

Improving agribusiness competitiveness and economic growth in Zambia

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Zambia is a landlocked southern African country which is endowed with so many natural resources, very good for agriculture, it has the potential to be leading and with many countries surrounding Zambia, the market to sell its products is readily available.

Agriculture is still the key priority sector in the growth and poverty reduction agenda of Zambia. Over 60 percent of the population derives its livelihood from agriculture [3]. Zambia has been experiencing significant economic growth lately. However, the agricultural sector has not been performing as well as expected. To tap into the potential of agriculture, the country has been formulating comprehensive agricultural policies and strategies. These initiatives focus on various goals, including ensuring food security, increasing farmers' incomes, promoting sustainable farming practices, and encouraging the private sector to play a more active role in input and output markets.

In 2020, Zambia's agricultural sector contributed 2.7% to the national GDP (USD 18.11 billion at current prices). This was a 2% reduction from its contribution in 2019 (2.9%). This reduction in agriculture contribution to GDP has been the trend in the past decade, with an average contribution of 6.74%. Zambia covers 75 million hectares (752,000 km²), out of which 58% (42 million hectares) is classified as medium to high potential for agriculture production [2]. However, only 15% of this land is currently under cultivation [1].

The agriculture sector in Zambia includes the cultivation of crops, rearing of livestock, and fishing. Farmers in Zambia can be categorized into three groups: small-scale, medium-scale, and large-scale. Small-scale farmers make up the majority, accounting for about 90 percent of agricultural producers [1]. They primarily grow staple foods for subsistence but also have some surplus for sale. Medium-scale farmers focus on producing crops like maize and a few other cash crops for the market, while large-scale farmers cultivate different crops for both local consumption and export.

The agriculture sector plays a significant role in Zambia's economy, contributing around 19 percent to the country's Gross Domestic Product (GDP) [1]. Additionally, it employs three-fourths of the population. In terms of domestic production, Zambia grows crops such as maize, sorghum, millet, and cassava. On the other hand, exports are driven by products like sugar, soybeans, coffee, groundnuts, rice, cotton, and horticultural produce.

Now the Zambian government seeks to promote agriculture as a way to diversify the economy away from an overreliance on copper. The government is working to develop farm blocks in all ten provinces for large and medium commercial farming, fish farming, and livestock production. Private equity and other investors are active in this sector.

There are a number of leading Agri businesses that are making positive strides like Amiran, Zambeef and Lamasat. These are some of the few that have market even out of Zambia.

Amiran Zambia, a subsidiary of the Balton CP Group (UK), has been operating in Zambia for over 50 years providing integrated solutions in the fields of Agriculture and Technology & Innovation [4]. Amiran's agricultural division is working to introduce new methods of growing traditional crops, introducing the very best, high-quality agricultural products and services, yet remaining sensitive to the needs of rural farmers. Based on the unique requirements of the

Zambian farmer, Amiran offers comprehensive solutions enabling agriculture to expand and develop and will help achieve a number of the Millennium Development Goals.

With a rich history of ‘firsts’ in Africa, Balton CP has always been at the forefront of Africa’s ever-developing agriculture sector, introducing modern technologies such as drip irrigation, greenhouses and soluble fertilizers on the African continent.

Zambeef is a prominent company in Zambia that specializes in beef production. Not only does it produce beef, but it also offers feedlot services and engages in the manufacture of various other products. These include milk, chicken, eggs, leather, and shoes. Moreover, the company is involved in running a fast-food restaurant chain and a trucking company, which includes a fleet of refrigerated trucks.

Realizing Africa’s full agricultural potential will require significant investment [4]. The current government just like the previous ones have focused on policies to help grow the industry, they introduced new ministries like the Ministry of Small and Medium Enterprises Development to help support and facilitate Farmers on the lower scale also on going talks about different developments. Also, from the recent Comprehensive Agriculture Transformation Support Programme from April 2023 they have laid down many solutions to not just end hunger in the country but to grow the sector.

The current republican president Hakainde Hichilema calls on and invites investors to invest in the country as all indicators predict a very positive growth in the future.

Thus, ensuring economic growth and eradicating poverty, as one of the main economic goals of the country’s sustainable development, is possible with the implementation of a set of critical measures — from strong and targeted state support, including the need for large-scale investments in scientific research and knowledge dissemination, market and transport infrastructure, to developing a comprehensive and holistic approach to rural development, rather than just an agriculture or commodity focused strategy.

References

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