a way to deal with unforeseen threats to national food security.³³⁵ It was assumed that when farmers started benefiting, subsidy level would start reducing from 50% in the first year, to 25% in the second year and to 0% in the third year.³³⁶ The subsidy being referred to above was provided by Government through a programme called Fertilizer Support Programme (FSP). The Fertilizer Support Programme had been engaged in direct procurement and distribution of the seed and fertilizer to the small scale farmers. The direct procurement and distribution entails that, the agricultural input procurement system was centralized. The Ministry of Agriculture and Co-operatives at Head Quarters in Lusaka had to procure inputs for all the beneficiaries under the Government subsidy programme nationwide through the process of tendering/obtaining sealed

³³³ B. Chituwo, *Crop Forecasting Survey for 2008/2009: Drawing on the Experience of 2007/2008 Agriculture Season*. (Lusaka: Mulungushi House, 2010), pp. 67-78.

³³⁴ GRZ, Ministry of Agriculture and Livestock, *FISP Implementation Manual*, 2002. Also see Katete District Audit Report on Co-operatives, 2005, pp. 6-10.

³³⁵ Quoted from J. Ricker-Gilbert, T.S, *What are the Enduring Effects of Fertilizer Subsidy Programme on Receipt from Household; Evidence from Malawi. Staff Paper, Department of Agricultural, Food and Resources Economic* (Michigan; Michigan State University, 2011), pp. 45-50.

³³⁶ Ministry of Agriculture and Co-operatives, *Implementation Manual 2002/2003 Agricultural Season Farmers Support Programme* (Lusaka; Mulungushi House, 2002).

bids from registered Agro Suppliers.³³⁷ The successful bidders were then given contracts to supply and transport the seed to various districts for subsequent distribution to farmers through the Co-operatives.

According to Simfukwe, the major suppliers to the FISP Programme was Zamseed, MRI, Pannar, and Seedco, Nitrogen Chemicals of Zambia and Nyiombo Investments.³³⁸ The direct procurement and distribution had its own benefits such that maize production increased. Ministry of Agriculture and Co-operatives (MACO) explains that, for the 2010/2011 agricultural season, 891,500 small scale farmers were earmarked to benefit from FSP now called Farmer Input Support programme (FISP). Additionally, Mbozi highlighted that, FISP in its first seven years of implementation while using direct procurement had managed to distribute a total of 422,000 Mt of fertilizer (valued at ZMK1, 361.1 billion), covering a total of 1,505,000 hectares of small scale maize. Annually, the programme supplied an average of 60,000 metric tons of fertilizer covering about 150,000 small scale farmers, (each with a 1 hectare input pack for maize) countrywide. According to Ministry of Agriculture Co-operatives, it was revealed, that the direct procurement system gave small scale farmers access to inputs at a current 75 percent subsidized price, and also the system delivers agricultural inputs right in the communities by government or programme implementer.

5.1.2. Composition of FSP to Co-operative Members in Eastern and Southern Province

Initially, under FISP Eastern and Southern Province, benefiting smallholder farmers were receiving input pack consisting of 400Kg of fertilizer in total. They received 200kg basal dressing (Compound D), 200Kg top dressing (Urea), and 20Kg of hybrid maize seed.³³⁹ One pack was expected to plant one hector of maize and producing of about thirty to forty bags of shelled maize if well managed. The average number of bags produced from a beneficiary was ranging from fifteen to twenty five. The major factors contributing to low yield was as the result of poor rainfall pattern and poor soil pattern due to erosion. Some farmers fail to use proper fertilizer application measurements. Others sell their inputs and fail to plant certified seed. These problems led to

³³⁷ B. Chituwo, Crop Forecasting Survey for 2008/2009 Agricultural Season and the Food Balance Status for the 2009/2010 Marketing Season, 2009, 78-79.

³³⁸ J.H.M, Kachule, T. Kalinda, T. Chilongo, M. Simfukwe and E. Tostao, Input Voucher Study in Malawi, Mozambique and Zambia; A final Synthesis Report, 2007, pp. 89-90.

³³⁹ A. Sianjase, 'Impact of Input Support Programme on beneficiaries', M.A. Dissertation, A Case of Gwembe District, University of Zambia. 2013, pp. 67-70.

poverty to many farmers in Eastern and Southern Province despite government efforts in the supply of inputs. A household consumed an average of ten to fifteen bags of maize for them to survive up to the next season.

However, for the 2009/2010 farming season, the input pack size was reduced with the inception of the Farmer Input Support Programme. In theory, each benefiting smallholder farmer was to receive only one pack of inputs consisting of 200kg of fertilizer (100kg of basal dressing and 100kg of top dressing).³⁴⁰ However, in practice on the ground in Eastern and Southern Province, were the quantities of subsidized inputs varied greatly across benefiting smallholder households. There were 32,620 registered co-operatives which were beneficiary of FISP in Eastern and Southern Province. Each season an inclusion of about 20 extra co-operatives are registered in each district through the registrar of co-operatives.

According to FISP guidelines for a small scale or emerging farmers to be eligible to access farm inputs, one had to be a member of a co-operative society within an agricultural camp.³⁴¹ These agriculture camps are managed by Camp Extension Officers supervised by Block Extension Officers under the Ministry of Agriculture.³⁴² Farmers themselves initiated the formation of co-operatives while in some cases, a camp officer facilitated the formation of these group. Members selected co-operative committee at an annual general meeting responsible for managing activities of the co-operatives. Once a co-operative had been established, the members elected a board of directors headed by a chairperson. Other board members were the secretary and the treasurer.

The term of office for board members varied from one co-operative society to another. Some have a two year term while others have a three year term. In addition, each co-operative society was to be registered with the registrar of co-operatives society at the ministry of agriculture and co-operatives (MACO) headquarters.³⁴³ Once registered, a co-operative Organisation qualified to apply for farm inputs. Before applications can be made, District Agriculture Committee (DAC) together with the Co-operative Board (CB), the Camp Extension Officer (CEO) set the date and

³⁴⁰ S. N, Matapa, 'The Impact and Efficiency of the Fertilizer (FSP) on Food Security Among Small Scale Farmers in Rural Zambia, A Case of Chongwe District', M.A. Dissertation, University of Zambia, 2010, p. 24.

³⁴¹ N.A.Z, 3/2/142, Eastern Province Monthly Report November 1997, p. 11.

³⁴² GRZ, Ministry of Agriculture and Livestock, Eastern Province Farmers Support Programme Audit Report, 2006.

³⁴³ S. Mbozi and J. J Shawa, *Proposed Report on Reforms for the Zambia Fertilizer Support Programme, Ministry of Agriculture and Co-operatives* (Lusaka; Ministry of Agriculture HQ, 2009), p. 8.

venue for explaining modalities of the programme to prospective applicants.³⁴⁴ Also, the village farmers committee, village headman and other local leaders or representative were expected to attend the meetings. After applications modalities had been explained, farmers were allowed to apply through the respective co-operatives board and is involved in the process of appraising and considering applications. Upon counter checking, CEOs endorse the list of applicants who were to benefit from FISP inputs.

The application was then forwarded to District Agriculture Committee (DAC) where it was checked and approved or disapproved. After approval of the application, the co-operatives board and committee of other farmer Organisation arrange to collect the required amount of money from approved applications and deposited the money into the specific account approved by the Programme Coordinating Office (PCO).³⁴⁵ Deposits slips were then taken to the DACO as evidence that funds were being remitted.³⁴⁶ The DACO issues Authority to collect (ATC) specifies the deposit collection point where inputs will be drawn by each individual farmer with an identity card. The district is also assisted to appoint and hire a transport/local distributors.³⁴⁷ A contractual agreement was signed by the District Agriculture Coordinator indicating quantities to be delivered and contract price. The transporter had a responsibility upon payment by government to deliver inputs to the shade, depot or ware house nearest to the co-operatives in the locality. The PCO and MACO appoint the Depot Manager. The role of the Depot Manager was to issue agricultural inputs (fertilizer and maize seed) at the main depot and satellite depot. The Farmers Input Support Programme in Eastern and Southern Province has over the years distributed huge quantities of seed and fertilizer to the smallholder farmers. The number of inputs supplied in the district is higher than the expected produce. This explains why there is a problem in the way inputs have been used by farmers in the district. So far, it seems the programme has not achieved most of objectives.³⁴⁸

5.1.5. Comparative Analysis on the Distribution of FISP to Co-operative Members in Eastern and Southern Province

³⁴⁴ ACF/FSP, 'Policy Advisory Note 2: Proposal Reforms for the Zambia Fertilizer Support Programme', Lusaka, 2009.

³⁴⁵ Ministry of Agriculture and Livestock, *Implementation Manual 2009/2010 Agricultural Season, Farmer input Support Programme (FISP)* (Lusaka; Ministry of Agriculture HQ, 2010).

³⁴⁶ Interview, Aston Chiyambi Banda, Co-operative in Petauke District, 22nd July 2020.

³⁴⁷ Interview, Stanely Banda, Ministry of Agriculture in Katete, 30th July 2020.

The major activity of the co-operatives in Eastern and Southern Province is farming and maize is the main crop grown by farmers who are members of the co-operatives. Other crops grown include groundnuts, sunflower, cotton, soya beans and sweet potatoes among others. In this case the co-operatives were made up of farmers who were required to pay a membership fee. The membership fee ranges from ZMK10.00 to ZMK50.00 nearly in the entire co-operative in the provinces.³⁴⁹ Share capital refers to money realized from the sales of shares in agricultural co-operatives society which is used to fund activities of the co-operatives. The share capital was calculated by the number of shares which a particular person saved in a co-operative society. In this case, each member was required to buy a maximum of ten shares from the co-operatives at a cost determined by the co-operative board.³⁵⁰ The interest that was realized from activities of the co-operatives was given to shareholder at the annual general meeting.

However, some co-operatives were faced with problems. This is because some of their members failed to buy shares or few members bought shares. The members also failed to generate profits from the agricultural activities they were engaged in, due to inadequate inputs they received which affected their maize production.³⁵¹ For example during 2006-2007 farming season, some members in Southern such as Kazungula, Livingstone, Zimba and Kalomo District produced less than 10x50Kg of maize and others did not even have any produce.³⁵² This was due to poor rainfall received and that, co-operative had not all been receiving inputs as expected. This was also because government had not fulfilled the implementation of FISP through co-operatives as to cater for all beneficiaries. At the same time to ensure its sustainability of the programme. The FSP was supplying fertilizer and seed to small scale farmers at 60% subsidy.³⁵³ However, out of the 170,000 estimated small scale farmers in Eastern and Southern Province 2006/2007 only 97,500 benefited from the subsidized input in the district.³⁵⁴ The main reason for the short fall is that, the government could not cater for all the vulnerable small scale farmers and expected others to be supported by private sector.

³⁴⁹ Interview, Mr. Mate, Agriculture Camp Extension Officer, Livingstone District, 12th June 2020.

³⁵⁰ Ministry of Agriculture FISP Hand Book on for 2003/04, p.4

³⁵¹ Interview, Lyford Phiri, Member of District Agriculture Committee on FISP, Sinda District, 17th August 2020.

³⁵² Interview, Onenji Phiri, Member GRZ, Fertilizer Support Programme Report, 27th February 2009, Internal Evaluation.

³⁵² Interview with Mr. Hamanze, Mukwera, Farm No.9, Kalomo District, 18th August 2020.

³⁵³ GRZ, Fertilizer Support Programme Report, 27th February 2009, Internal Evaluation.

³⁵⁴ District Co-operative Annual Report on FISP for 2006/2007 Season. 23.

The main aim of FSP was to empower viable small scale farmers so that they could graduate to next farming level (median-scale farmers) and become sustainable without further dependency on the FSP subsidized inputs.³⁵⁵ However, the FSP in its current form in some areas operated like an input supply system rather than an asset building strategy. Part of the thinking was that the FSP was about continuous promotion of subsidized input, provided intended beneficiaries able to raise the prescribed subsidy. The system created a culture of continued dependency on FSP subsidy resources instead of building sustainable asset.

All the co-operatives visited in Eastern and Southern Province so far, have no records showing farmers who had graduated to the next level and are sustainable by them and have since ceased benefiting from inputs.³⁵⁶ The programme is designed in such a way that every after two years beneficiaries should graduate and none of the farmers visited had graduated despite being on the programme for more than two years. It is also evident that farmers become dependent on the programme. While private sector was expected to cover the remaining group of farmers, analyzing of information from the focus group discussions indicates that majority of farmers in remote areas such as Mapanza, Siachitema, Mubanga, Dundundumwezi, Matunga, Chimtende, Katiula and Kafumbwe did not access fertilizer. This is because the private sector was unable to reach them due to poor feeder roads. In addition, the cost of fertilizer and seed was very expensive.

Information gathered for the study from Eastern and Southern Province show that, inputs received by farmers were inadequate and unsustainable. They were unable to participate and benefit from the programme. Small scale farmers also complained that there was lack of sensitization on the mode of programme delivery by government following the review reform and renaming of Fertilizer support programme (FSP) in 2009 to Farmer Input Support Programme.³⁵⁷ The pack size to farmers was reduced from eight (8) 50 kilograms (50kg) bags of fertilizer and 20 kilograms (20kg) bags of maize seed to four (4) 50 kilograms bags (50kg) of fertilizer and 10 kilograms bags

³⁵⁵ S.N, Matapa, 'The Impact and Efficiency of the Fertilizer (FISP) on Food Security among Small Scale Farmer in Rural Zambia', M.A. Dissertation, A Case of Chongwe District, University of Zambia, 2010.

³⁵⁶ Interview, George Banda Assistant District Co-operative Marketing Officer Kasenegwa District 18th June 2020.

³⁵⁷ Interview, Peter Phiri, Mpoto Village, Chipangali District, 23 May 2020.

of maize seed.³⁵⁸ This was done in order to increase the efficiency of input used by farmer and increase the number of beneficiaries.³⁵⁹

Despite the reduction in the number of bags of fertilizer, many registered co-operative members in Eastern and Southern Province did not get anything from their co-operatives at the time of distribution. Worse still it has been reported in many co-operative in the provinces that executive members have ended up misappropriating money for their members instead of refunding them when they did not benefit from the programme.³⁶⁰ The situation of misappropriating of money by executive co-operative members landed many in jail. This has been causing hunger and poverty among small scale farmers as a result of poor crop harvest because of failure of using certified seed and fertilizer. A very good example some serious cases were reported more in, Chipata and Chadiza District in 2010 were co-operative executive members were imprisoned because of financial mismanagement.³⁶¹

The co-operatives that were being found with abuse of resources had ended up being deregistered because of failure to comply with the rules and laws of the co-operative act.³⁶² For the purpose of farming inputs, many co-operatives in Eastern and Southern Province had been changing names of their co-operatives and executive members after being deregistered. These types of co-operatives have been recycled and registered again. This is as a result of poor monitoring and evaluation which is one of the major elements for the unsuccessful implementation of programme. At district level, the district marketing and co-operatives office is responsible for the monitoring and evaluating function of FSP. Information from the Ministry of Agriculture and Co-operatives shows that both District Agriculture Committee meeting and monitoring and evaluation activities were not held due to lack of or inadequate funding from government.³⁶³

5.1.6. Challenges in the Implementation of FISP in Eastern and Southern Province

³⁵⁸ Ministry of Agriculture and Livestock Implementation Manual 2008/2009 for Farmers Input Support Programme (Lusaka; Ministry HQ, 2009), p. 6.

³⁵⁹ Interview, Chripine Chipika Block Extension Officer, Ministry of Agriculture and Co-operative, Katete, 2nd June 2020.

³⁶⁰ Interview, Maxwell Banda, A Co-operative Member of James Simukale Co-operative, Monze District. 2nd August 2020.

³⁶¹ Interview, Adson Banda, Chilobwe Co-operative Member, Chipata District, 23th July, 2020.

³⁶² Interview, Kamano Hachila, Nachilinda Co-operative Member, Kazungula District, 3rd June 2016.

³⁶³ Interview, Ziko Kahenge, Senior Agriculture Officer Katete District, 14th may 2020.

The Report on Proposed Reforms for Zambian Fertilizer Support Programme (2009), cites delays to release funds by Ministry of Finance and National Planning as one of the major challenges FSP was facing. With this challenge, the direct procurement which can be done on credit was very advantageous for governments and beneficiaries in Eastern and Southern in particular that had financial challenges. Under the direct procurement system, once a contract had been issued to the supplier, it acted as surety enough for the supplier to deliver agricultural inputs to the farmers and payment was done after delivery, thereby giving government more time to organize its resources, while giving access to farmers to acquire inputs before they were paid. The above positive results notwithstanding, there had been a number of concerns about, the direct procurement and distribution in Zambia. The issue of policy inconsistency was sighted by the study conducted in 2009 on the performance of the FSP. Government had put up policies on private participation, so government involvement in direct procurement through Fertilizer Input Support Programme (FISP), contradicts its effort in promoting private participation and development. The mode of implementing subsidy in Zambia that used direct distribution displaces 20-50% commercial sales of fertilizer. For instance, for the 2010/2011 agriculture season, government was providing inputs to 891, 500 small scale farmers out of the total 1,200,000 scale farmers in Zambia. The implication was that the private input supplier's potential buyers had already been supplied by government leaving only 25 percent of farmers population as potential customers, that may not warrant the capital investment of the private input suppliers in the rural areas.

In other words, the direct procurement and distribution had potential to hamper private sector development in agriculture. On the part of government, it was also a huge financial and administrative burden to engage in procurement and movement of agriculture inputs. The direct procurement and distribution of agricultural inputs, for instance, for 2010/2011 season to about 891, 500 farmers in 73 far apart districts of Zambia was quite complex process.³⁶⁴ It involved arranging and paying heavily for the transportation and storage of over 1.2 million tons of bulk agricultural inputs. Some of the activities like storage and part of transportation were may be transferred to private sector, by using local agro dealers or other indirect methods of procurement. The complexity of the direct procurement and distribution may be a contributing factor to the cited

³⁶⁴ Central Statistics Office/Ministry of Agriculture and Co-operatives, 2004. Crop Forecast Report, Lusaka, Zambia

delay in the accessing of agricultural inputs and late planting by the farmers and the subsequent reduced the crop yields.

According to CSO/MACO, late planting had potential to reduce crop yields thereby affecting food security situation.³⁶⁵ The CSO/MACO (2004), crop forecast data reported an average 33 percent reduction in yield per FSP beneficiary. Emanating from the above shortcomings, the lack of sustenance, late delivery of inputs to farmers, limited private sector participation, and the high administrative cost, poor fertilizer use were efficiency factors that were attributed to the direct system of procurement and delivery.³⁶⁶ Mbozi notes that, despite the massive input subsidy by the government and donors on agricultural inputs to the small scale farmers, the rate of increase in agricultural production did not seem to correlate with the cost of programme investment. Similarly, the former Tanzanian President, Julius Nyerere once noted that development is about people, it must have effects in people's lives by changing them for the better.³⁶⁷ The situation is that from 2002 when it was re-introduced, there is no record showing farmers whose lives have improved and were ready to be weaned off, but if anything the number of beneficiary farmers continues to rise every year. This therefore, has continuously been calling for the need to re-look the programme implementation of the government subsidy. The Government of Zambia and agricultural stakeholders were alive to these facts. The Permanent Secretary, Isaac Phiri during Parliamentary Public Accounts Committee was quoted to have said that it's not easy to run the FSP indicating that the desirable strategy was for the private sector to play an active role and not the government. Government seems to have made some efforts to address the challenges. In January, 2009, a study tour led by Ministry of Agriculture and Co-operatives was undertaken to Kenya, Tanzania and Malawi to learn how the subsidy in Zambia can be implemented in an efficient and effective manner.

In another attempt, according to the 2009 Annual Progress Report of the Fifth National Development, the Fertilizer Support Programme (FSP) changed its name to Farmer Input Support Programme (FISP).³⁶⁸ The change was an effort to address some issues of beneficiary targeting and sustainability of the programme. On the other hand, other Non-Governmental Organisations

³⁶⁵ CSO/MACO, *Crop survey and Animal Statistic* (Lusaka, CSO, 2004).

³⁶⁶ Central Statistics Office/Ministry of Agriculture and Co-operatives, *Crop Forecast Surveys 200/2001-2007/2008*

³⁶⁷ G. Mbozi .et al, 'Report on Proposed Reforms for Fertilizer Support Programme, 2009.

³⁶⁸ ACF/FSP Policy Advisory Note, *Proposed Reforms for the Zambian Fertilizer Support Programme (FSP)' 2009.*

in the agricultural sector had also been looking at efficient and effective ways of implementing the subsidies to realize timely delivery of agricultural inputs, private sector involvement, reasonable administrative cost and reduced administrative time by the implementer. According to Minde et al (2008), achieving the benefits of the input subsidy depended greatly on how the programs was implemented.³⁶⁹

The report by Agricultural Consultative Forum (ACF) also show that, most agro dealers were located along the line of rail, and as such for private sector agricultural input delivery to provinces like Luapula, Western, Northwestern and Northern provinces was problematic, hence giving some popularity to the direct procurement and distribution. Simfukwe also explains that, despite the agricultural input urban market being very impressive as of 2006, there was no evidence of permanent presence of seed trading at rural community level, and servicing these rural farmers may be very difficult through the local private markets.³⁷⁰ The direct procurement and distribution offsets some challenges of agricultural inputs accessibility and availability. Another important aspect to note is that when using the direct procurement system, the issuance of the contract and delivery inputs to the beneficiary can be done prior to funds being released. The direct procurement had an advantage, in that the programme implementer got the agricultural inputs supplied to the beneficiaries before payment is made.³⁷¹

The allocation of the activities of FISP in Eastern and Southern Province was inadequate because very few farmers benefited. The District Agriculture Committees no longer met to consider the fertilizer application. The District Agriculture Coordinator (DACO) made decisions regarding the applications. The districts had also been challenged with shortage of transport, office furniture and non-payments of allowances, missing lunch allowance, subsistence allowance among others were not given to the officer involved in the program.³⁷² This situation obvious made consequences for the performance of the programme. Firstly, it severely restricted the amount of contact time

³⁶⁹ I. Minde, T.S. Jayne, E. Crawford, J. Ariga and J. Govereth, Promoting Fertilizer use in Africa: Current Issues and Empirical Evidence from Malawi, Zambia and Kenya, 2008, pp. 45-50.

³⁷⁰ Simfukwe, Mwalimu, 'Relief Seed Trade in Zambia' *FANRPAN*, 2006.

http://www.fanrpan.org/documents/d00202/Zambia_Seed_Trade_Simfukwe_Sept2006.pdf

³⁷¹ CFU, 'Position Paper on Fertilizer Support Programme (FSP); Drawing on the Experiences of the 2007/8 Agricultural Season', 2008, p. 45.

³⁷² Interview, Simon Mwale Agriculture Camp Extension Officer for Kafumbwe Agricultural Camp in Katete, 14TH May 2020.

between officers from agriculture and co-operatives official as well as farmers. Secondly, it created difficulties such as agricultural administration in general and management of the programme.

This did not only generate frustration and lack of enthusiasms and low morale, but also encouraged both senior MACO official and co-operatives officials. As a result, the FISP programme was not effectively monitored in the districts and had affected performance of co-operatives and intended purpose of the programme. Most of the co-operatives did not have well-kept records of their activities and had also failed completely to monitor and evaluate the programme.³⁷³ In addition to this, many farmers lacked technical know-how on the use of fertilizer. This in turn, led to low production, which affected food security.

The farmers in Eastern and Southern Province complained about political interference from the local politicians. The politicians were said to be strongly backing certain individuals or farming communities to receive inputs without following laid down procedures. In some cases, it was reported that politicians themselves benefited from the FISP inputs. MACO officials were in some instances summoned by local political leaders to lobby for inputs for their supporters.³⁷⁴ These officers were intimidated and threatened with transfer to more remote places.³⁷⁵ Apart from this it has been noted that majority civil servants and few retirees in the district urban area have formed co-operatives and are beneficiaries of this programme without targeting the intended beneficiaries.

It has also been reported in some of the co-operatives that some businessmen from the urban area were getting bulk inputs using executive co-operative members who later used names of registered farmers and these businessmen later sold on the black market.³⁷⁶ Some of the co-operative executive members always wanted the first priority beneficiaries to be their nuclear and extended family leaving the targeted beneficiaries. This problem was very common in most of the co-operatives and it is because there was no proper monitoring and evaluation by MACO officials.

Apart from this, the programme has also been affected by local transporters. While inputs were expected to be delivered in Eastern and Southern Province by October, the common experiences

³⁷³ Katete District Farmers Support Programme Audit Report, 2010.

³⁷⁴ N. Sitko, 'The Fractured Politics of Food Security: Maize, Power, and Hunger on a Zambian Frontier', Ph.D. Dissertation. University of Colorado, 2010.

³⁷⁵ Interview, Christopher Tembo, Kasusu Co-operative Executive Member, Petauke District, 24th June 2020.

³⁷⁶ Choma District Co-operative Annual Report on FISP 2012. pp. 42-44.

to small scale farmers was that inputs arrived in the provinces and satellite depots as late as March.³⁷⁷ In some instances, farmers felt that some local transporters delayed taking inputs to their location. The local transporters found it expensive to transport few bags of fertilizer and therefore found it necessary to wait until there were adequate numbers of bags to carry to the same destination. Late delivery of inputs was also attributed to protocol and cumbersome procedures that the recipients were subject to.

Even though there was greater effort by government to ensure efficiency in the input distribution, the majority of farmers indicated that more effort was needed to address the input distribution problem.³⁷⁸ The government always delayed each year in distributing inputs and even when it comes to payment of money for the crops that farmers sold to Food Reserve Agency (FRA) were it took a long time for farmers to be given their money. Other concerns of farmers in Eastern and Southern Province were expressed that, sometimes the inputs were been delivered late in the farming season, for instance in some situation the inputs were delivered as late as January, February and March.³⁷⁹

One of the factors identified as affecting the distribution process was the alleged corruption of the distribution center. The procedure was that, government at district level identifies transporters to distribute inputs. These transporters were then assigned where to deliver the consignment. However, many farmers reviewed that the process of assigning where the transporter should deliver had been marred with corruption. More especially farmers from rural remote areas were asked to pay extra money for their inputs to be transported. These farmers had similar experiences where they were assured that the next load would be for their co-operatives. However, surprisingly when the amount being loaded exceeded their allocation they were later informed that the load was actually meant for a different co-operative. The farmers indicated that it was better to help by engaging more transporters to carter for the many co-operative at the beginning of the agriculture season delivery. Many farmers relied on the same little money which FRA delayed in paying them and as a result they struggled to pay money for school going children and also failed to meet daily

³⁷⁷ Interview, Anderson Jere, Mseka Co-operatives Member, Chipata District, 24th June 2020.

³⁷⁸ Interviews with Mr Thole, Kalimeta Co-operative, Katete District, 18th May 2020.

³⁷⁹ Interview, Yohane Phiri, Farmer and Co-operative Member for Chisekisi Co-operative, Monze District, 5th August 2020.

needs.³⁸⁰ As mentioned earlier, poor feeder roads were also contributing to difficulties in input supply. This seriously affected input delivery on farmers far from the district and the main road and they were the most disadvantaged by these delays.

The major concerns raised by the farmers in Eastern and Southern Province was on the late delivery of inputs and the inadequate on the quantities supplied. At the start of FISP 2002/2003, farmers used to receive 8x50kg of fertilizer 4 basal and 4 urea with 20kg of maize seed for 1 hector.³⁸¹ But after 2008, everything changed and farmers started receiving 4 bags 2 basal and 2 urea. The officials from the Ministry of Agriculture and Co-operatives did not explain or give the reason why the pack was reduced.³⁸² Farmers complained that they were not told and sensitized about the change in the reduction of packs. Farmers were concerned with the reduction in the quantities of the farmer input support. For instance, 2008/2009 agriculture season saw more problems as farmers only received 1x50kg basal and 1x50kg top dressing of fertilizer in the month of November 2009.³⁸³ This supply was half of what the farmers expected to receive. However, the surprise continued in the following season when the same people received 1x50kg basal and 1x50kg top dressing of fertilizer.

The farmers in Eastern and Southern Province were also challenged by inadequate crop marketing and this problem of agricultural marketing was identified as the major institutional constraint that small scale farmers were facing.³⁸⁴ Agriculture market and market participation, key factors in marketing participation include long distance, lack of affordable or appropriate transport and poor feeder roads.³⁸⁵ While political constraints included the mobility of small-scale farmers to influences the term of their participation in the market and lack of market intermediaries.³⁸⁶ Some farmers said that when it came to sell maize to FRA, it becomes difficult

³⁸⁰ A, Mwanaumo, *Maze of Maize; Improving Input and out Market Access for Poor Smallholder in Southern Africa Region, The Experience of Zambia and Malawi* (Norway: University of Norway, 2003), p. 13.

³⁸¹ GRZ, *Farmers Support Programme Implementation Handbook*, Ministry of Agriculture. (Lusaka: Mulungushi House, 2003).

³⁸² Interview, Simon Mwale, Agriculture Camp Extension Officer, Kafumbwe Agriculture Camp, Katete, 4th May 2020.

³⁸³ Interview, Solomon Banda, Former Co-operative Marketing Officer Chipata, 28th September 2020.

³⁸⁴ Interviews with Mr Mooya, Kabuyu Co-operative, Kazungula District, 24th May 2021.

³⁸⁵ N.M, Mason, W.J. Burke, A. Shipekesa, and T.S. Jayne. *The 2011 Surplus in Smallholder Maize Production in Zambia: Drivers, Beneficiaries, and Implications for Agricultural and Poverty Reduction Policies*. FSRP Working Paper No. 58. Lusaka: FSRP, 2011.

³⁸⁶ A. Sianjase 'Impact of Support Program on Beneficiaries, the Case of Gwembe District', MA Dissertation, University of Zambia, 2013, p. 23.

and only those who had connections to political leadership had easy access to sell their crops. Because the majority of rural farmers were scattered and isolated, connecting to both input and produce markets was a major problem and consequently for increasing in agricultural production as expected by FISP.³⁸⁷

According to the 2006/2007 MACO FSP implementation manual, each district was supposed to have a main depot established for the purpose of distributing agricultural inputs. Each main depot was expected to have an average distance of eight satellite depot. In addition to this, the average distance from the depot to each satellite depot should be about 7.5KM. About 50% of the inputs allocated to each district were supposed to be distributed through satellite depots.³⁸⁸ It should be noted that shades, warehouse and satellite depots were used for both receiving inputs and for maize sales. Many farmers had to cover long distances to take their maize produce to other depots. Depot shades were found in all the districts in Eastern and Southern Province. Majority of these depots were being hired on rent which government spent colossal sums of money. Crops marketing arrangements were characterized by spatial relations between markets points and the locality served by the market.

The constraints on marketing were also compounded by inadequate transport facilities and poor road conditions. The feeder roads network was very poor in some parts of the districts. This worsened especially during the rainy season. This created difficulties in supplying the inputs to places that were off the main roads. This forced farmers to travel long distances on bicycles, scotch carts and wheelbarrows to collect inputs from the supply points. Because of the poor road conditions of the rural roads and limited transports facilities at the disposal of small scale farmers, many found it extremely expensive to take their crops to the market points provided by FRA in the district.³⁸⁹

As a result, a considerable portion of harvested maize was left unpurchased. This situation in turn tends to discourage many small scale farmers from increasing their agricultural production. The

³⁸⁷ G. Tembo, A. Chapoto, T.S. Jayne, and M. Weber. 2009. *Fostering Agricultural Market Development in Zambia*. FSRP Working Paper No. 40. (Lusaka: FSRP, 2009), p. 78.

³⁸⁸ Ministry of Agriculture and Co-operative, *Implementation Manual 2006/2007 Agriculture Season* (Lusaka; Mulungushi House, 2006), p. 67.

³⁸⁹ N.A.Z EP 4/182, Ministry of Agriculture and Livestock 'Department of Co-operative Annual Report for the year ending December, 1999, p. 52.

FRA determined the number of satellites depots in the district were farmers delivered their crops in their respective areas. The FRA did not provide any form of transport assistance to farmers to ferry their crops to the satellite depots.³⁹⁰ From this situation, it may be concluded that a large quantity of maize in remote areas remained unpurchased by the FRA. However, there was also lack of personnel and high operational costs in the district. These were combined to reduce the effectiveness of depots established by FRA to host agricultural production and marketing. Not only were depots costly to maintain, but their numbers were too inadequate to carter for the needs, thus hindering the development of adequate linkages between production centers and operational points.³⁹¹ This problem is further exacerbated by lucky of efficient management staff as well non availability of the requisite inputs at the right time, in the right place and required quantity. Crop marketing in Eastern and Southern Province was also characterized by poor marketing arrangements, low output prices, fewer buyers and poor transport facilities add to the constraints.

Crop marketing and payments procedures under this period of FISP was not in favour of the farmers in the district. In most cases, farmers received their money late, when inputs were either in short supply or not in stock.³⁹² The FRA, as the only government mandated agency to purchase maize from farmers, was insufficiently funded. It procured maize grain from small scale farmers but failed to pay them on time. In addition to this, the price at which FRA purchased maize was unpredictable making it difficult for farmers to plan. Government had in some cases prohibited maize exports or subjected exports to licensing and it also imposes import quotas haphazardly.³⁹³ There was uncertainty over the governments import tariff rates. For example, when a shortfall of maize in 2001 was announced, the Zambian Government declared their intention to import maize to be sold at a subsidized price.³⁹⁴ Fearing that they would have a hard time competing with subsidized government sales, traders were less active in purchasing maize both domestically and

³⁹⁰ N. Mvula, *Crop Marketing for 2008/2009 Marketing Season* (Lusaka; Times of Zambia, June 11th2008), p. 20.

³⁹¹ S.M. Nyamfalila, 'The impact and efficiency of the Fertiliser Support Programme (FSP) on food Security among Small Scale Farmers in Rural Zambia: A Case Study of Chongwe District', MA, Public Administration Dissertation, University of Zambia, 2010, pp. 23-26.

³⁹² Interview, John T. Lungu, Member of Mzime Co-operative and NWK Company contact farmer Katete, 26th June 2020.

³⁹³ Jayne, T.S., B. Zulu, G. Kajoba, and M.T.Weber. *Access to Land and Poverty Reduction in Rural Zambia: Connecting the Policy Issues*. FSRP Working Paper No. 34. (Lusaka: FSRP, 2008), pp. 21-25.

³⁹⁴ Katete District Co-operative Annual Report on FSP 2004, pp. 8-12.

from abroad, than they would otherwise have been. It turned out that government was unable to import as much and as fast as it had declared.³⁹⁵

Most co-operatives societies in Eastern and Southern Province today have no single asset and one glaring thing is that they were created on political and therefore on partisan lines from the period 2002-2008. The MMD administration which introduced FISP on co-operative societies destroyed them in order to siphon subsidized fertilizers from government to MMD carders. Therefore, this motive was mainly for personal commercial interest and only leaving the targeted beneficiaries.³⁹⁶ These types of co-operative societies in Eastern and Southern have been seasonal in their operational. Their operations are basically selling fertilizers at the same time of distributing subsidized fertilizers and seed. This is why they are called fertilizer co-operative and are political in nature. They surface only when it is time for distributing subsidized farm input.

After distributing of farm inputs, co-operatives societies disappear until the next subsidized fertilizer distribution time. Since the introduction of FISP, almost 40% of the members of most co-operatives societies were civil servants with a few other members who were mostly influential leaders of MMD.³⁹⁷ The introduction of FISP has brought more harm than good because all the co-operatives lost even the few surviving assets which they had. All the co-operatives have now concentrated on input without having any income generating activities. From the evidence gathered in the two provinces, it shows that since the introduction of FISP many co-operatives were formed only to access FISP.

5.1.6. Government Intervention on FISP Challenges

In order to intensify FISP, the MMD government introduced a change in the process of awarding contracts to suppliers of inputs to the agriculture subsidy programme.³⁹⁸ This was highly welcomed because it was long overdue. Many farmers had raised concerns over the manner in which contracts were being awarded for the supply of fertilizers under the government Farmers Input Subsidy Programme. There was need for changes to be made at every level of the Programme. This was to

³⁹⁵ S.N. Matapa, 'The Impact of and Efficient of the Fertilizer on Food Security among Small Scale Farmers in Rural Zambia', M.A. Thesis, A Case of Chongwe District, University of Zambia, 2010, pp. 2-4.

³⁹⁶ Interview, Solomon Banda, Former District Co-operative Marketing Officer Chipata 1999; Retired, 28th July 2020.

³⁹⁷ Food Reserve Agency (FRA), Marketing Linkages Budget Report, Lusaka, 2004.

³⁹⁸ Griffith, B. 'Efficient Fertilizer Use Phosphorus. The Efficient Fertilizer Use Manual. Accessed website June 7, 2010 at <http://www.rainbowplantfood.com/agronomi cs/efu/phosphorus.pdf>

start from the tender bidding stage up to the supply of inputs because the programme was plagued by high level of corruption.³⁹⁹ A lot of money was purposed into the programme but very little benefits trickled down to the intended beneficiaries of the Farmer Input Support Programme. The government was spending a lot of money on FISP and yet the programme did not fully meet the targeted beneficiary. Some of the suppliers of fertilizers to the government did not have what was required to warrant the award of those contracts. Some had even been sourcing fertilizer from Nitrogen Chemicals of Zambia which has been neglected for many years. Since its inception the government subsidy on fertilizer measured as a percentage of the total cost to farmers had increased from 64 percent to more than 90 percent by 2008.⁴⁰⁰ Despite all the efforts by the government of subsidy, all was still in vein because it has been noted that the system was still politicized and corrupt.

A recent survey in 2008, which was carried on FISP in Eastern and Southern Province by government, indicated that there were three major problems which hindered targeted beneficiaries. First, FISP enable politicians to establish systems of patronage and rural support by influencing more allocation on their strong holds.⁴⁰¹ During 2007/2008 season, FISP supply in Eastern Province, Petauke and Katete in the home areas of Member Parliament's (MPs) indicated that co-operatives received more inputs and that 95% of those who had paid for subsidies in their areas benefited from the programme with less problems.⁴⁰² This system always created shortage in input supply to the districts because many farmers in other areas did not receive the required inputs. The refunds from their co-operatives were done at a time when inputs in Agro dealers were hiked. Initially this programme targeted people in extreme poorly and intended to help the farmers and nation at large to focus on the use of their resources. However, this target was more completed in theory than in practice. The criteria for selection of beneficiaries had even made the programme more prone to political interference. FISP initially used committees to identify the productive poor full-time smallholder farmer who could not afford to purchase one or two bags of fertilizer at

³⁹⁹ GRZ, *Ministry of Agriculture and Co-operative, 'FISP Implementation Manual for 2012/2013* (Lusaka; Ministry HQ Mulungushi House, 2013), p. 6.

⁴⁰⁰ Katete Co-operative Annual Audit Report on FISP 2012-22013, pp. 34-42.

⁴⁰¹ FSRP/CSO. Supplemental Surveys 2004 and 2008. Lusaka: FSRP/CSO.

⁴⁰² Interview, Samson Banda, Kasenga Co-operative Executive Committee Member, Namwala District, 6th August 2020.

prevailing commercial prices as determined by the leaders in the area.⁴⁰³ Practically in most of the co-operatives in Eastern and Southern Province there was no system of selecting beneficiaries because anyone who had paid a membership fee and shares was eligible to benefit.

The system operated on first-come-first-serve and money paid for shares was not accounted for in most of the co-operatives. The adopted culture was that it was used for co-operative logistics by executive members together with agricultural camp extension officers such as missing lunch, transport, and subsistence allowance.⁴⁰⁴ This trend was taken as a normal culture in all the co-operatives in Eastern and Southern Province because members of different co-operative had accepted it and no one had been taken to task. However, this practice was against FISP and regulations of co-operatives because that money was supposed to be invested in an income generating activity and accumulated profits which was to benefit each member.⁴⁰⁵ Each time a member wanted to withdraw membership from a co-operative society he or she was supposed to withdraw shares with profit.

Conclusion

From the findings in this Chapter, the idea of reviving co-operatives through introduction of FISP was good and the proportion of farmers benefitting from the FSP in Eastern and Southern Province increased. Fertilizer and seed subsidies gained support as a policy tool to foster improved agriculture production as a pro-poor policy approach, particularly for ensuring household food security. The reported goals of agricultural input subsidy programs were often to reduce poverty and boost staple crop production among smallholder farmers. There was also an increase in maize production and the number of bags sold as well income raised from the sale of surplus maize. The number of meals consumed per day by households also increased. The chapter has also established that inputs were delivered late compared to the FISP implementation manual. There were several challenges, encountered during the implementation of the FSP from 2002-2008, as well as at household level. The main challenge was scaling up of the FISP and ensuring its sustainability. As

⁴⁰³ Jayne, T.S., N. Mason, W.J. Burke, A. Shipekesa, A. Chapoto, and C. Kabaghe. *Mountains of Maize: Persistent Poverty*. Food Security Research Project Policy Synthesis No. 48. (Lusaka: FSRP, 2011), pp. 89-97 .

⁴⁰⁴ A. Magusu, 'The Effectiveness of Farmer Input Support Programme in Promoting Household Food Security: The Case of Chiawa, Kafue District', MA, Thesis, University of Zambia, 2016.

⁴⁰⁵ MACO. *Farmer Input Support Programme Implementation Manual: 2011/2012 Agricultural Season* (Lusaka: MACO, 2011).

discussed earlier, the number of the beneficiaries was far too low to increase food production and to contribute to food security among the majority of the vulnerable small scale farmers in Eastern and Southern. Poor crop marketing and storage facilities, poor road network and lack of monitoring and evaluation were also identified as challenges in the implementing of the FISP. Other serious challenges cited by key informants during the same period were, inadequate input supply, lack of funds, and heavy rains and drought for that particular season. The Study concluded that the FISP increased food production but did not revive the farming co-operative societies as compared to colonial and UNIP era. The FISP's contribution to food security was moderate and availability of food among farmers in Eastern and Southern Province during the period under review. However, in some parts, some farmers said that they did not have adequate food since they produced few bags of maize. Therefore, the impact and efficiency of the FSP to bring back co-operatives to original life as they existed during the UNIP was a flop. In addition, the findings shows co-operative in Eastern and Southern Province had no assets.



CHAPTER SIX

MANAGEMENT OF FISP THROUGH ELECTRONIC VOUCHER SYSTEM IN EASTERN AND SOUTHERN PROVINCE, 2009-2015

6.0. Introduction

This chapter is aimed at analyzing the management of the Electronic Voucher Scheme as experienced in Eastern and Southern Province which was managed through co-operatives. In the process of doing so, it also looks at its organisation and administrative costs involved in the implementation to determine the effectiveness and efficiency of the e-voucher Scheme. In order to assess the effectiveness and efficiency of the e-voucher Scheme on co-operatives, the costs and benefits of the direct procurement of Farmer Input Support Programme were compared against the current voucher input scheme that Food and Agriculture Organisation had started and implemented in collaboration with Ministry of Agriculture and Co-operatives. This chapter is divided into six themes: the first is this introduction. The second section discusses the implementation details of

the voucher scheme on farming co-operatives in Eastern and Southern Province, while the third section looks at how it is actually functioning in the two Provinces. The fourth section focuses on the administrative costs of a voucher input system and analyses whether the voucher scheme was worth implementing from the point of view of cost benefit analysis. The fifth section analyses the role of the agro-dealers in the voucher scheme on co-operatives, and the challenges while the final section summarises the finding of the overall chapter.

6.1.1. Introduction of the Voucher Scheme in 2008-2010

Zambia's agricultural input subsidy in indicates that subsidies for fertilizer and seed were the cornerstone of many Sub Sahara African governments' agricultural development and poverty reduction strategies.⁴⁰⁶ The Government of Zambia has devoted a considerable share of its agricultural budget to input subsidies which has been as high as 30 percent of total agricultural sector spending, and 4 percent of the agricultural sector poverty reduction programme spending.⁴⁰⁷ Through Farmer Input Support Programme (FISP), government provided beneficiary farmers with subsidized fertilizer and hybrid maize seed. However, the impacts of the FISP program exhibited a significant degree of crowding out of commercial purchases of hybrid maize seed and fertilizer.⁴⁰⁸ This was mainly because subsidized inputs were generally targeted to relatively better off households who could afford the inputs at commercial prices. For smallholder crop production and increase in the quantity of subsidized fertilizer acquired by a smallholder household raises its maize area planted, yields, and output. Apart from improving beneficiary targeting and promoting timely access to inputs by increasing private sector participation, the e-voucher' programme has the potential to accelerate diversification of the smallholder sector by allowing farmers to purchase a wide range of recommended inputs such as veterinary drugs, agricultural equipment, livestock, poultry and fingerlings.⁴⁰⁹ Before rolling out the e-voucher system, the Government piloted the system in 13 districts and this was done through farming co-operatives. In this process, the

⁴⁰⁶ M. Siame, I, Lichilo and N. Siame, 'An Assessment of FISP e-voucher Performance', *International Journal of Innovative Research & Development*, 6(7), 2017, pp. 188–212.

⁴⁰⁷ Ministry of Agriculture and livestock, 'FISP Beneficiary List Southern Province. Monze, Mazabuka, Southern Province, Zambia: Zambia National Farmers Union', 27th January 2017.

⁴⁰⁸⁴⁰⁸ N. M, Mason, T.S, Jayne, and R. Mofya-Mukuka, 'A Review of Zambia's Agricultural Input Subsidy Programs: Targeting Impacts and the Way Forward,' Lusaka, 2013, pp. 12-15.

⁴⁰⁹ Musika 'FISP Electronic Voucher Programme to Promote Diversification'. Lusaka, 2018, pp. 10–15.

government identified 20,000 ghost farmers and subsequently removed them from the list of eligible farmers.⁴¹⁰

In assessing the performance of e-voucher it was observed that the administration of the FISP manual system has had challenges resulting in high operational cost and/or decimal impact on smallholder performance and graduation.⁴¹¹ In order to mitigate the FISP challenges, the FISP, Electronic Voucher System was introduced in 2009, farming season by Food and Agriculture Organisation as a pilot program. The research concluded that it was difficult to state whether the e-voucher system had helped in crowding-in private agro-dealers when there was a committee that approved the Agro-dealers to be incorporated in the system. The research further recommended for a better and sustainable exit strategy for farmers who would graduate from receiving inputs. This shall lead to the formation of value adding enterprise along the agricultural value chains by those exiting the e-voucher system and consequently make it possible for the smallholders to participate in agricultural industrialization.⁴¹²

The objective of the Government of the Republic of Zambia (GRZ) on FISP reforms from conventional FISP to e-voucher was to increase competitiveness in the agricultural sector among all key players (input suppliers, agro-dealers, banks, etc.), while improving farmers' welfare.⁴¹³ The policy reforms were intended to ensure that FISP was more efficient, cost-effective and effective in supporting diversification and accelerating agriculture development through co-operatives.⁴¹⁴ Government's role was to oversee and monitor, while the private sector was to manage key FISP processes. Direct distribution of inputs by Government involved a lengthy and bureaucratic tendering process that was very time-consuming, and often the inputs reached the beneficiaries late.⁴¹⁵ Using e-voucher through farming co-operatives as a method of input

⁴¹⁰ H. Moono, 'Exorcising Government Inefficiency Through E-systems, International Growth Centre (IGC), Zambia, 2017'. Available at: <https://www.theigc.org/blog/exorcising-government-inefficiency-through-e-systems/> (Accessed: 27 August, 2018).

⁴¹¹ M. Siame, I. Lichilo, and N. Siame, 'An Assessment of FISP e-voucher Performance', *International Journal of Innovative Research & Development*, 6(7), 2017. pp. 188–212.

⁴¹² Ministry of Agriculture, *Farmer Input Support Program Electronic Voucher Implementation Manual 2016/2017 Agricultural Season* (Lusaka: Ministry of Agriculture and Livestock, 2016/2017).

⁴¹³ M.M, Chikobola, and G. Tembo, 'Gaps in the Implementation of the E-voucher System in Zambia: Implications for Strategies to make the Model Efficient and Effective', *African Journal of Agricultural and Resource Economics*, 13(2), 2016. pp. 193–197.

⁴¹⁴ IAPRI. 'Does Evoucher Solve the Problem? Lusaka: Indaba Agricultural Policy Research Institute, 2017.

⁴¹⁵ Musika. 'FISP Electronic Voucher Programme to Promote Diversification', Retrieved from [www.musika.org.zm](http://www.musika.org.zm/article/84-fisp-electronic-voucher-program-to-promote-diversification): <http://www.musika.org.zm/article/84-fisp-electronic-voucher-program-to-promote-diversification>, 2014.

distribution had also been introduced in other African countries such as Nigeria, Malawi and Zimbabwe.

In Nigerian it is called the Growth Enhancement Support Scheme (GESS). GESS is the subsidized fertilizer delivery mechanism using e-voucher in farming co-operatives which is directly sent to beneficiaries' mobile phone as text messages so as to decrease the leakages to non-genuine farmers.⁴¹⁶ It started in 2012, and targeted 5 million farmers registered every year. The programme aimed to distribute a voucher of 100 kilograms of fertilizer directly and electronically to those registered farmers for 4 years.⁴¹⁷ The purpose of GESS was to increase agricultural productivity by enhancing input use through farming co-operatives (from 13 kg to 50 kg per Ha) and to activate private sector fertilizer and seed industry by moving away from the public procurement and distribution of agricultural inputs.

In Malawi, a combination of direct input distribution and vouchers known as the flexi vouchers has been used. In 2005/2006, the country introduced the Farm Input Subsidy Program (FISP) that used paper coupons (vouchers) as a means of input redemption. But this paper-based voucher system faced myriad of challenges among which were: influx of counterfeit coupons leading to the introduction of the e-voucher system in 2013/2014. The fully scaled up e-voucher in all the districts enabled, beneficiaries to redeem both seed and fertilizer. Members from farming co-operatives were expected to pay a cash price when redeeming the coupon. This price was equivalent to about one-third of the retail price of fertilizer. Consequently, the large scale of the program, its budgetary costs have been difficult to control, and displacement of smallholder commercial fertilizer sales had been high.

The e-voucher as the mode of input delivery in Zimbabwe was introduced in 2011/2012 farming season through FAO in farming co-operatives.⁴¹⁸ The objective of the programme was to provide e-voucher beneficiaries with agricultural inputs of their choice, to get more agro-dealers and

⁴¹⁶ World Bank. (2017, march 23). Efficiency of Public Spending will Enhance Agriculture Productivity for Poverty Reduction in Africa. Retrieved from World Bank web site: <http://www.worldbank.org/en/news/press-release/2017/03/23/efficiency-of-public-spending-will-enhance-agriculture-productivity-for-poverty-reduction-in-africa>

⁴¹⁷ A.E, Obayelu, 'Cross-Country Comparison of Voucher-based Input Schemes in Sub-Sahara Africa Agricultural Transformation: Lessons Learned and Policy Implications', *Agriculture Conspectus Scientifics*, 81(4), 2016. pp. 251–267.

⁴¹⁸ J. Fearon, A.P, Kwami, & V. Boateng, 'Fertilizer Subsidy Programme in Ghana: Evidence of Performance after Six Years of Implementation', *Journal of Biology, Agriculture and Healthcare*, 2015, pp. 100-117.

suppliers on board and re-establish more business relationships while at the same time help to revitalise the supplier-wholesaler-retailer chain in rural areas. The e-voucher dubbed Electronic Payment System (PEPS) were targeted at districts where there was mobile network coverage, Zimbabwe Electricity Supply Authority (ZESA) coverage, and an Agro-dealer/Electronic Payment System (PEPS) retailer network at ward level. PEPS ensured immediate cash payment of commission to retailers and real time electronic transmission of payment to the relevant wholesalers/suppliers. The swipe cards were loaded with e-vouchers to the value of USD 160 and distributed to selected vulnerable beneficiaries.

Zambia has a broad policy of encouraging private sector participation and competition as well as having the private sector driving the agricultural marketing and input supply system. The Voucher Scheme introduced in Zambia, involved decentralized indirect procurement and distribution of agricultural inputs which was perceived to have the potential to contribute to the attainment of the policy objective on private participation, market development and was also perceived to be an efficient means of distributing inputs to the small scale farmers. In other words, the voucher scheme had been introduced to address the issues of lack of private sector development, huge costs of input provision, late delivery of agricultural inputs, poor beneficiary targeting, poor monitoring of programme effects and food insecurity. Input Voucher may reduce costs if distribution was done by the private sector. The voucher Scheme in Kenya, Ghana and Tanzania was successful in reducing transaction costs, promoting private distribution networks.⁴¹⁹ The voucher scheme improved access by reducing distance of input dealers from 8km to 3km in Kenya.⁴²⁰ Following these success stories, Zambia also started procurement and distribution of agricultural inputs through the voucher scheme. The voucher scheme as a method of indirect procurement and distribution was not being used in Zambia until 2008, when Conservation Farming Unit first used it.⁴²¹ In 2009, the Food and Agricultural Organization of the United Nations in Zambia (FAO) also started distributing agricultural inputs through the e-voucher. FAO successfully distributed

⁴¹⁹ N. Minot, Smart Fertilizer Subsidy in Sub Sahara Africa: New wine or just new bottles; *Panel on Smart Input Subsidies and Sustainable Development*, IFPRI, Washington DC, 24 July 2009.

⁴²⁰ D. Byerlee, 'Market-Smart Subsidies: Not a Magic Bullet', 2009.

⁴²¹ Zambia National Farmers Union. 'Farmers Input Support Program Manual. Farmers Input Support Program Manual Southern Province', Lusaka, Lusaka Province, Zambia: Ministry of Agriculture and Livestock's, January 2015.

vouchers to a total of 21,000 co-operative beneficiaries in the last 2 years 2009-2011 season of whom 2, 726 were in the study areas of Eastern and Southern Province.⁴²²

The method of input procurement and distribution was receiving a lot of attention in Zambia and outside. Although there are similarities between voucher schemes implemented by different organizations, there were also some differences in the implementation details of the e-voucher programmes. The differences could be because, the programme required to be designed to suite the different programme objectives and prevailing circumstances. From the FAO perspective, the e-voucher cards with the monetary value of about K500, 000 per beneficiary was distributed to the 12,296 beneficiaries in the 28 programme participating districts in Zambia namely; Mazabuka, Monze, Sinazongwe, Choma, Kalomo, Kazungula, Sesheke, Kaoma, Mumbwa, Chibombo, Kapiri Mposhi, Serenje, Mkushi, Mpongwe, Isoka, Samfya, Mansa, Mwense, Chiengi, Kawambwa, Chongwe, Nyimba, Katete, Petauke, Chipata, Lundazi, Mambwe, Chadiza.⁴²³ Out of the total of 12,296 co-operative beneficiaries for the programme, Eastern and Southern Province had a 4,669 and 4,182 beneficiaries respectively who had been on voucher scheme for two years since 2009.⁴²⁴ Prior to the commencement of agricultural input distribution, the local agro dealers were inspected for compliance, sensitized and those meeting the standards registered to distribute agricultural inputs to the local farmers.

On the other hand, the beneficiary farmers received the voucher cards, and went to the agro dealer of their choice in the area to redeem the voucher for the desired agricultural inputs. Depending on the type of voucher being used, if it is paper voucher then the agro dealers collected and presents the voucher cards for payment with amounts equivalent to the value of the vouchers presented, and for the electronic voucher the payment is instant. Moreover, the period for redeeming the vouchers was longer than the Input Trade Fair, thereby allowing the farmers more time to acquire the agricultural inputs.

6.1.3. Implementation Details of the FAO Input Voucher Scheme as Pilot Program

⁴²² Ministry of Agriculture and Co-operatives, Agriculture Manual on E-Voucher System, 2009.

⁴²³ FAO, Proposed Agriculture Report on E-Voucher System, 2009.

⁴²⁴ ACF/FSP Policy Advisory, 'Proposed Reforms for the Zambian Fertilizer Support Programme (FSP)', 2009.

The electronic voucher used in Eastern and Southern in 2010, was a scratch card with a pin number. The beneficiary submitted the voucher to the agro dealers by scratching the pin and the agro-dealer used a mobile phone internet to verify the identity. Once that was done, the beneficiary received the inputs that he or she exchanged the voucher for, which in most cases were fertilizer, herbicides, maize, groundnuts and cowpeas. FAO had used the paper voucher in 2009 and electronic voucher in 2010. In the case of the electronic voucher, the payment was instantly sent to the agro dealer's account and the transaction information for Eastern and Southern Provinces was online for access to FAO.⁴²⁵ The online information at FAO showed what type of agricultural inputs the farmers in the study areas had redeemed for, where the inputs had been redeemed from and the name of agro dealer who has supplied the inputs in the study areas. This was not the case in 2009 when the paper voucher was used, in the sense that to have information on which farmer had redeemed what and where. This situation depended on the agro-dealers and Ministry of Agriculture and Co-operatives in Eastern and Southern Province to submit the records to Food and Agriculture Organisation.⁴²⁶ When using the paper vouchers, the payment to the agro dealer was not immediate. The agro dealers submitted to FAO in Lusaka the paper vouchers, which underwent verification. Once verification of the records was completed, the FAO initiated payment through a bank transfer or bank cheques were prepared. The failure of the agricultural sector to provide livelihoods for people in rural areas is considered a major factor that contributes to rural poverty and food insecurity. However, the administration of the FISP manual system has had challenges resulting in high operational cost and inefficiency.

6.1.3. Government adoption of Electronic Voucher System on FISP, 2012-2015

In order to mitigate the FISP challenges, the FISP Electronic Voucher system was introduced in 2012, farming season in the farming co-operatives. The government adopted this initiative from Food and Agriculture organisation and took over in all the piloting districts were FAO operated. The e-voucher system had been in operation for the past two farming seasons and conflicting reports for its successes and failures had been reported in Zambia's newspaper as well as

⁴²⁵ G. Mbozi .et al 'Report on Proposed Reforms for Fertilizer Support Programme', 2009.

⁴²⁶ J.N, Sitko, R. Bwalya, J. Kamwanga, and M. Wamulume, 'Assessing the Feasibility of Implementing the FISP through an Electronic Voucher System in Zambia'. IAPRI Policy Brief No. 53. 2012.
www.aec.msu.edu/f52/zambia/index.htm

published research articles.⁴²⁷ The e-voucher system was implemented by the Ministry of Agriculture and Live Stock (MAL) and targeted a pre-determined list of beneficiaries from each district in Zambia. Eastern and Southern Province was a beneficiary. The adoption of the e-voucher system on FISP by government a period 2012-2015, was almost at 60% of which a good number of farmers benefited. The Ministry of Agriculture and Livestock selected eligible farmers for input into electronic voucher system database managed by Mobile Transaction Limited (MTZL). The e-voucher was used in implementing the Farmer Input Support Response Initiative Programme (FISRIP) project in reaching beneficiaries from all districts across the ten provinces of Zambia.⁴²⁸ The e-voucher system owed the cost to the treasury for implementing FISP. This is because it was designed to encourage private sector participation in input distribution. Therefore, the programme helped to eliminate many of the cost currently incurred by government. World Bank 'identified several factors that contributed to frequent delays in distributing FISP to farmers' and these includes; corruption in the distribution process and inefficiencies in planning, tendering and procurement.⁴²⁹ By eliminating the private sector, e-vouchers was the optional way to go and had potential to reduce delays in input distribution. The system of using the voucher card was very flexible and this was to allow farmers to acquire a variety of inputs, not just fertilizers and maize seeds. Farmer had also privilege of redeeming agriculture inputs to agro dealers including veterinary drugs and potentially agricultural services, such as tractor hire.⁴³⁰ The e-voucher system improved targeting beneficiary because it was linked electronically to individual beneficiary National Registration Card (NRC). During redemption, the beneficiaries had to redeem to the agro dealer and after presenting their NRC cards and voucher. The agro dealer entered the NRC number and reference pin into the system. The presence of agro-dealers in the districts was very low, each targeted district had an average of four agro-dealers. The agro-dealers provided information on the effect of the e-voucher programme. They also shared their experience of their interaction with the farmers and shared with the researcher the type of information on the agricultural inputs that they share with the farmer as the farmer procured the agricultural inputs.⁴³¹ The agro-dealers also

⁴²⁷ Simaila Simbuliana, 'The Effectiveness of Zambia as FISP E-voucher Agriculture Program: The Case of Mongu', MA, Thesis, Cavendish University-Zambia, 2018, pp. 12-15.

⁴²⁸ GRZ, *National Agriculture Policy on E-Voucher System. Implementation Handbook* (Lusaka, MFNP, 2012).

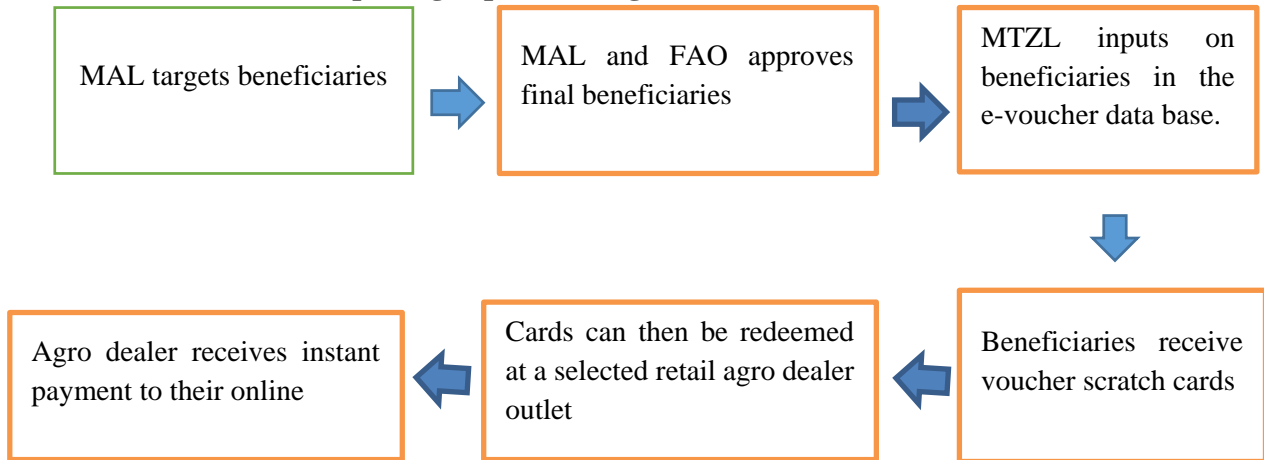
⁴²⁹ World Food Programme, *WFP Update on Implementation of WFP Policy on Voucher and Cash Transfer-Information Consultation* (Rome; WFP, 2011), p. 21.

⁴³⁰ World Bank, 'Voucher Schemes for Enhanced Fertilizer use; Lesson learned and Policy Implications Presentation in Washington DC', January 25th 2012), pp. 2-6.

⁴³¹ M. Nalishiwa, 'Agricultural Subsidies, Productivity and Rural Assets: The effect of Farmer Input Support Programme (FISP) on Small Scale farmers in Mwembeshi- Chibombo District of Zambia', MA, Development Studies, International Institute of Social Studies (ISS), 2011.

provided information on their experiences with the MACO, e-voucher Scheme, such as the contribution of the programme to the expansion of the local market. The agro dealer bank account was instantly credited and the beneficiaries that were initially identified were the one that had access to the inputs. The whole process of e-voucher is shown on table 12.

Table 15, Process of Acquiring Inputs through E-Voucher



SOURCE: Electronic Voucher System Handbook for 2011.

Table 15, presents stages which a beneficiary farmer goes through before acquiring inputs through the e-voucher System which was started by FAO and later adopted by government to in order to solve challenges which were encountered by FISP a period 2002-201.

6.1.4. Process of the Electronic voucher technology

It is important to mention that voucher scheme programme firstly selected and trained its farmers referred to as Lead Farmers in conservation agriculture principles before giving them vouchers for agricultural inputs. The total number of Lead farmers was 885 for the two Provinces, with Eastern having 4669 Lead farmers and Sothern having 4182 Lead Farmers.⁴³² According to the interviews conducted with MACO to co-operative beneficiaries, it revealed that the selection of Lead Farmer beneficiaries in Eastern and Southern Province was assisted by the district farmer co-operative registers that had information on farmers' farm size, range of crops grown, level of education and household size.⁴³³ The Village Agricultural Committees in the two districts also played a role by

⁴³² FAO, Agriculture Conservation Report, 2009/2010 Season.

⁴³³ Interviews with Mr. Kapuka, Former District Agriculture Co-ordinator, Chipata District, 2nd November 2020.

recommending the farmers in their respective villages whom they thought had the enthusiasm and met the programme criteria. The Lead Farmer selection was influenced by the capacity of a farmer to go out in the camps or their village to train other farmers in Conservation Agriculture principles.⁴³⁴ A quick mention that the voucher scheme in Eastern and Southern Province was designed to address the following act as an incentive for the Lead Farmers who were training other farmers in conservation agriculture practices. The inputs acquired through the voucher was to be used to plant fields that would serve as demonstration plots for others to compare the performance of the conservation agriculture and conventional fields. The reason was to promote crop diversification by giving an opportunity to farmers to access diverse seeds and improve access and availability of agricultural inputs in Eastern and Southern through the use of the local Agro-dealers. There were two major interactions in the voucher scheme operation which is the farmer and the agro-dealer. A look at the agro-dealers in Eastern and Southern Province in the voucher scheme context initiates that the agro-dealers were local stockists of agriculture inputs. It was expected that if the local agro-dealers could be involved in the provision of agriculture inputs, there was a likelihood of accelerating small scale farmers' access to inputs.

In 2013, Eastern and Southern had had a number of recommended Agro dealers. In Southern Province, there was Crop serve Limited, H & W Enterprises, Kapoti Enterprises, Moomba and Marketing etc, while Eastern Province had Kumawa Enterprise, Kapondeni Stores, Plant Agrichem, Minelands and Namupeza Agro Suppliers. The recommended agro dealers for participation in the two Provinces met the following criteria which were set by the Ministry of Agriculture and Co-operatives; Should be registered Zambian companies and be physically present in one more than two districts in the provinces and good storage conditions of inputs. At least one year of proven record in either seed or fertilizer and agricultural equipment sales and holders of Seed Traders License (in the case of seed suppliers).⁴³⁵ The company should also have letter of confirmation from the principle supplier of products stocked in the outlets stating that the outlet is a bona fide agent for the principles' brands and will be on the principles list of Agro-dealers for the year in question.

⁴³⁴ P. Langmead, *Conservation Farming 2002/3: Preliminary Results* (Lusaka: Conservation Farming Unit, 2003), pp. 12-20.

⁴³⁵ A. Paul, S. Dandri, S. Haggblade, 'Region Trade, Government Policy and Food Security': Recent Evidence from Zambia. Michigan University, 2009, pp. 23-25.

Based on the criteria set, both Eastern and Southern Province, Ministry of Agriculture and Co-operatives Officers did not recommend some local Agro-dealers that were selling agricultural inputs from the market places because they feared that unreliable storage conditions of agricultural inputs could compromise the quality. The Ministry of Agriculture personnel mentioned that there were some Agro-dealers Eastern and Southern Province who had set up new branches and had not yet attained one year of experience, and such did not qualify in the first year 2012 of the programme. However, in 201, the second year of voucher implementation, these agro-dealers attained the minimum experience required and were thus incorporated in the programme.⁴³⁶ The selection of agro-dealers was further in consultation with the Zambia National Farmers' Union and Ministry of Agriculture. The agro-dealers who met the set criteria then signed a memorandum of understanding with the Ministry of Agriculture that stipulated the roles and responsibilities of the two parties. In essence therefore, the selection of farmer beneficiaries and participating Agro-dealers were the necessary activities that came before the actual redeeming of the voucher cards.

6.1.6. The Functioning of E-Voucher Scheme in Eastern and Southern Province and Co-operatives staff.

Firstly, as programme implementers, both MACO and co-operative thought that the voucher scheme had worked very well in Eastern and Southern Province districts and that it was a better system of farmer input support. Some of the reasons they cited in support of the voucher scheme included the fact that it was a less cumbersome process because the channel of input distribution was relatively shorter than that of direct procurement used by government's Farmer Input Support Programme and other Non-Governmental Organisation. For example, the voucher scheme was better because it cuts out the long channel involving several middle men who when involved in the distribution of inputs tend to exacerbate the costs of inputs to the farmers.⁴³⁷ When the voucher was compared with direct procurement, the voucher scheme was more cost effective compared to

⁴³⁶ World Bank. 'Impact Assessment of the Fertilizer Support Programme, Analysis of Effectiveness and Efficiency: Zambia'. World Bank Sustainable Development Department Report No. 54864ZM. Washington, D.C.: World Bank. 2010, pp. 2-10.

⁴³⁷ Interview with Mr Micheal Zulu Former District Marketing Officer (MACO), Katete District, 20th January 2021.

direct procurement. It costs less in terms of transport, storage and offloading inputs to the programme implementer government. The vouchers were easy to transport. For the FAO and MACO Programme the voucher cards were packaged in A4 envelope for each of the two Provinces.⁴³⁸ The programme engaged farmers to transport the voucher cards by public buses. The programme also did not pay for the bulk input transportation, thus minimizing the transport costs and to have a feel of cost of transporting agricultural inputs, the study also collected some information from the transporters. For instance the quotation obtained from Anelo Trucking Limited of Katete and Azemark Trucking from Petauke, Sable Transport Company Ltd in Sinda, showed that the rate of transporting bulk goods would for each district which was within 50km from Lusaka, cost K1, 400 per 50kg and for Southern district which is over 100km, it would cost K500 per kilometer per ton. So by using the vouchers that were easy to carry, the transportation costs like these ones given by Sable transport was probably what was been referred to as having been that cut down.⁴³⁹

The Ministry of Agriculture also observed that the voucher scheme was effective and efficient because it spread the responsibilities among stakeholders. For instance, it transferred the responsibilities of transportation, warehousing and offloading from the Programme Implementers to the participating local agro dealers. The local dealers covered their transport costs to get inputs into their shops and mostly had their own warehouse where they kept their stocks thereby reducing the costs for the whole voucher programme. When Eastern and Southern Province local Agro-dealers procured from the supplier transported and warehoused for purposes of stocking their shop, during these processes they also assumed liabilities for pilferages and damages. This therefore, took away such risks and wastages from the voucher programme implementation. The perceived reduced cost for transport and warehousing for Eastern and Southern voucher scheme could be in agreement with the Ministry report 2013, that project implementers were able to reduce the cost when using the voucher scheme. Since there was assurance of demand for agricultural inputs cooperative beneficiaries, the agro dealers in Eastern and Southern Province took responsibility to adequately stock the agricultural inputs. Secondly, in addition to advantage of portability for the

⁴³⁸ Interview with Mr Kanenga, Former DACO, (MACO) Chipata District, 15th January 2021.

⁴³⁹ C. Makunka, 'The Performance of FAO Voucher Scheme as Method of Input Procurement and Distribution in Zambia: A Case Study of Chongwe and Mazabuka', MA, Thesis, University of Zambia, 2015, pp. 24-27.

voucher scheme, the Ministry of Agriculture Reports indicated that the experience with both the direct procurement and the voucher scheme was thought that the voucher scheme implemented in Eastern and Southern Province was more administrative friendly.⁴⁴⁰

Additionally, when using the direct procurement, the tender procedures was very long and tedious in terms of paper work such as invitations to tender, opening and analyzing the tender documents, responding to the tenders, preparing delivery and receipt of goods documents and finally raising the payment. The procedures require preparing specifications for the inputs to be procured, which were thought to be very complex when dealing with beneficiaries from different cropping systems and geographical zones.⁴⁴¹ In the case of the implementation of the voucher scheme, there was no need to sit down and prepare these specifications. This responsibility was transferred to the agro dealers in Eastern and Southern districts whom were thought being locally based, they had a better understanding of the needs of the local co-operative farmers. Moreover, farmers chose and sometimes consulted with the local agro-dealers to select the varieties of inputs they wanted.

This meant that they did not need to go through the process of getting the submissions from the farmer beneficiaries on their preferences. This was not the case for the direct procurement where the Programme Implementers procured on behalf of the beneficiary farmers. The submissions of beneficiary farmers preferred seed varieties had to be made to their Programme Implementers. As the case of Farmer Input Support Programme, the submission of farmers' preference was done through the MACO district offices, of which some submission were done late thereby affecting the follow up processes such as tendering. The tendering also required a lot of paper work such as sending of the invitations to the potential suppliers and by procurement regulations of competitive bids the suppliers should be given the minimum of four weeks to respond to the invitations.⁴⁴²

On the other hand, all these procedures of submitting the preferred varieties from the districts, paper work of preparing the bids, waiting for the minimum of four weeks for submission of bids, analyzing the submitted bids and award of contracts to the suppliers required a lot of financial and human resource to be done. These were all cut down by the use of the voucher scheme in the

⁴⁴⁰ Agriculture Report on FISP Program, 2010.

⁴⁴¹ Zambia Daily Mail Newspaper 'E-voucher Exposes 20,000 Ghost Farmers.' Lusaka, 26th February 2016. Accessed at <https://www.daily-mail.co.zm/?p=60367>

⁴⁴² T. H, Kalinda, & H. Sikwibele, 'Zambia Relief Seed mechanisms and Seed Voucher Study'. FANRPAN 2006.

provision of inputs in Eastern and Southern Province. In this case, the programme Implementers did not award the bid to any agro dealers, but instead only recommended to the beneficiaries the local agro dealers who exist in Eastern and Southern Province that traded in agricultural inputs such as agricultural equipment, chemicals, seed and fertilizer stock, at which farmers traditionally procure their inputs.⁴⁴³

Thirdly, it has been argued that another advantage of the voucher scheme is that the voucher scheme promotes competitiveness. According to the Ministry of Agriculture and Co-operatives' Ministerial Statement of October 2010, under FISP besides the Nitrogen Chemicals of Zambia which is a Parastatal, there were only two companies, Nyiombo Investment and Omnia Small Scale Limited who had the capacity to source the required huge quantities.⁴⁴⁴ As for the Voucher Scheme in Eastern and Southern Province, the MACO district interviews revealed that there were an average of four Agro-dealers in each of the districts of study. This is an indication that voucher had potential to create competition and reduce the cost of production to make the output also competitive at the international level which currently was not the case for Zambia. At the moment the agricultural production costs were high, thus making Zambia's agricultural produce uncompetitive at the international level.

According to World Bank, Zambian farmers were equal to their neighbours but fertilizer and transport costs, customs duties and bank interest rates had succeeded in driving up the production costs per ton of Zambian maize to US \$211 compared to US \$81 for farmers in Zimbabwe. "When you compare with other countries you find that the Zambian farmer is disadvantaged," In view of the administrative friendliness and reduced costs of programme implementation among others, the Government through the Ministry of Agriculture concluded that the cutting down on the long processes of tendering and handling matters in Eastern and Southern allowed them to focus their attention on monitoring the process of input redeeming to ensure that agricultural inputs were delivered in time.

On the other hand, the Minister of Agriculture and Co-operatives Parliamentary statement of October 2010 reiterated, the FISP with direct procurement faced a lot of challenges for storage of the bulk agricultural inputs when delivered to the Districts and this included Eastern and

⁴⁴³ Interviews with Mr. Banda Isaac, Retired Camp Officer MACO, Katete District, 21th August 2021.

⁴⁴⁴ MACO, Agriculture Annual Report, 2010.

Southern.⁴⁴⁵ From the administrative point of view, the implementers also noted that the voucher scheme contributed to rural empowerment by allowing beneficiaries in the two Provinces to access and agricultural inputs through the voucher scheme. The voucher scheme was also giving a chance to the farmers to participate in the procurement of the agricultural inputs through co-operatives as opposed to alienating them through direct procurement.⁴⁴⁶ The farmers on the voucher scheme were going to the agro-shops of their choice and redeemed for the agricultural inputs that were recommended on the voucher card. Notwithstanding the possible advantages of the voucher scheme, some weaknesses and threats to its expansion have however been identified. In fact, the Ministry of Agriculture and Co-operatives (MACO) and Conservation Farming Unit (CFU) had themselves cited some of these weaknesses.

Firstly, it was thought that the voucher scheme required a good data base about the socio economic circumstances of the farmers which required a lot of time when dealing with big numbers. Additionally, the capacity of agro dealers to supply relatively large number of farmers as was the case under FISP was limited, suggesting that the development of the data base and capacity of agro dealers was prerequisites to the successful implementation of the voucher scheme. Secondly, in the expansion of the voucher scheme to national policy, it was perceived as a threat of sabotage by the big companies that had currently monopolised transportation and supply of centrally procured agricultural inputs. This is because the voucher scheme minimized the long chains costs of transportation and warehousing. There were companies such as Sable Transports Ltd and Weleza Ltd who were mostly involved in transporting agricultural inputs for government and previously for FAO and Conservation Farming Unit. This was quite big business to lose for the few companies that for a long time were involved in moving inputs to all the districts in Zambia under input distribution programmes that procured inputs mostly in Lusaka for further distribution.⁴⁴⁷

The Agro-dealers under the voucher scheme in Eastern and Southern Province did not engage Transporters based in Lusaka to transport inputs they instead used their own transporters in their districts. For instance, Azemark Trucking in Petauke used its own transport to move inputs from

⁴⁴⁵ Inter Press News Agency, 'Diminishing Returns on agriculture Subsidy, 2nd November 2010.

⁴⁴⁶ B. Zulu, J.J Nijhoff, T.S Jayne, A. Negassa, 'Is the glass half empty or half Full? An analysis of Agricultural Production Trends in Zambia'. Working paper No.3 Food Security Research Project, Lusaka: 2000.

⁴⁴⁷ J.H.M, Kachule, T. Kalinda, T. Chilongo, M. Simfukwe and E. Tostao, 'Input Voucher Study in Malawi, Mozambique and Zambia; a final synthesis Report, 2010, pp. 21-24.

its suppliers to its store in Petauke and Anelo Transport in Katete indicated that it engaged a local transporter called Mr. John Chiwoko and Edward Leta Phiri to transport inputs from its suppliers.⁴⁴⁸ The two Agro-dealers indicated that the methods of transportation they used were cheaper and allowed them to pass on the benefits to the farmers through reduced prices. However, the Conservation Farming Unit indicated that despite the voucher scheme's perceived efficiency, it was thought that when the Zambian Government would like to consider a shift from direct procurement (centralized procurement) to the voucher scheme (decentralized procurement), the few companies that benefit from bulk supplying, warehousing and transportation of the agricultural inputs had potential to influence its adoption.⁴⁴⁹

Additionally, the use of the voucher entailed that the bigger suppliers like Nyiombo Companies and Seedco had to chase the business in the rural areas like Eastern and Southern Province where they did not have presence, while the local agro-dealers had. These were some of the threats perceived to the full adoption of the voucher scheme. The Conservation Farming Unit, who were also involved in the implementation of the voucher, noted another potential threat that the organisations were intending to go into the electronic voucher scheme needed to be aware of, although it had not yet happened in Eastern and Southern. When the release of funds for the input provision was delayed, the electronic voucher had potential to negatively affect the programme implementation, in that the electronic voucher scheme did not allow for the farmers to access the agricultural inputs without payment.⁴⁵⁰ This was a source of concern to many farmers because of the financial limitations that Zambia faced and thus it was important to keep in mind, even though this did not happen in the programme in Eastern and Southern Province. In his view, if the funds delay, the accessing of the agricultural inputs could also be delayed, resulting in late planting which subsequently affected the crop yield in the rain fed agriculture for which timing was critical.

The other problem that prominently came out from the Ministry of Agriculture and Co-operatives' Officials, agro-dealers and farmers in Eastern and Southern was the poor phone internet network in the two Provinces. The Ministry of Agriculture and Co-operatives officers in Eastern and

⁴⁴⁸ Interviews with Mr. Banda Stanely, Retired Camp Officer MACO, Katete District, 20th September 2020.

⁴⁴⁹ Interview with Mr. Mwale Aubrey, Retired Camp Officer, MACO, Petauke District, 30th September, 2020.

⁴⁵⁰ MAL, 'The Preparedness of the Farmer Input Support Program (FISP) for the 2015/16 Agricultural Season'. Ministry of Agriculture and Livestock: Ministerial Statement, MoAL, Republic of Zambia, 2015.

Southern districts explained that the phone internet was sometimes slow or off completely, making both the linking of the voucher cards to the beneficiaries' National Registration Card (registration) and redeeming of the vouchers for inputs is slow.⁴⁵¹

The Ministry of Agriculture and Co-operatives explained that ideally the linking of the NRC to the voucher cards was supposed to be done in the Farmers' camps, but in remote camps where the network problems persisted, the farmers' NRCs were collected and linked from the district centre. With the use of the voucher scheme, there was also the risk of fraud of the agro dealers redeeming the voucher cards without delivering the agricultural inputs to the farmers, as we shall see some cases of this in the section dealing with Agro-dealers. And because of some of those risks of fraud it can be emphasized that the fraudulent activities had to be monitored during implementation.

The implementation of voucher in Eastern and Southern assigned some members of staff from FAO and the Ministry of Agriculture to monitor such threats. FAO monitored the voucher implementation throughout the period in order to minimize the risks of fraud.⁴⁵² Lastly, it was indicated earlier that the voucher scheme in Eastern and Southern Province removed the cost of input transportation from the Programme Implementer and that the voucher scheme did not deliver inputs to the farmers' door step (as mostly done by direct procurement), if so who then met these costs?

In Eastern and Southern Province, it was found out that the farmers were using their own means to transport the inputs although in some cases the agro-dealers like Kapondeni Stores agro dealer in Eastern Katete District were able to offer free transport as complementary when the farmers were organised in groups without changing the cost of inputs. It was revealed that when not assisted, the farmers were organizing themselves in groups of co-operatives and put the funds together to hire transport to deliver agricultural inputs and on average, each farmer was contributing K10, 00. The farmers indicated that they appreciated if the voucher scheme considered covering the transport cost to the farmers homestead. Considering the poverty levels in the country, a few farmers in the co-operatives reviewed that sometimes it was stressful for them

⁴⁵¹ Interviews with Mr. Muchimba Cathy, Farmer, Kalomo District, 12th February 2021.

⁴⁵² G. C, Mushimba, 'Communication Strategies Employed by the Ministry of Agriculture and Livestock in the Implementation of Farmer Input Support Programme (FISP); A Case Study of Kafue District', MA, Thesis, University of Zambia, 2015.

to come up with the amount of money for transport. Additionally, for those farmers who had to walk long distance to collect inputs, indicated that doing so took away some of their time from other commitments, like land preparation and caring for the sick relatives.

6.1.7. Administrative Costs of operating the Voucher Scheme

The administrative costs for the voucher scheme correspond fairly well to the activities of implementation and included farmer registration, printing of the cards, art work for the cards, distribution of the cards, identification and training of agro dealers, registration of farmers and transaction costs. To derive the implications of the costs established under the voucher scheme, a comparison with costs relating to the direct procurement was made. The comparison is necessary in order to establish if the above costs of the voucher scheme were realistic and justifies the proposed shift by government from the use of the direct system to the voucher scheme.⁴⁵³ This also connected and looked at the cost of Farmer Input Support Programme, Zambia's biggest Government subsidy programme that is using direct procurement and is implemented nationwide, including Eastern and Southern Province.

Moreover, insights from other countries that have implemented the voucher scheme of input procurement indicate that the costs of administration were usually high in the first year of implementation and that the larger the beneficiary co-operative the lower the costs. The implementation costs for the project for example in Afghanistan were approximately \$8/farmer while in Malawi, the average cost was \$11/farmer in the first year of project implementation but reduced to only \$5/farmer in the year that followed with a larger number of farmers.⁴⁵⁴ When the cost of Afghanistan programme was compared with costs of the voucher scheme implemented in Eastern and Southern Province arrived at by the data collected from Ministry of Agriculture and Co-operatives, Zambia Office, the cost of the Afghanistan Voucher Scheme was 40 percent higher than the FAO/MACO electronic Voucher and 15 percent higher than the paper voucher both implemented in Eastern and Southern. In the first year of implementation the Malawi programme

⁴⁵³ A. E. Obayelu, 'Cross-Country Comparison of Voucher-based Input Schemes in Sub-Sahara Africa Agricultural transformation: Lessons Learned and Policy Implications', *Agricultural Conspectus Scientifics*, 81(4), 2016, pp. 251–267.

⁴⁵⁴ I. Gregory, 'The Role of Input Vouchers in Pro-Poor Growth' -Selected Sections from a Background Paper Prepared for the African Fertilizer Summit. Abuja, Nigeria, 2006, pp. 34-39.

was 56 percent higher compared to the FAO/MACO electronic voucher and 38.8 percent to paper voucher both implemented in Eastern and Southern Province.⁴⁵⁵

In the second year of the programme implementation Malawi saw the cost drop to \$5 per farmer, which also significantly reduced the difference when compared to the costs in the study areas to four percent to the FAO/MACO electronic voucher, while the Eastern and Southern province paper voucher become higher by 25 percent.⁴⁵⁶ We have looked at the costs of implementing the voucher scheme in Eastern and Southern went further to refer also to other voucher implementation in Afghanistan and Malawi. The voucher was a new inversion in Zambia, there is also another system of direct procurement which was prominently used for the national input subsidy scheme, the Farmer Inputs Support Programme (FISP). It came to light during this that the two systems are also operating in Eastern and Southern, and as such this concludes without attempting to look at the costs of implementing the direct procurement system of FISP. According to the data provided by the Ministry of Agriculture and Co-operatives revealed that there were 27,942 FISP beneficiaries in Southern in 2010/2011 agricultural season alone. The study managed to get the national administrative costs for FISP, but could not get all the costs specific to the Eastern and Southern Province besides the costs for local warehousing and transportation from the districts to the camps. The national data was still relevant to determine the estimated administrative cost per farmer under FISP that could be compared with the administrative cost per farmer under the voucher scheme. Comparative analysis of administrative costs between the indirect procurement as exhibited by MACO voucher scheme and the direct procurement system revealed that the voucher input system seems to be more efficient and more cost effective compared to the direct procurement system.⁴⁵⁷

Accordingly, the indication is that the administration costs of a voucher were estimated to be between four and six percent of the total input support budget in the two Provinces, whereas the indirect input procurement system, the administrative costs were estimated to be between 18 to 48 percent of the total input budget. In 2009/2010 agricultural season, the voucher scheme in Eastern

⁴⁵⁵ P. Zulu, 'Effects of Subsidies Input on Legumes Production in Zambia', MA, Thesis, University of Zambia, 2010,

⁴⁵⁶ T. Kilic, E., Whitney, and P. Winters, 'Decentralised beneficiary targeting in large Scale development Programmes: Insights from the Malawi Farm Input Subsidy Programme', *Journal of African Economies*, 24(1), 2015, pp. 26–56.

⁴⁵⁷ C. Makunka, 'The Performance of FAO Voucher Scheme as Method of Input Procurement and Distribution in Zambia.

and Southern Province had 724 Million Kwacha total budget of which 43 Million Kwacha (6.3 percent of the total budget) was spent on administrative activities and the balance 681.5 Million Kwacha was spent on agricultural inputs for a total of 8,851 beneficiaries in the two Provinces.⁴⁵⁸ In the agricultural season 2010/2011, according to the MACO Financial information (February, 2011), the total budget for the voucher in the two Provinces was 712 Million Kwacha, and 31 Million Kwacha (4.3 percent of the total budget) was spent on administrative costs, and the rest of the balance 681.5 Million Kwacha was spent on agricultural inputs for the beneficiaries.⁴⁵⁹

The administrative costs for Eastern and Southern as estimated at the MACO Provincial offices in the two Provinces were high at 48 percent of the 2010/2011 government contribution to the input provision budget. This could probably be one of the reasons leading to point out that there is evidence that the Farmer Input Support Programme cost exceeded the increased value of additional maize produced.⁴⁶⁰ Additionally, the private sector to supply more enables the programme implementer to reduce programme costs as is evidenced by the findings of the study.⁴⁶¹ At the same time, it also appears that limiting private sector participation increases the costs of the programme implementation. This could be the reason why the FISP has low private sector participation had higher costs of implementation compared to FAO program that had higher private sector participation.

The analysis of data given by FAO indicates that use of the voucher scheme in Eastern and Southern Province as opposed to FISP's direct procurement and distribution would save the programme implementer about 30 percent of the administrative costs. This was so because the voucher scheme utilised on average 5 percent administrative costs against the total budget, while the direct procurement used up to 35 percent on average the administrative costs. Analysing the data collected from the Ministry of Agriculture and Co-operatives, showed that on average the procurement and distribution of the agricultural inputs through the voucher scheme results in a

⁴⁵⁸ FAO, 'Report on Input Financial Management, 2010.

⁴⁵⁹ FAO, 'Audit Report for Inputs', 2011.

⁴⁶⁰ P. Zulu, 'Effects of Subsidies Input on Legumes Production in Zambia', MA, Thesis, University of Zambia, 2010,

⁴⁶¹ A. Dorward, et al 'Evaluation of the 2006/07 Agricultural Input Subsidy Programme, Malawi', Final Report, Ministry of Agriculture and Food Security, Lilongwe: March, 2008.

saving of about K215, 559.7 (K242 758.98 FISP-27,199.24 Voucher K215, 559.7 saving), per beneficiary or loss if the direct procurement was opted for.⁴⁶²

When a programme used the voucher scheme to procure and distribute agricultural inputs in Eastern and Southern Province, the programme was spending on average K27, 199.24 per farmer on administrative costs. On the other hand if the direct procurement was implored, the administrative cost per beneficiary was estimated at K242, 758.98. The saving or the loss was the difference between the two administrative costs. So if for instance, Southern Province had used the voucher scheme in 2010, with an average cost K27, 199.24 administrative costs per farmer, as opposed to K252, 758.98 per farmer, it would have saved K215, 559.74 per beneficiary. The difference between the voucher and the direct distribution when multiplied by number of beneficiaries in Eastern and Southern Province was large enough to support additional farmers and increase production in the two Provinces. Additionally, the voucher scheme option also had shown that it had less administrative costs compared to the direct procurement and distribution. However, the direct procurement alternative was considered for remote rural places, where there may be no presence of agro-dealers. Consequently, the maximum difference between the voucher scheme and the FISP relative to the total input support was probably a representation of efficiency.⁴⁶³

6.1.8. The Role of Agro-Dealers in the Voucher Scheme

The reasons advanced to advocate for the use of the voucher scheme, were borrowed from the Food and Agriculture Organisation Project Document on Voucher Scheme 2009 (Which was being implemented in Eastern and Southern Province) was that it would promote private sector participation which subsequently would improve the farmers' access to agricultural inputs. It was earlier established that the agro-dealers played a very critical role in the implementation of the voucher scheme. Firstly, In 2010/2011 agricultural season, when the electronic voucher scheme was used in Eastern and Southern, the agro-dealers seemed to have played some role in increasing targeting efficiency.⁴⁶⁴ The agro dealers were in constant communication with the Programme Implementers on the eligible beneficiaries and eligible inputs for the programme. Where the

⁴⁶² MACO, 'Report on Proposed Reforms for Fertilizer Support Programme', 2011.

⁴⁶³ H. Moono, 'Exorcising Government Inefficiency Through E-systems, International Growth Centre (IGC)', Zambia. Available at: <https://www.theigc.org/blog/exorcising-government-inefficiency-through-e-systems/> (Accessed: 27 August 2018).

⁴⁶⁴ FAO, Project Document on Voucher Scheme, 2009.

farmers presented the identification that was not linking to the voucher card, the agro dealers in Eastern and Southern Province communicated to the programme implementer to correct the situation. This ensured that the set target was adhered to. For instance, some agro-dealers, in Eastern and Southern Province reported that voucher cards could not be redeemed on first attempt because the National Registration card numbers presented by the farmers were not corresponding with the ones in the system entered during the registration.⁴⁶⁵

The availability of inputs in the shops of agro-dealers at the time farmers needed to redeem their vouchers was important because it determines the timeliness in input acquisition. The agro-dealers in Eastern and Southern Province seemed to have been involved in timely stocking of the right agricultural inputs that supported the programme objective of promoting timely delivery of inputs in line with principles of conservation agriculture that advocated early planting. The timely availability of inputs at the agro-dealers' shops may have also been assisted with timely sensitisation that MACO carried out in March 2009 on the agro-dealers on the anticipated demand for agricultural inputs for 2009/2010 rain season. To further analyse input availability, an inquiry into the situation of the farmers in the two provinces with regards to whether they had found all the inputs they wanted at the time of voucher redemption produced the below responses.

The input availability among agro dealers in different locations of the programme may not be uniform. The insights from the programme implementers suggest that the capital base of some agro-dealers as well as an understanding of the demand pattern of inputs had an influence on the supply pattern. The interviews conducted by MACO, with the agro-dealers in Eastern and Southern showed that availability of most agricultural inputs like maize seed, fertilizer, herbicides, rippers and sprayers were not a problem except for Legume seed and sometimes the Chaka Hoes. The reasons given by most agro-dealers for the difficult in making Chaka Hoe available was the monopoly by the supplier in Zimbabwe called Zamplow coupled with the increased demand for the Chaka Hoe created through the promotion of the Conservation Farming that used Chaka Hoe as opposed to the ordinary hoe.⁴⁶⁶

⁴⁶⁵ T.S, Jayne, A. Chapoto and J. Govereh. 'Grain Marketing Policy at the Crossroads: Challenges for Eastern and Southern Africa. Paper prepared for the FAO workshop on Staple Food Trade and Market Policy Options for Promoting Development in Eastern and Southern Africa', FAO Headquarters, Rome, Italy, March 1-2, 2007.

⁴⁶⁶ Conservation Farming Unit, 'Position Paper on Fertilizer Support Programme (FSP); Drawing on the Experiences of the 2009/10 Agricultural Season, 2010.

As for the low availability of Legume seed which was reported, the Ministry of Agriculture, also explained that the situation was expected because the commercial market for legume seed was not yet developed in Zambia in general. The lack of development of the commercial market for seed legume had been difficult because the legume seed is one type of seed that once acquired by the farmers is easily recycled. The seed for legume can easily be preserved from the farmers' harvest for future planting. The farmer buys the legume seed once and the farmer could use the harvested crop to plant in the following seasons.⁴⁶⁷ This means that the demand for legume was low and this could make it difficult for the agro-dealers to estimate the legume seed requirements for the farmers thereby affecting the availability as was experienced in Eastern and Southern Province.

The agro dealers also played some role in the development and improvement of the local input supply system in general. The MACO district staff and farmers in the two Provinces acknowledged that, the effects of the voucher scheme had spilled over to the non-beneficiaries of the programme.⁴⁶⁸ There were non-beneficiary farmers who confirmed that they managed to buy Chaka hoes and herbicides from the local agro-dealer. The access to agricultural inputs by farmers was made possible in the sense that the agro dealers were stocking a variety of the once rare agricultural inputs such as Chaka hoes, rippers and herbicides that were not only being supplied to the voucher beneficiaries but also the non-beneficiaries.⁴⁶⁹

This allowed sustainable market provision which had been broken down at local level. If the direct procurement was done, where only one supplier was chosen from Lusaka to supply the Chaka hoes, rippers and herbicides in Eastern and Southern without establishing outlets in Provinces, the farmers who were not on the voucher programme would have found it difficult to access these inputs which before the programme, were rarely available. So the support of the local Agro-dealers to the voucher scheme enabled the non-programme beneficiaries to access inputs. A positive aspect of the voucher scheme that was cited by some agro dealers was that the voucher scheme fostered

⁴⁶⁷ MACO, 'Conservation Agriculture Scaling Up for increased Production and Productivity', Project Document, 2009.

⁴⁶⁸ Interviews with Mr. Hamakuku, Retired Camp Officer, MACO, Pemba, 16th August, 2021.

⁴⁶⁹ FAO, Progress Report; Lusaka, Zambia, 2010.

some degree of interaction with farmers, suggesting that good customer relations had been developed since the voucher scheme was introduced.⁴⁷⁰

The agro-dealer assisted with trainings of farmers, especially on safe use of herbicides. It can thus be deduced that the agro-dealers played a role in fostering good relationships between the farmers and themselves that resulted in the exchange of knowledge.⁴⁷¹ These agro-dealers also provided advice to the farmers. The advice that they gave to the farmers included pre-sale advice and sometimes ongoing extension advice as part of their services. In Southern Province, the agro dealers also organised field days where the farmers learnt about the various agricultural inputs the agro dealers stocked. There were also product demonstrations and the development and distribution of leaflets and wall posters on the safe use and handling of agro-inputs. At the same time agro dealers were also getting feedback on the farmer requirements in both Eastern and Southern. For instance, Crop serve Zambia Limited in Mazabuka shared the handbook it had written in Tonga on the safe use of herbicides with the farmers. Crop serve Zambia Limited mentioned that the effort to have extension messages for the farmers has potential to enhance knowledge retention, hence the production of the said handbook for the farmers.⁴⁷²

The agro dealers also assisted the programme implementer (FAO/MACO) to reduce the transaction costs, through handling and storage thereby improving farmers' access to inputs, decreasing transaction costs and increasing the demand for inputs as was earlier mentioned.⁴⁷³ These costs had been paid by the implementers if the direct distribution was used. But since the voucher scheme was used, some Agro-dealers like Crop-Serve Limited in Choma had its own transport that it used to ferry its stocks from various suppliers points, thereby reducing the transport cost that eventually it passed on to the farmers through low pricing of agricultural inputs. On the contrary as demonstrated in the section on administrative cost, the direct procurement that used central procurement had high administrative costs.⁴⁷⁴

⁴⁷⁰ A. S, Hepelwa, O., Selejio, and J. K Mduma, 'The Voucher System and the Agricultural Production in Tanzania: Is the Model adopted effective? Evidence from the Panel Data Analysis', Environment for Development, (August, 2013), p. 24.

⁴⁷¹ MACO/FAO, FISP Electronic Voucher distribution Manual, 2011/12.

⁴⁷² CFU, 'Position Paper on Fertilizer Support Programme (FSP); Drawing on the Experiences of the 20010/11 Agricultural Season, 2012.

⁴⁷³ FAO/MACO, Agriculture Marketing Report, 2010.

⁴⁷⁴ FAO Report, 'Report on Agriculture, Trade Negotiation and Gender', 2010.

It was earlier reported that the local agro-dealers were cutting down on the cost of doing business and passing on the benefits of reasonably pricings to the farmers. The voucher scheme seemed to create a win situation for both the farmers and the agro-dealers. The farmers in Eastern and Southern thought that they were not being exploited in terms of prices that the agro dealers had put on the agricultural inputs. The access to reasonably priced inputs offered by the agro-dealers, helped the farmers reduce the cost of production in and increased the income value. On the other hand all the agro dealers indicated that the sales volume of inputs had improved compared to the past due to the voucher scheme.⁴⁷⁵ Consequently, good profit margins were acknowledged by all the agro dealers. For example, in the Eastern Province many agro-dealers, Sales were reported that companies had recorded a 100 percent increase in sales for Glyphosate herbicide from 1,500 litres per year before the voucher programme to over 3,000 litres in 2009 and 2010 during the voucher programme.⁴⁷⁶ Previously farmers had used hoes to control weed which required a lot of time, for instance, one hectare with a hoe by one person would take about two weeks. But with the use of Glyphosate herbicides weed control, a one hectare is done by one person in about two hours. The agro dealers were supplying Glyphosate herbicides to the farmers. The use of herbicides by the farmers helped to address the issue of labour and enables the farmers to plant big pieces of land (increase production) thereby improving the farmers' household food security and income levels.⁴⁷⁷

It was also established that the agro-dealers also had the potential to link farmers to markets for their farm produce besides providing them agricultural inputs. Of all the Agro-dealers on the voucher programme in Eastern and Southern Province, none was involved in buying of the agricultural crops (maize, sorghum, groundnuts) even though they supply seed for these crops.⁴⁷⁸ The farmers in the two Provinces mostly depended on Food Reserve Agency (FRA) as the market for their crops, but the FRA market was concentrated on Maize crop.⁴⁷⁹ The market for other crops like sorghum and groundnuts could be a problem for the farmers who had diversified their cropping. However, the local agro-dealers were acting as a link to the market for other crops, which

⁴⁷⁵ M. Siame, I. Lichilo, and N. Siame, 'An Assessment of FISP e-voucher Performance', *International Journal of Innovative Research & Development*, 6(7), 2017. pp. 188–212.

⁴⁷⁶ Interviews with Mr. Lembani Phiri, Agro-Dealer, Chipata, District, 6th December, 2020.

⁴⁷⁷ S. Haggblade, and G. Tembo. Early Evidence on Conservation Farming in Zambia, 2003.

⁴⁷⁸ Interview with Mr. Masauso Ng'ombe, Farmer, Chipata District, 16th December 2020.

⁴⁷⁹ Ministry of Agriculture and Co-operatives-Parliamentary Statement by the Minister, October, 2011.

could motivate the farmers to continue diversification. One specific instance that could be cited was that of the Moomba agro-dealer in Monze who had linked the farmers under the voucher to a market for Sorghum to company in Lusaka called Export Trading Limited.⁴⁸⁰

The marketing company Export Trading Limited expressed interest to procure all the sorghum that was produced in 2011, agricultural season by the farmers under the voucher scheme. The farmers in the programme were more organized and had established relationships with agro suppliers, so it was easy to organize volumes of their agricultural produce for sale to the agro Supplies who normally required huge volumes for further export. From the above indications, it can be concluded that the agro dealers also had created markets for outputs which was potentially increased income for the farmers. The availability of variety of seeds at local agro dealers had increased the crop diversification as farmers were able to access the different seeds.⁴⁸¹

The voucher beneficiaries in Eastern and Southern were growing crops that included maize, groundnuts, cowpeas, cotton, sweet potatoes, sunflower, beans and soya beans. On the other hand, it was also found that the beneficiaries had direct procurement such as Farmer Input Support System (FISP) which were not very diverse. For instance they were mainly growing maize with a little involvement in cash crops such as cotton, sunflower and soya beans. It appears that diversification may not have been possible without availability and accessibility of varietal seeds in the agro-dealers shops. After the sensitisation by the voucher programme, their range of agricultural inputs had broadened to include seeds such as soya beans, cowpeas and cotton, thereby enhancing diversification. It was established from MACO that diversification, as opposed to mono-cropping of maize, fostered market development.

The cost of producing Maize was quite high making it very uncompetitive at the international level and potentially reducing the income for the farmers. However, through local agro dealership in Eastern and Southern Province, the farmers were encouraged to grow legumes that have low cost of production and thereby making it competitive at the international level. Additionally, as a result of crop diversification into legumes that were of high nutritional value, the programme had enhanced the nutrition status at household level. The Agro-dealers also played a role in the

⁴⁸⁰ Interviews with Mr. Hazema, Agro-Dealer, Monze District, 4th March, 2021.

⁴⁸¹ S. Haggblade, and G. Tembo, 'Conservation Farming in Zambia. In: Successes in African Agriculture', In WENT, IFPRI, NEPAD, CTA Conference. Pretoria. 2003.

continued improvement of voucher scheme implementation. The agro-dealers did so by way of giving feedback to the programme implementers based on their true experiences. For example, in 2009/2010, the period for redeeming the voucher was limited to a week and according to the agro-dealers, the time was not adequate as it forced the Agro-dealers and the farmers to redeem inputs under very limited time to meet the deadlines.⁴⁸²

Based on their experiences in Southern Province during the 2013/2014 voucher implementation, the agro-dealers such as Kapoti Limited, Moomba Enterprises Limited and Crop Serve Limited got involved in advocating for the extension of the redeeming period for the future voucher programme to ensure that both the farmers and agro dealers had ample time to conduct business.⁴⁸³ The programme implementer took the recommendation into consideration in the year that followed i.e. 2014/2015 Agriculture season, where the period was extended to three months. As a result of the extension that was lobbied by the agro-dealers, there seems to be no indication of dissatisfaction in terms of voucher redeeming period for 2010.⁴⁸⁴ The positive contributions the agro-dealers made in the Voucher Scheme notwithstanding, as people who were in business with one of their major objectives being maximizing profits, they tended to be very conscious about the costs of doing business.⁴⁸⁵

In fact, it was found that all the agro-dealers participating in the voucher scheme were situated at the business centres, which on average was 50 kilometers away from the camps or communities they were serving. This at times made it difficult for farmers to easily access the agricultural inputs under the voucher scheme as farmers had to travel some long distance to the business centres to access the agricultural inputs. The other problem with agro-dealers that came out prominently from themselves is the capital limitation. The agro-dealers indicated that the problem that they were facing in expanding their business was the limited capital. For instance, Kaponden Stores Enterprises Limited in Katete indicated that the bank interest rates were prohibitive to the business

⁴⁸² P. Omanga, 'Experiences with Seed Vouchers and Fairs', CRS/Kenya. The Performance of the of the Fertilizer Support Programme, 2009. Lusaka, 2004.

⁴⁸³ C. Makunka, The Performance of FAO Voucher Scheme as a Method of Input Procurement and Distribution in Zambia; A Case Study of Chongwe and Mazabuka, MA, Thesis, University of Zambia, 2015.

⁴⁸⁴ N.M, Mason, T. S., Jayne, and R. Mofya-Mukuka, 'A Review of Zambia's Agricultural Input Subsidy Programs: Targeting , Impacts , and the Way Forward. Lusaka, 2013.

⁴⁸⁵ T.H, Kalinda, & H. Sikwibele, 'Zambia Relief Seed Mechanisms and Seed Voucher Study' *FANRPAN*, 2006.

expansion. Kapondeni Enterprises Limited complained that this may in turn affect their capacity to service the farmers especially when the numbers grow.⁴⁸⁶

With the use of the voucher scheme, there was also the danger of the agro-dealers redeeming the voucher cards without delivering the agricultural inputs to the farmers, and this was the case in Eastern and Southern Province. The former Programme Implementers explained that this was possible in that, with the current system, the agro-dealer, sometimes with the Camp Extension Officer, were the ones who played the major role of verifying that the farmer presenting the voucher card for redeeming was the rightful owner. The agro-dealers also assist the farmers who did not know how to redeem the voucher cards, and when the agro-dealers did not have some of the agricultural inputs the farmer required, the agro-dealer may convince the farmers to redeem the card with the promise of delivering agricultural inputs later which was not be fulfilled as was the experience in Sinda, Kalomo and Mazabuka.⁴⁸⁷ Some Agro-dealers had redeemed the voucher of about K2, 000,000 for undelivered inputs to the farmers with the promise of delivering within the agriculture season but this did not happen.⁴⁸⁸ A follow up with the Mobile Transaction Zambia Limited, the provider of the Electronic systems for the voucher confirmed that the situation of the agro-dealer redeeming and receiving payment before actual delivery of inputs was possible.⁴⁸⁹ The Mobile Transaction Zambia Limited mentioned that, the only agro-dealers or parties whom the system restricts from this misuse were companies that were not registered in the voucher scheme because then their bank accounts were not linked to the system and as such they did not carry out a successful transaction. As the situation was, the sure method of verification to ensure that the agricultural inputs were actually delivered to the farmer beneficiaries was a combination of both physical monitoring and electronic system monitoring to ensure immediate follow up issues that had to arise.⁴⁹⁰

It was also observed that some shop attendants had little or no knowledge on the types and usage of the agricultural inputs that they were selling. This may pose a danger to agricultural production

⁴⁸⁶ Interviews with Mr Festo Zulu, Kapondeni Stores, Katete Store, 29th July 2021.

⁴⁸⁷ Interview with Mr. Mukulumoya, DACO, Sinda District, 23th August, 2020.

⁴⁸⁸ MACO, Implementation of FISP through E-Voucher System, 2010.

⁴⁸⁹ Wadonda, 'Evaluation of the 2006/7 Agricultural Input Subsidy Programme, Malawi'. Final Report. School of Oriental and African Studies (SOAS), Michigan State University (MSU), Overseas Development Institute (ODI), 2004.

⁴⁹⁰ Musika 'FISP Electronic Voucher Programme to Promote Diversification', Lusaka, 2018, pp. 1-15.

in that the agro-dealers may not admit to the lack of knowledge and may end up misleading the equally ignorant farmers on the utilization of agricultural inputs.⁴⁹¹ The knowledge of agricultural inputs suitability and utilization was important to the increased yields. Zambia has four different ecological zones, that utilize different varieties of some of the seeds, so when a wrong variety of seed was taken to a wrong ecological zone, it always gave very poor yields. Similarly a right variety if taken to the right ecological zone was to give optimal yields.⁴⁹² However, it was concluded that the knowledge was very important for the agro-dealers to ensure that they stock the right agricultural inputs, so that it helped when they were dealing with farmers who lacked this knowledge.

6.1.9. Success of E-Voucher implementation 2012-15 in Eastern and Southern Province

Despite having a number of implementation challenges, the e-voucher system scored a number of successful stories towards its objectives. Firstly, the implementation attracted the participation of more private players in the input supply programme than never before. Such players included agro-dealers, financial institutions and insurance providers. There were approximately over 1,000 agro-dealers in Eastern and Southern Province in the period under review compared to about 1,00 agro-dealers during the 2 years piloting period. These agro-dealers set up shops everywhere and were able to stock diverse inputs and chemicals. Secondly, most farmers interviewed attested to the fact that through the e-voucher, they were able to access a diverse of agricultural inputs than before. Interactions with District Agriculture Coordinating Officers (DACOs), District Commissioners (DCs) and DMDOs reviewed that the ZIAMIS platform was an enabler of good data management and information sharing tool.⁴⁹³

The efficiency design of the ZIAMIS was appreciated by most DACOs as it made their work easier than the use of conventional methods of distributing inputs that required the use of paper at every stage. The findings of the study revealed that farmers had mixed feeling towards the e-voucher.

Some farmers praised the system as being convenient because they were able to get inputs of choice at their own time and within their own localities. On the other hand, some other farmers,

⁴⁹¹ Tsoka, 'Towards Smart Subsidies in Agriculture? Lessons from recent Experience in Malawi': September, 2008.

⁴⁹² FinMark Trust, 'Agriculture Subsidies' in SADC Countries: Current Status and Impact', 2016.

⁴⁹³ A.N, Kuteya, et al. 'Lessons Learnt from the Implementation of the E-voucher Pilot'. Lusaka: 2016.

especially those whose cards were not activated on time, felt that the system was a threat to their food security and livelihood. They suggested early commencement of the program as a solution to solving all the problems faced.⁴⁹⁴

6.1.10. Challenges of E-Voucher System to Co-operative Members

The e-voucher implementation faced the challenge of connectivity which was a similar problem faced in the piloting of the program under Food and Agriculture Organisation. Interactions with selected agro-dealers reviewed that internet connectivity was an extra cost and hindered the effective operations of the ZIAMIS system. More specifically lack of internet connectivity posed a challenge as regards farmer registration and access to farmer activation codes especially in rural areas leading to delayed sharing of information among stakeholders. The Internet based services created new risk control challenges in Eastern and Southern Province. The risk of Internet based services includes network failure, System overload, credit risk, interest rate risk; liquidity risk, price risk, foreign exchange risk, transaction risk, compliance risk, strategic risk and data update reputation risk.⁴⁹⁵ The Agriculture Institutions needed to have a technology risk management process to enable them to identify, measure, monitor, and control their technology risk exposure. Service providers offering transaction-based Internet products needed to have high level of control to help manage the transaction risk. Examples of these controls include: Monitoring transaction activity to look for anomalies in transaction types, transaction volumes, transaction values, and time-of-day resentment.⁴⁹⁶

Furthermore, there was insufficient ICT equipment and inadequate training of agro-dealers. The ZIAMIS system was only meant to accommodate a given number of farmers at the pilot stage. The 100 percent rollout of the programme presented a number of problems such as system crashes and slowed down processing time since minimal efforts were made to upgrade the system. Training which was given to agro-dealers and other stakeholders on how to use the ZIAMIS platform was

⁴⁹⁴ Lungu, Edgar. "Presidential Speech for the official opening of the Third Session of the Twelfth National Assembly, 2018." National Assembly, Government of the Republic of Zambia, 14 Sept. 2018.

⁴⁹⁵ Simaila Simbuliani, 'The Effectiveness of Zambia FISP E-Voucher Agriculture Program: The Case of Mongu', MA, Thesis, Cavendish University Zambia, 2018.

⁴⁹⁶ A.S, Hepelwa, O., Selejio, and J.K, Mduma, 'The Voucher System and the Agricultural Production in Tanzania: Is the Model adopted Effective? Evidence from the Panel Data Analysis', Environment for Development, (August, 2013), p. 24.

not adequate.⁴⁹⁷ Training was given to one member from each participating agro-dealer business. In most instances the owners of the businesses went for training and later trained their workers. A close scrutiny of this training mode however, showed that business owners did not adequately train their workers.⁴⁹⁸ The study also revealed that the farmer registration faced challenges of lack of suitable and reliable equipment especially in remote rural. For example, Personal Digital Assistants (PDAs) given to camp extension officers in rural areas (some of which did not have power sources) for purposes of farmer detail registration often needed battery recharging. This led to delays in farmer registration especially for camp officers who were operating in remote rural areas.⁴⁹⁹

Farmers in Eastern and Southern Province under the electronic voucher system described the new system introduced to FISP as a problem. This is because the system had not fully met its targeted objectives. The major selected Agro dealers in e-voucher system in Eastern Province were NWK Company limited, Everything Goes and Kaponden Stores, Kawani Farmers also complained that they did not understand the electronic voucher system as it was not user friendly. Most farmers fear the use of e-voucher due to lack of understanding of electronic system. The farmers also feared to face a lot of challenges in accessing inputs because the price of inputs in approved Agro dealers and input suppliers continued to increase due to the falling Kwacha.⁵⁰⁰ The other problem farmers had was that, the e-voucher card was valid up to 30th November 2013 but only few farmers had their cards activated.⁵⁰¹ The administration of 2013/2014 e-voucher was characterized by mismatch and sometimes incomplete farmer details on the ZIAMIS platform and bank details. The fragmentation of farmer information led to delayed access of Authority to Deposit (ATDs) by farmers and eventually failure to deposit at all.

The procedure was that farmers needed to deposit K400.00 at ZANACO which was in Chipata, Petauke, Chadiza and Lundazi as for Eastern Province as the only bank selected for the process of

⁴⁹⁷ A.Kasoma, E. Nchimunya Nyemba and B. Deka, 'The PMRC E-Voucher, Research Report', 2017/2018.

⁴⁹⁸ T. Nagasawa, 'The effect of Farmers Field School on Inputs investment through Electronic Voucher (e-Voucher) Scheme. A Case Study in 4 provinces of Central Mozambique. Wageningen University, 2017.

⁴⁹⁹ M.M, Chikobola, and G. Tembo, 'Gaps in the Implementation of the E-voucher System in Zambia: Implications for Strategies to make the Model Efficient and Effective', *African Journal of Agricultural and Resource Economics*, 13(2), 2016, pp. 193–197.

⁵⁰⁰ Food and Agriculture Organisation. FAO, E-Voucher in Zimbabwe Guideline for Agricultural Input Distribution, 2012. (http://www.fao.org/fileadmin/template/to/pdf/E-voucher_Zimbabwe.pdf).

⁵⁰¹ C. Musonda, 'Fertiliser Crisis Leaves Small Scale Farmers foodless, 13th January, 2008.

e-voucher system. Some Banks engaged by Government to implement e-voucher did not have presence in some districts. The absence of bank coupled with the use of proxy banks was a challenge in the period under consideration leading to failure by some farmers in the affected districts to make their mandatory beneficiary deposits. In Southern Province, ZANACO Bank is only found in Livingstone, Choma, Maamba, Monze, Mazabuka and this affected many beneficiaries who had to travel long distances in order to deposit their money. The pack for e-voucher system comprises of two 50kg bags of urea and D-compound fertilizer plus a 10Kg seed at only K1400.00.⁵⁰² Centralized e-voucher services by banks led to delayed turnaround time for farmer queries and prompt rectification of problems. A was 'system set-up' where only bank headquarters had the authority to carry all e-voucher related services with branches only attending to receipt of farmer deposits posed a challenge regarding handling of farmer queries. This programme was meant to make farmers diversify depending on maize only.

The study revealed that delayed activation of farmer cards led to delayed access of inputs by farmers and this had a negative bearing on agricultural productivity. Most farmers had made their mandatory deposits but did not have their E-voucher cards activated. Sometimes farmers received activation codes from Smart Zambia Institute (SZI) (which signalled authorization to upload funds on the e-voucher Cards by Government to the banks) but some banks took long to effect the activation. This negatively impacted on farmers' confidence in the system. The other major concern by farmers in Eastern and Southern Province on the e-voucher system was that the card was issued by the Zambia National Farmers Union (ZNFU), where it had been discovered that some farmer's cards were missing while others had some errors and it took time to correct.⁵⁰³ Many farmers had been launching complainants but still their problems were not rectified. The other issue was a price by Agro dealers which was a matter of policy as price was determined by demand and supply.⁵⁰⁴ The high prices of inputs accessed through the e-voucher system were monopolized by agro dealers. These inputs were very expensive because agro dealers hiked prices. There was no fertilizer found less than K350.00 despite government intervening.

⁵⁰² Interview, Civel Zulu, Kapondeni Stores Agro Dealer in Katete. 10th August 2020.

⁵⁰³ GRZ, *Ministry of Agriculture and Co-operative, Electronic-Voucher system Implementation Manual* (Lusaka; Ministry HQ Mulungushi House, 2013).

⁵⁰⁴ Interview, Christable Banda, Chiyambi Co-operatives in Chadiza District, 4th June 2020.

The major agro-dealers in Eastern Province were NWK Company Ltd, Kalawani, Kaponden Stores, Saan Farm and Everything Goes Stores, where fertilizer was expensive. Most of the dealers did not even have enough inputs and some E-Voucher cards which had problems took time for them to be verified. The agro dealers also increased their inputs prices any time and basically the system was not well programmed. Most farmers in the last season 2014/15 complained of having not received the fertilizer and they used their own money to buy seed which had already been planted.⁵⁰⁵ Some of the farmers were calling for withdraw of the system since it was pilot. Most farmers in Eastern and Southern felt cheated because they were given cards which were not activated and were being turned out away by most agriculture dealers appointed to implement the E-voucher system.⁵⁰⁶

Ghost farmers had also proven to be a recurring problem since the introduction of the E-Voucher system. The term refers to individuals registered in the system who are not peasant farmers. It also covers cases where deceased individuals appear in the system. Some of the ghost farmers were officers from the Ministry of Agriculture. The ghost farmers used FISP as a social cash transfer benefit. The individuals received the inputs and immediately sold them. Attempts had been made to purge the programme of ghost farmers. The most recent purge resulted in the removal of about 600,000 ghost farmers. The taxpayer saved approximately K1 billion as a result of this exercise.⁵⁰⁷ Other farmers in Eastern and Southern complained that they were able to deposit money but when it came to get the inputs the cards were failing to activate because of different errors. Some of the cards had errors of two names and different National registration Card numbers. Government gave them money to which was supposed to be converted into input of the farmers choice. But in some instances government delayed and farmers used their own money and this created a big problem for a beneficiary to be refunded. This piloting programme was questionable by farmers despite government still supporting it.

Conclusion

⁵⁰⁵ Chipata District Co-operative Annual Audit Report on E-voucher System 2013-2014.

⁵⁰⁶ Interview, Dorothy Banda, Beneficiary of E-Voucher, Chipata District, 2rd July 2020.

⁵⁰⁷ A. Simukanga, 'Automation of the Grain Purchasing Process for Zambia's Food Reserve Agency', MA, Thesis, University of Zambia, 2019, pp. 7-10.

The chapter discussed the implementation details of the voucher scheme in Eastern and Southern Province. It also analyzed the administrative costs of the voucher scheme so as to assess whether the benefits or advantages outlined in the prior section were worth pursuing as they relate to the cost of attaining these benefits. Lastly, it looked at the role that the agro dealers as private sector played in the voucher scheme. The implementation details explained the roles of the various parts involved in the voucher scheme. It came to light that in the voucher scheme there are three actors namely the electronic system provider, farmer and agro-dealer. Each of the three played an important role in the voucher scheme to effectively operate an input supply system. The system provider ensures that the voucher beneficiary is properly linked in the system to be able to redeem the card for inputs while ensuring that immediately the agro-dealer supplies the inputs, the payment for the inputs is made to the agro-dealers' account. The agro-dealer ensures availability of quality inputs at the right time for the farmers to access. The farmer completes the process as the beneficiary to the services of both the agro-dealer and the electronic system provider. The farmer does not need to move with cash to go and procure inputs, and the voucher card should be secured in case the farmer loses it. This is achieved through the use of the electronic system. In this chapter it was also observed that the selection criteria for agro-dealers are important in ensuring efficiency and effectiveness of the voucher scheme.

The evaluation of the voucher scheme also shows that the voucher scheme has received a positive feedback from the implementers, agro-dealers and the Farmers. In summary as perceived, the advantages of the voucher scheme over the direct procurement system are outlined as follows: The farmers were using cards to procure inputs as opposed to cash, thereby reducing the risk of misusing the cash. The farmers chose and received their inputs timely, resulting into early planting and productivity. The voucher also contributed to effective targeting through the use of data base for farmers in the two Provinces. It was also noted that there was an increase in the number of agro dealers participating in the provision of agricultural inputs, thereby enhancing input access and the Private sector development. The agro dealers were also receiving payment instantly as they supply then agricultural inputs through the immediate electronic payment, thereby enhancing their capital base. The voucher scheme also recorded minimal transportation costs by service providers or implementers as it encouraged farmer and private sector contribution. In addition to the benefits outlined, the study also revealed that the voucher scheme also had low administrative costs. Even

when compared to the most widely used system of agricultural input provision and distribution, the direct procurement and distribution.

The study also found that the agro dealers played an important role in the Voucher Scheme. The agro dealers competitively provided diversity of agricultural inputs to farmer accompanied with extension messages in both Eastern and Southern, thereby contributing to agricultural production and food security in the study areas. On the other hand, there were also some weakness that were observed such as time taken to redeem the vouchers. The voucher scheme as a system of agricultural input provision and distribution has potential to benefit all the major stakeholders in agriculture once done in time. It relieves the programme implementers the stress of delivering inputs to multiple beneficiaries, hence allowing the farmers to obtain optimal efficiency on the agricultural inputs while on the other hand promoting the development of the private sector.

CHAPTER SEVEN CHAPTER SEVEN

CONCLUSION

In the conclusion to the study, let us reflect on Chapters Two, Three, Four, five and six which constitute the main research of the thesis. Chapter two attempts to trace the development and origin of farming co-operatives in Eastern and Southern provinces of Northern Rhodesia from 1952 to 1964. Chapter three highlights the development of co-operatives in the two provinces from 1964 to 1991. Chapter four examines the Reversal of Gains between 1992 and 2002. The farming co-operatives had made several significant advances before privatisation of the economy under multi-party democracy. . Chapter five examines the Farmer Input Support Program (FISP) and farming co-operatives in Eastern and Southern provinces between 2002 and 2008. Following, chapter six focused on management of FISP and electronic voucher system which was administered through farming co-operatives in those provinces.

A review of literature has proved that in as much as indigenous Africans had an inherent traditions of working together, major strides towards the formation of co-operatives in Africa were a top down approach during the colonial period. For example, the co-operatives in Asia were introduced by Britain. The British government took up the ideas to stimulate and promote the development of

co-operatives in India from 1900.. The Indian experiment led to the creation of co-operatives law which was widely used in British colonies. The present co-operative registrations in commonwealth Africa like Zambia, are products of the British Indian experience in providing farming co-operatives.

Farming co-operatives among African farmers were introduced earlier in Southern Province than in Eastern Province. It is from 1952 that the colonial government systematically raised resources for developing cooperatives in the two provinces. The study has revealed that the farming co-operatives in Eastern and Southern provinces had similar operations and played a crucial part in financing members of co-operatives between 1952 and 1991. The study has shown that farming co-operative societies had a significant impact on the empowerment of their members and hence affected standards of living of the peasant farmers especially in areas of trade, marketing and financial aid. This consequently contributing to the development and transformation of rural areas.

The study has analysed the differences experienced in agricultural farming co-operatives in Eastern and Southern Provinces between 1952 and 2015. The findings of the study showed that farming co-operatives in Eastern and Southern Province performed well as a result of good policy. An analysis of activities of co-operatives in the stated period indicated that co-operatives in the two provinces helped to convert agriculture development and social welfare of the African population that had joined the farming cooperatives. The co-operatives in the two provinces fundamentally improved marketing, distribution of inputs and farm implements that helped the peasant farmers.

The study has shown that some differences existed in co-operatives in Eastern and Southern Province in term of membership. Eastern Province exhibited that it had more membership in co-operatives than Southern Province as shown in Tables 1, 3 and 14. The reasons as to why Southern had less members in co-operatives is because of the idea of peasant Farming Scheme which had first developed all over in the area and was slowly dominating in Eastern Province. The membership in Eastern was also high because of the ten year national development plan which was targeting to improve the lives of people after the Second World War. This brought the gaps in farming co-operatives in the two regions despite having similar operations in some way.

The study also revealed that despite Eastern had the highest rate of labour migration than Southern Province but had high membership and this did not affect operation of farming co-operatives during the colonial and UNIP period. Building on the studies of Yizenge Chondoka and Alfred Tembo, labour migrants from the Eastern Province invested a lot in their areas they came from. Strong family bond enabled women whose husband were away to help during cultivation as such women participated and contributed more in the growth of co-operatives and sold even more produce than Southern Province. In contrast, Toby Morrisson found stagnation among what the colonial administration considered progressive African farmers in Southern Province. In Southern Province, it would seem that not all abled men left their villages for labour with formal arrangements about who were to take care of the home economies in their absence. Moreover, the strength of white settler based commercial farming in Southern Province from the late 1930s to the 1960s did not abide African competition.

The origin and development of co-operatives was assessed and the findings showed that farming co-operatives in Eastern and Southern Provinces were started by the colonial government as a means for marketing African produce after the Second World War. The same legacy was carried on by the UNIP government and a relative analysis on agricultural policies on the farming co-operatives between 1952 and 1991, indicated strongly that the two government had a good policy that supported the co-operative movements and had an impact on improving agriculture. This was shown through marketing operations which was similar in the two provinces in terms of uniform price. The farming co-operatives acted as link between the rural enclave economy and the wider world economy.

The study conclusively showed that the co-operatives society in Eastern and Southern provinces had been able to provide large proportion of its member's loans and inputs which helped them to improve farming and individual household income. This was as a result of good agricultural policies initiated by the colonial and UNIP government. A link between co-operative members and non-member indicated that loans and inputs were more available to members than non-members. The results also showed that peasant farmers who were members of farming co-operatives had high production levels, more assets, and easy access to farming inputs than non-members. The difference arose from the co-operatives ability to assist its members in improving their farming. The effect of membership in the co-operative movement is further illustrated by

looking at wealth of members of co-operative society and non-members. The outcome showed that members were much better off than those who did not join the co-operatives movement.

The study also concludes that co-operatives in Eastern a period had more fixed development in infrastructure than Southern Province. The co-operatives in Eastern Province had more houses, shops, and vehicles, compared to Southern Province as shown in table 9 and this was as a resulted of increase in membership and capital share which was lower in Southern Province during the colonial and UNIP era. The study has also shown the difference that existed in Eastern and Southern Province on the peasant's individual wealth. The peasants in Southern Province had more individual investments such cattle, plough and ox-cats, watercart and ridges etc. This was because Southern Province was a beneficiary of government sponsored African improvement scheme were peasants were given farming implements and training in modern farming by the Jesuits of Chikuni mission and SDA from Rusangu in Monze. The only reason which affected agriculture in this region was poor rainfall pattern which reduced the yield.

An assessment of co-operatives was done and revealed that a period 1992 to 2015, the performance of farming co-operative in Eastern and Southern province did not perform well as result of new policy framework. This is because government policies which were laid by the Movement for Multiparty Democracy (MMD) government had to withdraw support from co-operatives. An assessment in Eastern and Southern Province showed that co-operatives were no longer evaluated by government every season. The study indicates that co-operative did not perform well because of policy implementation by the government. It was also clearly argued that these co-operatives played an important role in the Zambian economy and state withdraw from sponsoring co-operatives lead to the collapse of co-operatives. A relative analysis of farming co-operatives, also indicated that co-operatives did not perform well and evidence from the field suggested that despite that co-operatives had successes but there were more failures as a result of liberalization strategy adopted by government. The immediate implementation of the strategy caused a collapse of a number of co-operatives due to the ill-manner in which the strategy was implemented without having due regard for transitional issues.

The study has shown the difference that existed in marketing operation in Eastern and Southern Province and indicated that Southern Province performed well in crop production as shown in table 14, a period 1992-1997. Southern province performed well in maize marketing which was bought

by co-operatives and private buyers. This was as a result of the use of good agriculture methods and many peasant farmers had their individual farming inputs as compared to Eastern Province.

The study also exposed that most of the co-operatives were formed because members were just interested in accessing government resources through programmes such as FISP, E-voucher, youth empowerment and Livestock programmes. This has been cited as one of the contributing factors that has adversely affected the life of such farming co-operatives in Zambia. The study has consequently mentioned that government should tighten conditions for assessing such facilities so that such co-operatives do not assess them with easy.

Furthermore, an evaluation on reviving co-operatives through introduction of FSP and E-voucher system on farming co-operatives was proved as a good idea which was not supposed to be linked to co-operatives. This is because of the proportion of farmers benefitting from these programs increased. Fertilizer and seed subsidies gained support as a policy tool to foster improve co-operatives and agriculture production as a pro-poor policy approach, particularly for ensuring household food security. However, the study showed that FSP and E-voucher failed to revive farming co-operatives because inputs were delivered late compared to their implementation manual. The study also argues that FSIP and E-voucher system had challenges which were encountered during the implementation at household level. Other problems included poor crop marketing and storage facilities, poor road network and lack of monitoring and evaluation were also identified. The most serious challenges argued in the performance was, inadequate input supply, lack of funds, and heavy rains and drought for that particular season. Therefore, the comparative analysis of agricultural policy on the farming co-operatives concludes that the program did not bring back co-operatives to original life as they existed during the colonial and UNIP era. In addition, the findings showed that co-operatives in Eastern and Southern Province had no assets and many became dominant and resumed their operation during rainy season in order to siphon fertilizers.

In summary, the study criticise that co-operatives played a significant role in defining and sustaining the lives of the rural areas. The co-operatives were established for various purposes, including economic development, empowering of marginalised members of communities, to address market failures, as a defence against adverse socio-economic conditions, to access cheap

transport and storage facilities and to purchase inputs at affordable prices. Therefore, rural areas of Eastern and Southern Provinces had a lot to benefit from undertaking co-operative programmes during the colonial and UNIP era. The poverty levels increased in rural societies where co-operatives never existed and performed well. If these co-operatives had continued to thrive their operations through good agricultural policies from the way they had started, poverty levels could have reduced in rural areas. The co-operatives played a major role of reducing poverty, employment creation, improved food security, empowerment and human capital development. It was the study's assumption that the running of co-operatives' programmes was a cumbersome activity as a result of agricultural policy. This is so because each government and era had its own dynamics and varying policy frameworks. Therefore, this has been proved at length in the different themes discussed in this study. Factors influencing formation of co-operatives in colonial Zambia have been assessed.

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