

Appendix 9. Food Security Policies in Eight SADC Countries

Updated 9 May 2003

BOTSWANA Food Security Policy Matrix

	POLICY	PRACTICE	IMPLICATIONS	RECOMMENDATIONS	
TRADE & MARKETING POLICIES	Pricing – Farmgate	BAMB is buyer of last resort; sets floor prices on the basis of import parity. Government subsidizes BAMB for marketing production from small-scale producers	BAMB market prices set, private buyers adopt BAMB prices	Farmers with poor access to private traders get lower prices	Producer prices equal to the cost of landed imports are too low for farmers to cover production costs. Private sector participation must increase and reach more farmers so they receive higher prices
	Pricing – Retail	Selling price set at market level. BAMB prices approved by Board by Directors	Private sector prices lower than BAMB prices, supported by foreign suppliers	Sales by BAMB low, grain storage long and sometimes quality deteriorates	Subsidy required to improve competitiveness of sales of BAMB and local producers
	Import/Export ... Participation	Both BAMB and private sector import on their own. No restrictions that pose barrier to trade	Private grain dealers act as agents for RSA grain dealers and therefore out-compete BAMB in local markets. Government to assist BAMB to replenish SGR.	No food shortages but imports make local production appear very expensive	Policy to support marketing of local produce. Imports should not destroy domestic production
	Import/Export ... Duties	No export duties VAT effected 1 June 2002. Sorghum and maize grain exempt from VAT.		Trade is promoted in the absence of export duties.	Maintain the status quo.
	Domestic Marketing	BAMB sells at market prices	Private sector does not operate consistently from year to year	Private sector cannot alone be relied upon to ensure availability	Government must help BAMB to promote efficiency and outreach
	Food Reserves	BAMB maintains Government strategic reserves. Desired levels: Maize 20,000; Wheat 20,000; Rice 2,000; Sorghum 10,000 TOTAL CEREAL: 52,000MT	Usually holds less. Maize and Sorghum held by BAMB; wheat held by BOLUX; rice by private traders. Bulk of grain in SGR is imported. BAMB is not compensated for the costs of storing grain.	Insufficient to meet requirement but can support consumption for at least 1 month. Private sector has no incentives to participate.	Promote private sector participation
	Futures	Currently being studied	Never been tried, potentially useful	Price and supply stability.	Need for more information
	GMO	No official policy	A bio-safety committee has been set up to advise Government. GMOs being avoided if known	May already be buying GMOs	GMO policy must be developed. Better still, a biotechnology policy encompassing GMO among others must be developed.
TRANS-PORT	Transport	Subsidizes BAMB for marketing production from small-scale producers		Transport is not considered an internal constraint. Grain movement is enhanced.	Transport is not considered an internal constraint
	Transit Fee	Government charges road transport/ferrying charges	Trucks ferrying goods and services are charged for road usage	Since this is a cost recovery strategy, Government can maintain roads	Road transport charges must continue
INPUT POLICIES	Distribution	BAMB provides timely inputs. Government wants private sector to participate effectively. BAMB prices set on the basis of import parity	Private sector fully participates. Supply of open-pollinated varieties (non-hybrids) depend on availability from Department of Ag Research	Efficient delivery of services	Government should expedite implementation of privatization policy
	Pricing (subsidy)	Free seed distribution.	Government provides free seed enough to plant 5 hectares	Improved access to essential inputs.	Free seed distribution should be targeted carefully.
	Import/Export ... Participation	Open economy	Private sector participates fully	Efficient delivery of good and services	Private sector participation must continue to be strengthened
	Import/Export ... Duties	Duties are not imposed on agricultural imports	VAT will be introduced with effect from July 2002	Production costs for farmers are likely to increase	Review periodically with the view to exclude some sectors (e.g. agriculture) if necessary
MACRO-POLICIES	Foreign Exchange	Liberalized economy		No constraints	Maintain status quo
	Investment	Government encourages local investors and foreign investors (direct foreign investment)	Government is developing a strategy to provide basic infrastructure for agriculture development (roads, electricity, telecommunications, water etc)	The competitiveness of agriculture will be enhanced	Investment in agriculture must be increased
	Credit	Commercial banks provide credit but it is usually above the reach of small farmers	Government will provide credit guarantee scheme, agricultural insurance during the upcoming national development plan period to address the inaccessibility of small farmers to credit	Farmers will be able to access credit and improve their productivity and competitiveness	Credit for small farmers must be developed and provided on a sustainable basis to enable them to become productive and graduate from poverty. Try other options of providing credit to small farmers e.g. IFAD
	Interest Rates	Market determined		High interest rates discourage investment.	
STRATEGIC FRAMEWORK	Safety Net Programmes	Disaster Management Office under President's Office provides temporary relief. Government has pension scheme for elderly people; supplementary feeding for primary school going children; under five children; expectant mother; lactating mothers; and TB patients; support programmes for destitute (temporary and permanent) and orphans.			
	Longer-term Food/ Agricultural Sector Recovery Strategy	A Poverty Reduction Strategy has been developed focusing on increasing employment opportunities and strengthening organisational capacity of the poor. A destitute policy has been developed ensuring food provision for the poor. Sustainably diversifying agricultural production base; developing trade to meet import requirements; keeping a small physical food reserve as a contingency for drought years. To encourage private sector participation: (1) government commitment to infrastructure; (2) agricultural financing; (3) investment in agriculture.			

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MALAWI
Food Security Policy Matrix

	POLICY	PRACTICE	IMPLICATIONS	RECOMMENDATIONS	
TRADE & MARKETING POLICIES	Pricing – Farmgate	Pricing liberalized	Private traders sell and buy	Farmers sell at low prices but buy at high price	Government to intervene in extreme cases
	Pricing – Retail	Pricing liberalized. Setting of minimum producer price stopped in 2000.	Some form of consumer price control implemented through ADMARC who sell maize at one price throughout the country. Private traders sell maize at their own price.	Coexistence of a subsidised public distribution channel alongside a free market in the staple grain creates opportunity for rent seeking behaviour.	Subsidy required to improve competitiveness of sales but should be done without disrupting the markets.
	Import/Export ... Participation	No restrictions on importation of maize/others liberalized. Restriction on maize exports.	In reality only the National Food Reserve Agency (NFRA) imports maize formally. Small private traders are involved in informal cross border trade	NFRA crowds out private sector participation.	Need for a clear food security policy.
	Import/Export ... Duties	No duties	No duties	A lot of cross border trade	There is need to capture cross border trade
	Domestic Marketing	Liberalized	Some intervention with regard to maize	Private traders are unable to make informal decisions	Should be transparent
	Food Reserves	National Food Reserve Agency is the custodian of the nations grain reserves created in mid 1999 to act solely a disaster and relief agency. Desired minimum stock is 60,000 MT	NFRA sets the minimum procurement price.	The existing institutional arrangements sometimes conflict with ADMARC	Establish a transparent management system and review institutional arrangements
	Futures	No policy		Price and supply stability is ensured through futures markets	Need information on this
	GMO	MASIP in place	Partnership Agreement signed	Provide Framework for sector coordination	Process should be supported
	Swaps				
TRANSPORT	Transport	Policy reforms underway.	Privatisation of Malawi Railways and Lake Service, Reduction of trucking tariffs and reduction of duty and surtax.	Improves the poor transportation system which has been slowing down distribution.	Implementation of policy reforms need to be monitored
	Transit Fee				
	Security				
INPUT POLICIES	Distribution	Liberalised	Various organisations distribute inputs in competition with ADMARC. Government distributes free inputs targeted to a few participants in the Targeted Inputs Programme.	Fewer recipients of inputs on the Targeted Inputs Programme, thus a reduction in surplus production due to lack of inputs	Maintain input distribution through the market. Targeting to be done carefully without disrupting the markets.
	Pricing (subsidy)	No subsidy	Private sector participates. Agricultural Productivity Investment Programme (APIP) (funded by EU) provides low interest rates	Price too high for inputs and there is limited availability of inputs in remote areas.	Create an environment for increased private sector participation especially in remote areas
	Import/Export ... Participation	Liberalized	Liberalized	Difficult to get information	Development market information system
	Import/Export ... Duties	Liberalized	Liberalized	Participation problem is information	Need for development dealers and information network
MACRO-POLICIES	Foreign Exchange	Liberalized. No restriction on foreign exchange movements	Fixed to some extent	Not very transparent	Need for transparent policy
	Forex facilities				
	Financing				
	Investment	Malawi Rural Finance Company (MRFC). Government is a majority stakeholder	MRFC provides loans to farmers at high interest rates.	Interest rate high	Reduce overhead
	Credit	Small Enterprise Development Organisation (SEDOM) is intended to provide credit to traders. MRFC offers credit to farmers.	MRFC offers credit to smallholder farmers at market determined rates.	MRFC coverage is limited in terms of numbers and delivery activities.	Need for a sustainable supply of credit.
	Interest Rates	Fixed by market	Very high rates	Farmers don't have access to inputs	Reduce Interest rates Need for competition
STRATEGIC FRAMEWORK	Safety Net Programmes	Government and NGOs have put in place the Targeted Inputs Programme, free food distribution to the most vulnerable population, Food for Work and Public Works Programme.			
	Longer-term Food/ Agricultural Sector Recovery Strategy	PRSP was launched in April 2002. Food and Nutrition Policy under preparation. Vision and strategy for the agricultural sector under preparation			

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MOZAMBIQUE
Food Security Policy Matrix

		POLICY	PRACTICE	IMPLICATIONS	RECOMMENDATIONS
TRADE & MARKETING POLICIES	Pricing – Farmgate	Government liberalized farm gate prices in 1998, but fix for cashew	Producers sell their crops at their own prices	Farmers with poor road access get lower prices	Need to increase the role of private sector to stimulate higher farmgate prices
	Pricing – Retail	GoM liberalized in 1987	Private sector charges higher prices are higher than the government prices	Sharp retail price rises during the short supply period	Need to reduce food aid programs when food supply is adequate in the country
	Import/Export ... Participation	GoM advise on contracts and private traders import	Informal sector actively engaged in cross-border trade	Encourages competition and improves stock availability	Current practice to continue.
	Import/Export ... Duties	17% duties on all goods imported except for grain imports and exports of maize????	Import duties sometimes waived during emergency period	Private sector gets incentives to participate.	Waiver import duties under the current situation of food shortages.
	Domestic Marketing	GoM and private sectors market agencies sell	Government sets minimum prices	No timely and accurate information about present and prospective supplies of commodities. Marketing margins do not reflect commodity scarcities.	Need safety net for poor households
	Food Reserves	Desired situation is to store enough reserves for two months (5,000 to 7,000 MT)	No Strategic grain reserves are placed in the country. Cash flow constraints and uncertain market outlets are greater inhibitors to substantial bulking and gain storage.	No fallback, urgent need to import food.	Discussion on financial reserve is going on.
	Futures	No information is available		Price and supply stability is ensured through futures markets.	Need more information on this.
	GMO	Trade policy and strategy published in 1999		Uncontrolled and unmonitored importation and production of GMOs	Biotechnology policy encompassing GMOs among others must be put in place
	Swaps				
TRANSPORT	Transport		High transport costs to move food from northern or central surplus regions to southern deficit region of Mozambique. Poor road connections.	Bad to very bad connection from the producers points to local market	Government need to improve transportation systems and road networks
	Transit Fee	No charges			
	Security				
INPUT POLICIES	Distribution	MADER and NGOs subsidize agricultural inputs and tools. Private sector sells them at full price.	Often late and do not meet the needs	Low production resulting in food insecurity	Maintain input distribution through the market. Targeting to be done carefully without disrupting the markets.
	Pricing (subsidy)	Subsidize prices or free distribution.		Private sector competes with non-subsidized inputs	Need to incentives to enhance increased private sector participation.
	Import/Export ... Participation				
	Import/Export ... Duties	GoM promotes minimum duties on inputs and capital goods		Movement of inputs is eased.	Current practice can continue but reduce/remove duties on inputs not available locally
MACRO-POLICIES	Foreign Exchange	Liberalized	Parallel market with higher rate	Overvalued exchange rate discourages foreign investment.	Need for transparent policy whilst maintaining market determined exchange rate
	Forex facilities	Liberalized since 1987			
	Financing				
	Investment				
	Credit		Lack of credit is a major operating constraint for many private intermediaries	Farmers lack adequate financing for inputs to increase production.	Set up policies that will ensure easier and cheaper access to credit for smallholders
	Interest Rates		18 to 22% per year for the Metical (MZ local currency) 9% per year for foreign currency	Limited potential for accessing credit by smallholders	Need to enhance competition among financial institutions.
STRATEGIC FRAMEWORK	Safety Net Programmes	Government cash transfer programmes			
	Longer-term Food/ Agricultural Sector Recovery Strategy	Agriculture Rehabilitation Program (PROAGRI) at MADER that promotes rehabilitation of irrigation skim, small industries and increase of cash crop cultivation.			

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NAMIBIA
Food Security Policy Matrix

		POLICY	PRACTICE	IMPLICATIONS	RECOMMENDATIONS
TRADE & MARKETING POLICIES	Pricing – Farmgate	Not controlled, free market policy. Pre-harvest contracts offered by millers.	Price determined by import parity. Guideline price as determined by NAB	Prices determined by SAFEX prices plus transport costs. Producers receive competitive prices stimulating production.	None, works well
	Pricing – Retail	Free competition between maize millers	Big millers are price leaders but geographical price differences are normal. Retail prices determined by transport costs for raw material & milled products	Free market mechanism can disadvantage rural poor because of high transport costs	Need to carefully target food assistance in times of shortage without disrupting domestic markets.
	Import/Export ... Participation	Free market policy Millers import against permit from SA	Millers have to take up local harvest at import parity prices	None for consumers. Producers have ready market access	No participation by Government
	Import/Export ... Duties	No import duties applicable Permit costs N\$40 per permit	Permits are readily given	No negative effect on consumer prices	None, works well
	Domestic Marketing	Protection of domestic producers	No import permits for maize until local harvest has been bought by millers	No negative implication for consumers	None, works well
	Food Reserves	No national food security policy in place	Maize is imported commercially without Government interference	No Government expenditure for storage facilities and stocks	None, works well
	Futures	Are used in pre-planting contracts offered to producers, not presently available for small scale farmers	Futures are an important instrument to stabilize commercial production	SAFEX futures are important to Namibia	Instruments have to be developed for small scale farmers to participate in pre-planting contracts
	GMO	Namibia is presently developing a national policy	A Bio-safety Act drafted. Policy recommendations expected end of July 2002	Presently, white maize imports have to be GMO free	Transparent SADC policy, taking individual country's decisions into consideration
TRANSPORT	Transport	Free market policy, no Government interference	Millers arrange own transport, very few constraints. However, small scale producers find it difficult to reach markets because of high transport costs	Shortage of trucks in SA can be a constraint. Namibia owns 72 grain trucks only. Lower prices to small scale producers due to high transport costs	Better management of trucks by Spoornet. Better organization of access of small-scale producers to markets.
	Transit Fee	None. In-transit permit costs N\$40.			
	Security	Presently not a problem may be in connection with GMO policy	No losses are experienced	Implications with a 'GMO policy' spillage have to be investigated –if any	None
INPUT POLICIES	Distribution	Free market. By co-operatives and extension services to small scale farmers. Government in cooperation with NGOs	Free market constraints to producers because of limited storage of inputs by co-operatives and traders	Not all production inputs are always available to especially small-scale farmers	Strengthening of co-operatives and extension services to address small-scale farmer's needs.
	Pricing (subsidy)	Maize seed package programme introduced. Donated fertilizer to small scale farmers and subsidized prices. Ploughing subsidies to subsistence and communal farmers.	Not much fertilizer is used by small scale farmers	Below average yields by small scale farmers	Empower extension services
	Import/Export ... Participation	None by GoN other than management of donated fertilizer	Dist. through extension to small-scale farmers only	No subsidies or interference to commercial producers	None, but see above.
	Import/Export ... Duties	None		Free movement of inputs is encouraged.	Maintain the status quo.
MACRO-POLICIES	Foreign Exchange	No restriction for staple food imports. Namibia is part of the CMA	Application to Bank of Namibia through normal commercial banks	None	None
	Forex facilities	Available through Bank of Namibia for imports from outside the CMA	See above	None	None
	Financing	Available through Agribank, commercial banks and some smaller NGO schemes	Normal interest rates to commercial farmers, subsidized interest rates to small-scale farmers by some NGO's	Incentive value low	None
	Investment	Government investment in food security stores at household, village and central level for small scale farmers only	Pilot project in small scale farmers maize producing areas (Caprivi Region)	Outcome of pilot project is evaluated before Government policy will be implemented	Government inputs on storage and transport for small scale farmers to be intensified
	Credit	Credit available to small-scale producers through Agribank against collateral. Commercial credit available to millers and producers at normal rates	Because of Government land policy, collateral not always obtainable by producers	Little use of credit facilities due to collateral constraints and ignorance	Better or more applied credit facilities through Agribank to small-scale farmers. Revisiting of the collateral clause in progress.
	Interest Rates	Commercial rates are applicable to all participants in the maize chain with the exception of small scale producers	See credit	See credit	See credit
STRATEGIC FRAMEWORK	Safety Net Programmes	Uninterrupted food aid to vulnerable groups (school-children, lactating mothers and pensioners) through Government and NGO's. In times of drought food aid is also made available to essentially small-scale farmers where household food security is not guaranteed any longer. Government Food for Work Programmes are in place.			
	Longer-term Food/ Agricultural Sector Recovery Strategy	Vision 20/30 of the Namibian Government tries to address the status of Namibia as net food importing developing country (WTO classification application) in two ways: firstly to increase production of staples in Namibia in the context of natural limitations and secondly to develop agriculture in Namibia in a holistic way to diversify into agricultural high value export crops without jeopardizing household food security. Namibia has a food and nutrition policy and associated action plan as well as the "Green Plan" of the Ministry of Agriculture, Water and Rural Development.			

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Zambia

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SOUTH AFRICA
Food Security Policy Matrix

	POLICY	PRACTICE	IMPLICATIONS	RECOMMENDATIONS	
TRADE & MARKETING POLICIES	Pricing – Farmgate	Market deregulated, no government policy	None	Free market prices determined by local S&D and world price plus exchange rate	Maintain the status quo.
	Pricing – Retail	Market deregulated, no government policy	None	Market power of retailers and millers can be problem	Need to carefully target food assistance in times of shortage without disrupting domestic markets.
	Import/Export ... Participation	No government participation – traders play role	None	Traders respond to world/regional prices – international arbitrage apply	Practice encouraged under current situation of food shortages
	Import/Export ... Duties	R137/t tariff on maize also import duty on wheat, meat		Discourages free crossborder trade.	Waiver duties when there are food shortages.
	Domestic Marketing				
	Food Reserves	None	None	No need	
	Futures	SAFEX operational	Used widely by traders, millers and some larger producers	Price risk minimized	Practice to be promoted
	GMO	GM maize approved for commercial use in SA	GM maize planted on 3% of total maize area	No problem	
	Swaps	????			
TRANSPORT	Transport	Rail transport controlled by state monopoly - SPOORNET		Monopoly pricing and inefficiencies in structure – turn around time for truck high	Free up market
	Transit Fee				
	Security				
INPUT POLICIES	Distribution	None			
	Pricing (subsidy)	None			
	Import/Export ... Participation	None			
	Import/Export ... Duties	Duties on most chemicals/ tractors/machinery/fertilizer		Movement of inputs is discouraged.	Reduce/remove duties on inputs not available locally
MACRO-POLICIES	Foreign Exchange	Open market	Traders determine Rand/US\$ exchange rate through demand and supply	Subject to large volatility	Maintain market determined exchange rates.
	Forex facilities				
	Financing				
	Investment				
	Credit	Provided by Land Bank (state) and commercial banks			Need to explore more alternatives for providing credit to smallholders
	Interest Rates	Market related	Adjustment of interest rates by Government monetary policy.		
STRATEGIC FRAMEWORK	Safety Net Programmes	Limited intervention by government			
	Longer-term Food/ Agricultural Sector Recovery Strategy	New strategic plan for South African agriculture approved by President Mbeki			

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ZIMBABWE
Food Security Policy Matrix

		POLICY	PRACTICE	IMPLICATIONS	RECOMMENDATIONS	
TRADE & MARKETING POLICIES	Pricing – Farmgate	Gov't announces farmgate buying price, Private traders set own price. Gov't sets minimum buying prices	Private sectors offers better prices than government when there are shortages; Payments are made in cash	Farmers with poor access to private traders get lower prices. Distorts internal production and consumption patterns	Increase private sector role so farmers get higher prices. Improve infrastructure instead of merely increasing buying points which just increases the price <i>Updated 9 May 2003</i>	
	TANZANIA Food Security Policy Matrix					
	Pricing – Farmgate	Market participants set own prices. No government intervention.	Price fluctuations depending on overall production levels and access to the market	Farmers with poor market accessibility get lower prices.	Need to improve market accessibility through improved infrastructure.	
	Pricing – Retail	Market participants set own prices. No government intervention, except when food is short, then they subsidize	Markets not integrated and prices differ. Price levels depend on seasonal production levels and market accessibility.	Retailers experience price fluctuations depending on production levels.	Need to improve market accessibility through improved infrastructure	
	Import/Export ... Participation	Currently no restrictions. Cross border trade is legalized, facilitated and encouraged.	GoT restricts exports when production is low. Local administrations also impose restrictions in their locations.	Farmers do not benefit from price variation according to production. Import/export restrictions do not encourage cross border trade leading to high transaction costs.	Need to eliminate interventions in cross-border trade in food grains.	
	Import/Export ... Duties	Export tax abolished. Import duty currently levied at a maximum rate of 25%.	Import duties sometimes waived in times of food shortages.	Waiving import duties encourages private sector importations.	Continue imposing import duties and do not re-instate export duties, thus protecting domestic producers unless there is a food shortage.	
	Domestic Marketing	Liberalized domestic marketing system and removal of state monopolies.	Government intervenes in restricting movement across internal boundaries.	The market does not assure poor households have access to food throughout the year.	There is a need for safety nets for poor households.	
TRANS-PORT	Food Reserves	The SGR remains the main policy instrument the government uses to deal with emergency situations.	Desired maize stocks of 150,000 MT, but finance is not available to maintain that level of stock.	High costs to operate reserve. Difficulties associated with long-term storage and with distribution.	Reduce physical stocks, consider alternatives such as financial reserves, and greater reliance on privately held stock.	
	Agricultural Taxation	No mention of agriculture taxation in current policy documents.	District produce cess is the only tax levied on marketed food crops ranging from 5% to 10% of farmers price per kg.	Most of food crops produced and marketed by small farmers have small gross margins and a cess of 10% on producer prices is relatively high.	Taxes levied by local authorities should be rationalized and streamlined.	
	Distribution	With liberalization, input supply is now to be undertaken by the private sector.	Often too late or short supply for the season.	Reduction in input usage.	Devote resources to improve physical infrastructure, especially in rural areas.	
	Pricing (subsidy)	Input subsidies have been removed.	Farmers subjected to unsubsidized inputs. Input distribution not coordinated; supplies often come too late and in short supply.	Prices have gone up and overall terms of trade have turned against food crop production resulting into a reduction in input usage.	GoT should create an enabling environment for efficient private sector operation, and encourage more competition in the marketing chain.	
INPUT POLICIES	Import/Export ... Participation	With liberalization, importation of inputs is now done by the private sector.	Inputs are in short supply.	Decrease in input usage.	GoT should create an enabling environment for efficient private sector importation and distribution of inputs.	
	MACRO-POLICIES	Foreign Exchange	Liberalized and market determined.	Overvaluation of the real effective exchange rate has tended to rise in recent years.	Foreign currency shortages, Discouraging exports and reducing international competitiveness.	Maintain market determined exchange rates.
		Investment	Increased government spending to agriculture sector and savings resulting from rationalization of functions and services be retained by the Ministry of agriculture.	Low government spending in the sector. Currently total government expenditure on agriculture averages 7.2% of all budgetary expenditure.	The declining share of government spending is especially worrisome for future productivity growth in agriculture.	Public spending on agriculture coupled with investment in supporting infrastructure will have considerable impact on rural led growth.
		Credit	Liberalized financial Sector	Private Financial Institutions concentrating in urban centers.	Rural sector deprived of financial services and agriculture has experienced the steepest decline in the sectoral share of credit.	Need for strategy to intensify micro-finance services in rural areas.
MACRO-POLICIES	Interest Rates	Free determination of interest rate in the financial markets.	Deposit rates range between 5% and 9% while lending rates between 18% and 22%.	Limited potential for lowering costs of finance for investment while low real deposit rates deter higher financial savings.	Need to further enhance competition among the financial institutions specifically commercial banks.	
	STRATEGIC FRAMEWORK	Safety Net Programmes	Those food insecure households who have insufficient land and labor resources to achieve food security through producing their own food, estimated at 300 000 – 400,000 households, will depend on labor markets or selling non-agricultural outputs for their food entitlements. They can be assisted with targeted programs offering a combination of training and credit to enhance income-generating opportunities. However, even when successful, these programs are very expensive, and they often have a poor track record. Realistically, the best hope for these households depends on generating growth in rural areas, and thus stimulating labor productivity and employment opportunities. Access to education is an important element in breaking this cycle of rural poverty.			
Longer-term Food/ Agricultural Sector Recovery Strategy		Within a given timeframe (by 2005) and resource envelope, the Agriculture Sector Development Strategy should focus on the following critical issues: (i) Strengthening the institutional framework for managing agricultural development in the country; (ii) Increase private sector participation by creating a favorable environment for commercial activities; (iii) Clarifying public and private roles in improving support services including research, extension, training, regulation, information and technical services and finance; (iv) Paying attention to the marketing of inputs and outputs so as to increase net farm returns and commercializing agriculture; and (v) mainstreaming planning for agriculture development in other sectors so that due attention is paid to issues such as rural infrastructure development, the impact of HIV/AIDS, gender issues youth migration, environmental management etc.				

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