

**A HISTORY OF THE NATIONAL AGRICULTURAL MARKETING BOARD
(NAMBOARD) IN PROMOTING FOOD SECURITY IN ZAMBIA, 1969-1989.**

BY

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DECLARATION

I, Ruth Phiri declare that this Dissertation:

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APPROVAL

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ABSTRACT

This study reconstructs the history of the National Agricultural Marketing Board (Namboard) in promoting food security during its operation years from 1969 to 1989. It does this by analysing why it was important and necessary to have a good marketing system in attaining food security. The study further brings out the contributions and impact that Namboard had on the farming community and the nation at large in promoting food security as well as the challenges that this organisation encountered in its quest of promoting food security.

The study showed that the state had always intervened and played an active role in the provision of markets for certain crops especially maize, it being the staple food of the country. The state intervened for the purpose of promoting food security and that a good agricultural marketing system enhanced food security. A good marketing system ensured greater participation in the market economy especially by the small scale farmers. The study also revealed that Namboard enhanced food security through its nationwide marketing functions and that the guaranteed market encouraged farmers to take part in market agriculture. The study further revealed that 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. However, Namboard encountered numerous challenges in the efficient execution of its duties, these being internal and external. The increasing interference of government constrained management of the ability to work efficiently. Further, the limited resource allocation as well as transport problems made efficient operations very difficult. Namboard also lacked the stimulus to efficiency. This was because monopoly pushed inefficiency, laziness, carelessness and too often nepotism and corruption. These led to the Board being ineffective and being labelled as a failure.

DEDICATION

To my late father, Webster, W. Phiri, and my Mum, Cecilia Luanja Phiri who both understood the importance of education and gave me an opportunity to pursue my dreams.

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ABBREVIATIONS

ARMB	Agricultural Rural Marketing Board.
DCU	District Co-operative Union.
FAO	Food and Agricultural Organisation.
GMB	Grain Marketing Board.
NAMBOARD	National Agricultural Marketing Board.
PCU	Provincial Co-operative Union.
UNIP	United Nation Independent Party.

CHAPTER 1.

Introduction and Historical Background

The agriculture debate in Zambia has been a major issue of concern for a long time and despite government interventions and policy changes, the sector has still lagged behind. Different scholars such as Kajoba, Dodge to mention but a few, observed that in spite of the fact that roughly three quarters of the population were engaged in agriculture of some form, its contribution to the Gross Domestic Product was less and added very little more to the Gross National Product.¹ It was against this background that the Zambian government was compelled to intervene in the agricultural sector through marketing strategies like the establishment of the National Agricultural Marketing Board (Namboard). The proposed study therefore was intended to look at the contribution and impact Namboard had in promoting food security in Zambia. The study reconstructs the history of Namboard as a state controlled marketing Board of agricultural products, with particular reference to maize focusing on the period from 1969 to 1989, these being the operation years.

State intervention in the agricultural sector was of paramount importance, particularly the pricing and marketing of agricultural products as they played a big role in helping sustain the food security of the country. From as far back as the colonial period, state interventions through agricultural pricing and marketing were motivated by attempts to insulate the internal market from the international market.² The interventions were towards promoting food security which is defined as the ‘availability of food and the ability to acquire it.’³ It was further noted that food security was attained when most of the individuals in a society

¹ G. Kajoba, Food Crisis in Zambia, (Lusaka: ZPC Publications, 1993), D. Dodge, Agriculture, Policy and Performance in Zambia; Prospects and Proposals for Change, (California: University of California, 1977)

² T. D. Shopo, ‘The State and food security in Colonial Zimbabwe, 1965-1980’ in N. Bourenane and T. Mkandawire (eds) The State and Agriculture in Africa, (London: CODESSRIA Book series, 1987), p202.

³ M. Rukuni and T.S. Jayne, Alleviating hunger in Zimbabwe: Towards a national food security, (Harare: University of Zimbabwe Publications, 1995) p. 3.

produced or procured enough food for an active and healthy life. This was also echoed by Asante who observed that food security at its core,

Constitutes an integrative policy approach to food production, distribution and consumption encompassing the broad economic and social policies and reforms that affect the wider distribution of income and people's access to food.⁴

He went on to state that, this was a policy which encompassed the collective efforts of governments to influence the decision making environment of food producers, food consumers and food marketing agents in order to further social objectives.⁵ In this regard, food security was a highly political act aimed at placing the country's food security along with other aspects of development on the scale of priorities.

The State had always played an active role in the provision of markets for certain crops. The purpose of intervention was effected in response to demands from one or more interest groups in the society. In some cases, intervention was initiated by the state for developmental reasons.⁶ The State during the colonial period always had an interest in agriculture, especially European agriculture and later on, in African agriculture. According to Lukanty and Wood, while the State created a particular political and economic system that encouraged settler farmers, it also developed specific legislation and measures with respect to agriculture.⁷ The colonial state increasingly intervened in the agriculture sector in order to support the European settler farmers with a whole range of policies aimed at protecting this farming

⁴ S.K.B. Asante, "Food as a Focus of National and Regional Policies in Contemporary Africa" in A. Hansen and D.E Macmillan (eds.) Food in sub-Saharan Africa, (Colorado: Lynne Rienner Publishers Inc. 1986) p. 12.

⁵ S.K. B .Asante, 'Food as a Focus of National and Regional Policies in Contemporary Africa,' p12.

⁶ K. Okso-Amaa, Rice Marketing in Ghana; an analysis of Government intervention in Business, (Uppsala: Nordiska Afrikainstitutet, 1975) p. 11.

⁷ J. Lukanty and A.P. Wood, ' Historical overview, Agriculture policy in the colonial period' in Wood, Kean, Milimo and Warren (eds.) The Dynamics of Agriculture policy and Reform in Zambia, (Iowa: Iowa State University press, 1990) p. 9.

community from any competition. . This was also the case in other British colonies such as Southern Rhodesia, Malawi and Kenya where, white farmers used their political influence to dominate and ensure ready markets for the crops they produced.⁸ It was also established that the colonial officials, having attained a large measure of political power in these territories were able to strongly influence the course of government policy on agricultural marketing. They were able to erect a wall of protection to promote or safeguard their agricultural interest.⁹

Similarly, in Northern Rhodesia, state intervention in the marketing of maize led to the establishment of the Maize Control Board in 1936, following the example of Southern Rhodesia which recorded the passing of the Maize Control Act of 1931 and 1934.¹⁰ The Maize Control Board established the principle of the state as a monopoly buyer, offering guaranteed prices and accepting the responsibility to buy all the maize produced. Thus, the government not only set the producer prices of maize, but also the retail prices and hence allowed the state to influence local food prices and the cost of living.¹¹

In the same context, the colonial state also intervened in African agriculture, especially after the Second World War when European production could not meet the increased demand for agriculture produce. Indeed, production by the peasantry, for example in the Eastern and Southern Provinces of Zambia was encouraged through the establishment of collection points of farm produce in the rural areas to meet the demands of the post war period. Wood and Shula record that the Department of agriculture's view was that through the provision of

⁸ R.H. Davis, Jr. 'Agriculture, food and the Colonial period' in Hanse and McMillan (eds.) Food in Sub-Saharan Africa, p. 164.

⁹ M, Yoshida, Agriculture Marketing intervention in East Africa, (Tokyo: East West Publications, 1984) p. 54.

¹⁰ I.K.S. Musoke, 'Capitalist penetration and underdevelopment of African peasant Agriculture, Swaziland, Southern Rhodesia and Nyasaland' in ACARTSOD, Understanding Africa's Food problems; social policy perspective, (London: Hans Zell Publishers, 1990) p. 27.

¹¹ J. Lukanty and A. P. Wood, 'Historical Overview, Agriculture policy in the colonial period,' p. 13.

opportunities for market agriculture, African farmers would be encouraged to adopt better agricultural practices.¹² The State therefore provided markets in the most accessible parts of Eastern Province and along the line of rail. In 1946, the African Farm Improvement Scheme began in Southern Province and later in Central Province, while an intensive rural development programme began in Northern and Luapula Provinces in 1956.¹³ The schemes were aimed at improving the agricultural productivity of the Africans. Kumar also postulates that when domestic demand for grain rose in the late 1940s, so did the world market price and the cost of imports rapidly escalate. He argues that at this time government policy towards African agriculture took the form of Improved Farming Schemes and soil conservation efforts along the line of rail and in Eastern Province.¹⁴ These soil conservation efforts were aimed at helping the African farmers adopt better ways of cultivating their land to improve and increase their productivity.

In 1964, like in the colonial era, the Zambian government also took an active role in supporting the agricultural sector, with the state recognising that agriculture was the basis of the nations' economy. This was echoed in the First National Development Plan of 1966 where it was recognised that agriculture would have to play a leading part in achieving the aims of self- sufficiency in major economic sectors.¹⁵ The Zambian government had a desire

¹² 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.

¹³ P. Wood and S. C. Shula, 'The State and Agriculture in Zambia, A review of the Evolution and consequences of Food and Agriculture Policies in a mining economy, p285.

¹⁴ S.K. Kumar, ' Design, Income Distribution and consumption effects of maize pricing policy in Zambia,' in P Andersen (ed.) Food subsidies in Developing countries, costs, Benefits and policy Options, (Baltimore: The Johns Hopkins University Press, 1988) p. 291.

¹⁵ G.R.Z. 'First National Development Plan,' 1966-1970, Office of National Development and planning, Lusaka, p. 25.

to reduce its dependency upon imported supplies or raw materials, especially foodstuff through Agriculture. This, it believed would make a saving on the treasury.

After independence, state intervention was also seen as necessary to ensure greater African participation in the economy and to reduce inequalities in access to opportunities and services which colonial policies had developed.¹⁶ Thus, the state took charge of the agricultural sector with the introduction of various policies aimed at accelerating agricultural production. Policies such as extension services, credit facilities, pricing and marketing were all used to encourage agricultural changes after independence. Of these policies, agriculture marketing was given sole emphasis with the First National Development Plan recording that without full and efficient marketing services, efforts to increase agricultural production would be largely thwarted.¹⁷ Thus, in 1965, the government sought to rectify the imbalance that existed in the marketing system during the colonial period by forming two marketing boards, The Grain Marketing Board (GMB) and The Agriculture Rural Marketing Board (ARMB). These two boards were responsible for marketing several crops and the supplying of various inputs.

State interventions in agricultural marketing culminated in the establishment of a monolithic organization, the National Agricultural Marketing Board (Namboard), established under an Act of parliament in 1969. The Act provided for the establishment of Namboard and prescribed the powers, duties and functions of the Board.¹⁸ It also provided for the repeal of the GMB and ARMB. Thus, the establishment of Namboard was essentially an amalgamation of the GMB and ARMB. It was a desirable change to do away with the dual marketing system inherited from the colonial period which divided the market between European and

¹⁶P. Wood and S.C. Shula, 'The State and Agriculture in Zambia,' p. 286.

¹⁷G.R.Z. 'First National Development Plan,' 1966-1970, p. 25.

¹⁸NAZ, Act 1969-1970, Act No. 30 of 1966, p159.

African agriculture. Further, the amalgamation was a way of consolidating efforts directed at improving the rural economy in order to raise the standards of living of peasant farmers.

Thus Namboard had much broader functions than the GMB and ARMB. It was charged with the responsibility of buying, selling, importing, exporting and storage of maize.¹⁹ It was also to do all things necessary and consistent with the provision of the Act to ensure the orderly marketing of controlled products and the orderly supply and distribution of agricultural requisites.²⁰ Therefore, from its inception, it was clear that the Board was instituted to serve the farming community, with particular emphasis on the peasant producers who were unable to arrange for their own marketing and supply facilities.

The performance of Namboard however had been strongly criticised. 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 criticised for its inefficiency and the poor quality of services it offered to the farmers.²¹ Most scholars further argued that the creation of Namboard only led to the growth and expansion of the parastatal based bourgeoisie. They argued that it was a burden to the government and that it siphoned off resources from rural peasants for the benefit of the urban consumers.²² These scholars have thus ignored the impact that Namboard had on the farming community, especially on the small scale farmers.

It was against this background therefore, that this study was undertaken. It sought to find out why it was necessary to have a marketing system in place in the promotion of food security.

¹⁹ NAZ, Acts 1969-1970, Act No. 30 of 1969, p161.

²⁰ NAZ, Acts-1969-1970, Act No. 30 of 1969, p166.

²¹ P. Wood and S.C. Shula, 'The State and Agriculture in Zambia,' p. 303.

²² Munyonzwe Hamalengwa, Class Struggle in Zambia, 1889-1989 and the fall of the Kenneth Kaunda 1990-1991 (New York: University Press America, 1992) p8.

The study also established the contributions, role and impact that Namboard had as a state controlled marketing Board in promoting food security.

Statement of the Problem

Agricultural marketing has received much scholarly attention. In particular, there have been a lot of studies on government intervention in agriculture marketing through the creation of marketing Boards like Namboard. Although Namboard has received much scholarly attention, its contribution, role and impact in promoting food security have not been fully investigated. In this regard, the study was intended to reconstruct the history of Namboard by examining and assessing its contribution, role and impact, in promoting food security in Zambia between 1969 and 1989.

Objectives of the study

The main objective of the study was to construct the history of Namboard and examine its role in promoting food security. The specific objectives of the study were:

1. To examine the importance of a marketing system in enhancing food security in Zambia.
2. To investigate the role and Impact of Namboard in promoting food security in Zambia.
3. To assess the challenges Namboard encountered in the process of promoting national food security in Zambia.

Rationale

This study provides an understanding and appreciation of agricultural marketing Boards that enhance food security critical for national development. The study is also a contribution to the institutional historiography of Zambia, Namboard in particular.

Literature Review

A number of studies have been written on agriculture. In particular, in the recent past, much has been written on government intervention in agriculture marketing through marketing boards like Namboard. These studies were of great importance in helping to establish how marketing boards like Namboard helped and contributed to promoting food security in Zambia.

The work by Kohls in *Marketing of Agricultural Produce* was particularly insightful to this study because it brought out the importance of agricultural marketing. Though written from a different context of a developed nation, Kohls work showed how marketing of agricultural produce led to mass production. The work also showed how marketing was a complex and costly undertaking and how marketing organisations had to maneuver to do their business²³. This work was beneficial to this study in that it showed that even if it was complex and expensive for the government to run Namboard, it was still worthwhile in that agricultural production increased and the social objective of government was met when it increased the rural participation in market oriented agriculture.

Mkandawire's and Bourenane's edited work in *The State and Agriculture in Africa* was critical and relevant to the study in that the work helped in bringing out a comparative study of the different state interventions in the marketing of produce from different African countries.²⁴ The review of state interventions of agricultural policies from different African

²³ R.L. Kohls, Marketing Agricultural Products, (Purdue University, 1972),p235.

²⁴ T. Mkandawire and N. Bourenane (eds.) The State and Agriculture in Africa , (London: CODESRIA Book series, 1987). P 3.

countries gave an insight of how different governments managed to operate the agricultural sector and how the policies put in place had actually helped in promoting food security. The authors used countries like Malawi, Zimbabwe and Tanzania as case studies to compare how these African states had employed policy to enhance food security. This work therefore was relevant to the study in that , apart from providing the general appreciation of state intervention in agricultural marketing in different African countries, it was also rich in showing the relationship between increased agricultural production and agricultural marketing.

The work of Ellis in *Agricultural Policies in Developing Countries* was also a major contribution to the study. This work, just like Mkandawire and Bourenane's study was relevant to the study in that it was concerned with the methods used by developing countries to change the social and economic context within which agricultural production took place. The work of Ellis had a particular emphasis on policies affecting peasant production and one policy of interest to this study was that of agricultural marketing. The work looked at the marketing policy in detail by assessing the objectives of marketing, instruments used and impact of policies by which states intervened in the marketing system. This work also pointed out the close links between marketing policy and the price policy since certain types of pricing policy, for example fixed price and floor price required the intervention of state marketing agencies in order to be implemented.²⁵ The analysis put forward by this study helped to form a useful framework for examining how marketing policies affected food security in Zambia.

The edited work of Mellor and Ahmed in *Agricultural price policy for developing countries* was also valuable to this study. This work was illuminating to the study in that while this

²⁵ F. Ellis, Agricultural Policies in Developing Countries, (London: Cambridge University Press, 1992) p95.

study was concerned with agricultural marketing, Mellor and Ahmed's work went further to explain the implications of government intervention through pricing. This work was of great importance in that the pricing principle and public intervention in domestic markets was fully explored. It was worth noting that the pricing policy which went hand in hand with the marketing policy had been a major tool used by the state to intervene in agricultural production. Mellor and Ahmed further noted that besides being an administrative convenience, a uniform price was rationalized by considerations such as regional equity, sense of national unity and compensation for backward infrastructure.²⁶ This work helped this study in understanding the position of government in administering the prices of commodities and providing marketing services to the farming community.

The other study worth considering and of great importance was the edited work of Hansen and McMillan in *Food in Sub-Saharan Africa*. The work though not really addressing the issue of agricultural marketing, was significant as it showed the role agriculture as a whole and food in particular played as a focus of National and regional policies in Africa. Food policy was highly a political act with policy motivations being more political than economic and reflecting the expediency of responding to urban elites.²⁷ The authors argued that due to the vulnerability of the Government to urban pressures, food imports were subsidized to keep prices low, and domestic food policies were reduced through the operation of government controlled marketing institutions and the manipulation of trade policies. The work was beneficial to this study in that it helped in understanding the governments political obligation to creating an environment in which food was made available to all sectors of the economy and hence the intervention.

²⁶ J. Mellor and R. Ahmed (eds.) Agriculture Price Policy for Developing Countries, (London: Johns Hopkins University Press, 1989) 68.

²⁷ A. Hansen and D.E. McMillan (eds), Food in Sub-Saharan Africa, (Colorado: Lynne Rienner Publishers Inc.1986) p16.

Wood et al in *The Dynamics of Agriculture Policy and Reform in Zambia* was particularly illuminating to the study. The work highlighted on a number of agricultural policies and reforms in Zambia and gave a vivid historical background to the agriculture policies that the Zambian government was pursuing. This study pointed out that the operations of the agriculture marketing system revolved around marketing boards, provincial Cooperative Marketing Unions and in some cases, processing companies.²⁸ This work was very cardinal to this study in that this study drew a lot of insight from the different policies that government introduced and how they impacted on agriculture. The study however did not discuss how statutory marketing boards like Namboard impacted on the farming community and contributed to food security. It centered on the weaknesses and challenges that the board encountered. This study however meant to fill in this gap by showing how marketing boards like Namboard impacted positively on the farming community and promoted food security

Chipungu's work was also informative to this study. This was because in his study, *The State, Technology and Peasant Differentiation*, Chipungu explored the relationship between the state, technology and differentiation within the peasantry. Chipungu acknowledged that the period 1964-1975 was one of increased state interventions in peasant agriculture, especially in matters of technology acquisition.²⁹ He recognised the importance of state intervention through marketing and how the marketing system put in place that time, together with the new technology helped to enhance differentiations among the people of Southern province. This study therefore benefited from such findings by showing that increased state interventions through Namboard actually helped promote food security for both producers (rural dwellers) and consumers (urban dwellers).

²⁸ A.P. Wood, S.A. Kean, J.T. Milimo and D.M. Warren, (eds) *The Dynamics of Agricultural Policy and Reform in Zambia*, (Iowa: Iowa State University Press, 1990)

²⁹ S.N. Chipungu, *The State, Technology and Peasant Differentiations; A case study of Southern Province 1930-1986*, (Lusaka: HAZ, 1988), p129.

Another vital work relevant to this study was by Dodge, *Agriculture, Policy and Performance in Zambia*. This work was a major contribution to this study because the author carefully narrated how the agricultural sector had evolved in Zambia. It analysed the policies and performance of the agriculture sector. The study further highlighted what policies and strategies government put in place to effectively market agriculture products. According to Dodge, marketing boards or cooperatives continued to play a minor role in the economy and in agriculture development.³⁰ The work, together with works of Wood et al just indicate how the marketing board underperformed. This study however proved that Namboard did not only contribute to the country's food security but that it also helped to introduce the peasant farmers to a money economy through marketed agriculture.

Klepper's article, 'Zambian Agricultural Structure and Performance' in *Development in Zambia* was yet a vital contribution to the study. The work was more concerned with the performance of agriculture in Zambia after independence. While the author recognised that government services were a necessary condition for the transformation of peasant agriculture, he failed to bring out how marketing services helped to transform peasant agriculture. The author continuously depicted agriculture as having failed to fulfill its promise and that no amount of marketing services would help the peasant farmer who was unable to produce a surplus for sale.³¹ This study however showed otherwise that marketing services transformed peasant production and contributed to food security.

The article of Osei-Hwedie, 'Food crisis in Zambia,' in *issues in Zambian Development* was also beneficial to the study. The article examined Zambia's food crisis and its impact on the

³⁰ D. J. Dodge, Agriculture, Policy and Performance in Zambia; History, Prospects and Proposals for change, (California: University of California, 1977), p79.

³¹ Robert Klepper, 'Zambian Agricultural Structure and Performance,' in Ben Turok (ed.) Development in Zambia, (Lusaka: Zed Press, 1979), p143.

social economic development. The work acknowledged that Zambia still faced a food crisis despite the different interventions put in by government. It also revealed that although food crisis was predominantly a post- independence phenomena, its root causes could be traced to the colonial era which transformed the Zambia economy from subsistence agriculture into an export oriented copper industrial economy. The work also brought out subjection of food production policies to politics, urbanization and climatic conditions among other things as causes of food crisis and insecurity in Zambia.³² This was very enlightening to the study as the study drew insights on the various causes of food crisis and not just put the blame on agricultural marketing and Namboard in particular.

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 another informative studies. The studies examined the performance of the agricultural sector and the impact of policies on the farming community. Katongo's work analysed whether 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.³³ 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 in rural Zambia. These works were beneficial to the study in that they showed the role of a policy framework in the development of a vibrant agriculture sector. State

³² Bertha Osei-Hwedie, ' Food Crisis in Zambia,' in Kwaku Osei-Hwedie and Muna Ndulo (eds.) Issues in Zambian Development, (Roxbury: Omenana, 1985), p119.

³³ 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 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 marketing boards controlled by the government.³⁴ It further stated that the other channels were marketing cooperatives. In this regard, this work was relevant to the study in that it brought out how agricultural performance was dependent on government marketing boards which were used as an important means to manipulate production and consumption through price fixing and subsidies. Namboard was therefore used to promote food security.

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 production in Zambia. The paper elaborated on how agricultural production had been from 1964 (independence) to the late 2000s. The trends in agricultural production was very vital to the study as it helped to compare how production fared during the time of the state controlled marketing board and 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 food and fertilizer markets in ways that greatly influenced the performance of the small holder farmers.³⁵ This was illuminating to the study in that it

³⁴ C.S Tweedie and A.H.C Lombard, Agriculture in Zambia Since Independence, (Lusaka: Neczam, 1972) p14.

³⁵ 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. Accessed at <http://www.aec.msu.edu/agecon/fs2/zambia/index.htm>)

showed that state run parastatals were not always failures and that government involvement in marketing was still key to increased agricultural production.

The article by E.A.N. Banda, 'The Impact of the Cooperative 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 cooperative movement in Eastern province from 1947-1980. The work showed how cooperatives integrated the peasant cultivators into the market economy. The development of the cooperative movement had to some extent helped in establishing African commercial agriculture in the province.³⁶ This was because cooperatives had been involved in crop production, marketing and providing support of productive services. This work was relevant in it recognized how the farming community especially the small scale farmers needed supporting services in order to increase their production. While Banda talked about cooperatives as having influenced peasant production, this study demonstrated that marketing boards, Namboard in particular also helped in establishing a vibrant farming community and consequently improving the food security of the country.

Siamwiza's work was also illuminating to the study. The work; *Hunger in the Gwembe Valley; A Case study of Mweemba's Chieftaincy 1905-1987* showed that food crisis in the country particularly in the Gwembe region was not a new phenomenon. It acknowledged that government was aware that food shortages in the valley were caused by land shortages, declining soil fertility and natural factors such as droughts.³⁷ This work was particularly beneficial to this study in that it showed the different interventions put in place by the

³⁶ E.A.N. Banda, 'The Impact of the Cooperative Movement in the Eastern Province, 1947-1980,' in A.K. Kanduza (ed.) *Social Economic Changes in Eastern Province*, (Lusaka: Historical Association of Zambia, 1992) p105.

³⁷ B. S. Siamwiza, 'Hunger in the Gwembe Valley; A case Study of Mweemba Chieftaincy, 1905-1987,' M.A. Dissertation, University of Cambridge, 1993, p95.

government in an effort to curb famine. Namboard was regarded as a very instrumental tool in averting local food shortages thereby contributing to food security.

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 in that the impact of marketing policy helped give an insight of the policy and whether it was beneficial and helped in promoting food security or not. 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.³⁸ This study also benefited from this work in that it showed that agricultural marketing also aided rural development.

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 Namboard. Mawere argued that during the operations of Namboard, agricultural marketing information especially on prices and various inputs was communicated through radio, newspapers and Namboard Agents like depots and cooperatives.³⁹ The dissemination of this information by Namboard contributed to enlightening the farmers on which crops were on demand and how best to do their farming thereby contributing to increased agricultural production.

Methodology

The study involved research at the University of Zambia main library, particularly the special collection section and the serials section where primary and secondary data were consulted. At UNZA main library, books, journals, reports and official government

³⁸ C. Chibaye, 'Statutory Agricultural Marketing Boards and the Development of Agriculture in Zambia; A Case Study in Development Administration,' Ph. D Thesis, Carleton University, Ottawa, Ontario, 1979, p39.

³⁹ 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, p3.

publications were consulted on the general performance of the agriculture sector as well as how state interventions in agricultural marketing contributed to increased agricultural production. Also at the UNZA library, dissertations and thesis were consulted in order to compare with what other scholars had written.

Primary data was also collected at the National Archives of Zambia (NAZ). At the NAZ, government publications, letters, reports, minutes and conferences were all consulted to provide information on the activities of Namboard. Ministry of Rural Development and Agricultural Annual reports as well as Newspapers were also consulted from NAZ. These were valuable sources of primary information which was vital in the reconstruction of Namboard. Parliament Library and UNIP archives were also used to get valuable information on the topic. Parliament library provided information such as the Namboard annual reports and GRZ Reports of the committee on agriculture, land and co-operatives. This was very valuable information in that the Namboard annual reports provided information regarding the performance of Namboard on an annual basis. More information was collected from UNIP archives. Oral interviews were conducted from three former Namboard employees and from one farmer who farmed during the operation years of Namboard. These were purposively selected as they had information key to the development of this study.

Data collected was analysed thematically. The research was qualitative in nature.

CHAPTER 2

The importance of a marketing system in enhancing food security in Zambia.

Introduction

This chapter investigates why it was necessary and important to have an agricultural marketing system in Zambia in its attempt to attain food security. Agricultural marketing which was the center of national policies both in the colonial and independent Zambia was regarded as the focal point in enhancing increased agricultural production and consequently food security. The major objective of the party and its government after independence regarding agriculture was to create an environment in which farmers, especially the small scale farmers could operate efficiently and profitably.¹ The chapter will therefore highlight why it was important to have a marketing system in place for efficient agriculture marketing and production. It will further show why a marketing system was needed and its contribution to the promotion of food security.

Agricultural marketing dates back to the colonial period when it was mainly dominated by the colonial masters. European colonial masters formed statutory marketing boards in large measures to facilitate the export of agricultural commodities to Europe and to stabilise prices faced by colonial elites and metropolitan buyers.² Marketing boards were also used to undermine and frustrate African agriculture so as to drive them out of business. In the late 1940s however, the colonial government realised that the majority of Northern Rhodesia's population lived in rural areas and were basically subsistence farmers. It was therefore recognised by the colonial government that there should be incentives and opportunities

¹ N.A.Z. MAG, Ministry of Agriculture, Administrative History, p12.

² C, Barret and E, Mutambatsere, 'Marketing boards,' Cornell University, June, 2005, PDF, P5

given to the farmers.³ Therefore, despite the colonial policy of trying to protect the interest of the settler community, in 1947, the colonial government was forced to recognise cooperatives amongst indigenous Africans under a Co-operative Ordinance.⁴ This was followed by the formation of a government department, the Department of Marketing and Co-operatives.⁵ This department was intended for the registration and regulation of Co-operative enterprises.

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.⁶ 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.⁷

The Northern Rhodesian Government thus participated in the marketing of African agricultural produce 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.⁸ In Eastern Province for example, agricultural production was encouraged through the establishment of collection points of farm produce. These collection points were used as 'depots' where farmers would assemble all their produce. The state also provided

³ The Marketing of African Agricultural produce in Northern Rhodesia, Rhodes Livingstone Institute, (Lusaka: Government printers, 1962), p 1.

⁴ The history and current structure of Zambian Cooperatives, p1, <http://www.fao.org/docrep/003/V4595E>, Accessed on 16th May, 2014.

⁵ The history and current structure of Zambian cooperatives, p1,

⁶ The marketing of African Agricultural produce in Northern Rhodesia, p 2.

⁷ The Marketing of African Agricultural produce in Northern Rhodesia, p4.

⁸ 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, p10.

markets along the line of rail and other accessible parts of the territory.⁹ 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.¹⁰ As such, a considerable 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.¹¹ 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.¹²

Zambia therefore maintained the marketing 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

⁹ 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: CODESSRIA Book series, 1987) p284.

¹⁰ 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 cooperative college, Lusaka 16-19th April, 1984, National Commission for Development Planning and the University of Zambia, Rural Development studies bureau, P58.

¹¹ G.R.Z. First National Development Plan, 1966-1970, Lusaka, 1966, p 25.

¹² The Instrument of Government control over cooperatives, <http://www.fao.org/docrep/003/V4595E>, accessed on 16th may, 2014, p1.

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.¹³ The marketing boards also provided a guaranteed market for the farmers, especially that the economy was relatively weak. They, therefore, cushioned producers from undue shocks, whether resulting from overseas demand or from such internal causes such as drought, floods and diseases.¹⁴ Zambia thus realised the significant role played by agricultural marketing boards 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.

Agricultural Marketing and the Promotion of Rural Development.

Since independence in 1964, the prominent goal of government policy was to promote small scale farmers welfare, using maize production incentives as the main vehicle. This goal was achieved with great success in the 1970s and 1980s.¹⁵ The two main ingredients that drove this production growth were input and crop marketing policy.¹⁶ A good marketing system was thus important in the promotion of rural development. This was realised both in the colonial period as well as in independent Zambia.

As it was an already well known fact, the country's larger portion of the population lived in the rural areas. For the government, there was no escaping the fact that an improvement in the

¹³ C. Barret and E. Mutambatsere, 'Marketing Boards,' p 5.

¹⁴ Report of the Rural Economic Development Working Party, Northern Rhodesia, p 91.

¹⁵ T.S. Jayne, J. Govereh, P. Chilonda, N. Mason, A. Chapota and H. Haantuba, 'Trends in Agricultural and Rural Development indicators in Zambia,' Working paper No.24 on Food Security Research Projects, Lusaka, June, 2007. Accessed at <http://www.aec.msu.edu/agecon/fs2/zambia/index.htm>) p3.

¹⁶ Jayne et'al, 'Trends in Agricultural and Rural Development Indicators in Zambia,' p3.

living standards of the people depended on agricultural development.¹⁷ The rural population had to be helped to produce beyond subsistence needs and the marketing system was of particular critical importance towards that goal. Zambia, which inherited a poor rural population, therefore realised that incentives and opportunities in rural areas had to be provided by the government, and that a cash economy meant the production and sale of cash crops.¹⁸

A good marketing system provided the rural population with greater opportunities to sell more produce and earn some income.¹⁹ Therefore, since it was the desire of the government to develop rural areas, the government then ensured that marketing facilities were provided for the disposal of output and that the price structure and marketing organisation was adapted to the circumstances of the areas to be developed. The key features of the marketing system were expansion of the state crop buying stations in rural areas, direct state control over grain supply and pricing, heavily subsidisation of fertilizer to encourage its use by small scale farmers and developing a system of cooperatives to link farmers to the services provided by the marketing boards.²⁰

Agricultural Marketing also aided rural development by opening up these rural areas through various means. The opening up of the rural areas promoted food security as everyone had access to food. In developing agricultural marketing, investments were made in improving infrastructure such as expansion of road networks. The large network of transport and communication infrastructure provided an excellent basis for developing these productive

¹⁷ C. Chibaye, 'Statutory Agricultural Marketing Boards and the development of Agriculture in Zambia; A case study in Development Administration', Ph. D. Thesis, Carleton University, Ottawa, Ontario, 1979, p 35.

¹⁸ The Marketing of African Agricultural Products in Northern Rhodesia, p 1.

¹⁹ Interview, Mr. G. Luanja, former employee of Cold Storage, NIEC Stores and ZIMCO. Interviewed on 23rd June, 2015.

²⁰ Jayne et'al, 'Trends in Agricultural and Rural Development Indicators in Zambia,' p3.

rural sectors.²¹ Most of the production centers were now within easy reach of major transport arteries. Remote areas such as Lundazi, Chadiza, Chama, and several others in other provinces were opened up as a result of the agricultural activities that were taking place there.²² It was also the realisation of the government that marketing and efficient distribution of farm requisites and implements as well as produce was impossible without a good road network.²³ Indeed a good network of development and feeder roads was a pre- condition for agricultural expansion.²⁴ Improved infrastructure also benefited other areas of the economy, made farmers more accessible and sometimes even more vulnerable to market forces.²⁵

Apart from opening up rural areas, agricultural marketing facilitated the development of other infrastructure such as storage facility services, which were used to store grain. By 1971, Namboard had established a number of rural buying depots. There were then about 550 locations for buying controlled grain crops.²⁶ These increased to over 800 during the full operation years of Namboard. In line with the increased production of maize, the storage capacity of Namboard was increased to about 4 million bags while in rural areas, additional storage facilities were built to provide grain storage.²⁷ In Chadiza district for example, having

²¹ Report of the third National convention on the state of the Economy, Lusaka: 23rd-25th July, 1984, p6.

²² Interview, Mr. B.C Tembo, Former NAMBOARD employee. Interviewed on 23rd March, 2015.

²³ G.R.Z. A Path for the future, Address by his Excellency, The President, Dr. K.D. Kaunda as secretary General of UNIP on the occasion of the opening of the sixth General conference of the UNIP Party, 8th May, 1971, Lusaka: Government Printers, p18.

²⁴ G.R.Z. A Path for the Future; Address by his excellency, The President, Dr. K.D Kaunda as Secretary General of UNIP on the occasion of the opening of the sixth general conference of the UNIP Party, p18.

²⁵ Agricultural Marketing Management Vol. 1, Food and Agricultural Organisation of the United Nations and Cooperative College, Ministry of Agriculture and Cooperatives, p3.

²⁶ Mark Fairview, 'Namboard celebrates two years of Achievement' in *Zambian Farmer- Incorporating Commercial farming*, Sept., 1971, p4.

²⁷ G.R.Z. Third National Development Plan, 1977-85, p169.

realised that it was a good agricultural area, Namboard established eight new rural depots.²⁸ The emphasis on more storage facilities could not have been over emphasised as production kept on increasing especially from the rural areas. As reported in the 1973 Zambia Daily Mail, Namboard was set to build more maize stock with new silo complex constructed at Kabwe, Monze and Ndola to avert maize storage shortages.²⁹ These storage facilities after completion averted maize storage shortages.

In the same vein, agricultural marketing was very significant in aiding rural development as it introduced the rural population to a money or cash economy. The mentality that the rural cultivators had of producing for consumption slowly started changing with the coming of good and efficient marketing systems for their produce. As it was realised, production and marketing went together and that there could be no sustained production for cash crops unless facilities to market them existed.³⁰ The government through the marketing boards thus gave the farmer an assurance that after the harvest, all his produce would be bought. This was done by the government announcing a producer price before the planting season and buying all the maize after harvest.

In its quest to encourage more production, the government introduced the subsidy feature in the marketing of produce especially maize by buying all the maize at a fixed price and announcing a producer price at the beginning of every planting season. It also ensured that farmers bought fertilizer at a subsidized rate. In 1977, the government announced new producer prices of up to 25 percent as an incentive to spur farmers to increase production.³¹

²⁸ N.A.Z, EP4/15/17/5644 Agricultural and Farming and Marketing Boards, 1960-1979.

²⁹ Zambia Daily Mail, January 9th, 1973, p7.

³⁰ C. Chibaye, 'Statutory Agricultural Marketing Boards and the Development of Agriculture in Zambia, A case study in Development Administration,' p35.

³¹ Zambia Daily Mail, August 16th, 1977, ' Producer prices go up by 25%,'

Thus the marketing subsidy was regarded as a very promising way of encouraging increased production and sales in the less developed agricultural areas.³²

Thus with increased agricultural marketing, the rural population began to get involved in marketed agriculture and socially diversify production so much that a wider range of people had the opportunity to earn cash incomes through farming.³³ Marketed agriculture was thus raising and improving the standard of living, incomes, nutrition and access to services of rural dwellers. It created a self-reliant and progressive rural society. Small scale farmers in various parts of the country were able to get some benefit and also use other resources available to them through the improvement of the marketing system.³⁴ For example, Mr. P. Handiya, a farmer from Mulungushi Agro Scheme was able to send his children to school and also mechanise his farming by buying tractors, scotch carts as well as ploughs all from the money he realized from the sale of his maize to Namboard.³⁵

There was undoubtedly a direct relationship between agricultural marketing and agricultural production. An efficient marketing system resulted in increased food production. This was evidenced when the marketing department fell under the Ministry of Rural Development. The Ministry of Rural Development through the department was concerned with ways of stimulating farmers to produce agricultural crops for cash sales.³⁶ A good example was taken from Chisamba's Mwachisompola depot in 1977 where farmers collected over K25, 000

³² G.R.Z. First National Development Plan, 1966-1970, p25.

³³ A.P. Wood and E.C.W Shula, "The State and Agriculture in Zambia; A Review of the Evolution and consequence of food and agricultural policies in a mining economy" in Mkandawire and Bourenane,(eds.) The State and Agriculture in Africa, p287.

³⁴ J. Mapulanga," Training of women in marketing of food grains", p 59.

³⁵ Interview with Mr. P. Handiya, 'Farmer during Namboard Operation'. Interviewed on 3rd May, 2015.

³⁶ N.A.Z 144B/19 Ministry of Rural Development, Department of Marketing, Annual Report for the year ended 31st December, 1974.

from Namboard owing to their increased production.³⁷ This was very significant in that the rural farmers started having some benefit from their agricultural production.

It is also important to note that a good marketing system helped in the creation of jobs in the rural areas. Agricultural marketing created employment and income opportunities in the rural areas. This in effect helped to reduce the rural urban migration which was rife as rural areas also had employment opportunities. For example, those involved in the storage, processing and transportation of maize found a source of employment through marketing.³⁸ In Chadiza district, Namboard had employed over 20 personnel in different capacities to work in the rural buying depots that it had.³⁹ This was also echoed by Mr. Chola, a former employee of Namboard that unskilled youths were engaged to help with the operations of the Board in rural areas.⁴⁰ These employment opportunities therefore meant more money in their pockets.⁴¹ It was therefore the desire of the government to stimulate rural development by moving the terms of trade in favour of the people in the rural areas. Agricultural marketing was the 'sine qua non' of sustained transformation of the rural community from subsistence standards of living to commercialised standards of living.⁴²

³⁷ Zambia Daily Mail, August 20, 1975, 'Chisamba farmers collect K25,000 from Namboard,' p7.

³⁸ Agricultural Marketing Management, Vol. 1, Food and Agricultural Organization of the United Nations and Cooperative college, Ministry of Agricultural and cooperatives, 199, p4.

³⁹ N.A.Z. EP4/15/17/5644, 'beaming with Happiness' Report for P.D.C., 1977.

⁴⁰ Interview, Mr. A. Chola, Former Employee of Namboard, interviewed on 15th February, 2016.

⁴¹ Interview, Mr. B.C. Tembo., Former Employee of Namboard, interviewed on 23rd March, 2015.

⁴² C. Chibaye. 'Statutory Agricultural Marketing Boards and the Development of Agriculture in Zambia; A Case study in Development Administration', p38.

Agricultural Marketing and Domestic Food Security

Agricultural marketing was also an important tool used to promote domestic food security. Its role could not have been over emphasized as seen from the annual reports from different provinces where maize production kept on increasing. The marketing system in place encouraged farmers to produce more maize in the first place for self -sufficiency and secondly only to sell their surplus.⁴³ Indeed, maize production increased because prices became more attractive. Unlike the emphasis on agricultural marketing in the colonial period which favoured producers along the more accessible parts of the country, now all agricultural producers received the same favourable treatment, wherever they happened to be, even in the most remote and inaccessible areas.⁴⁴ This favourable treatment encouraged more people to grow more food especially the rural cultivators because they knew they had a guaranteed market.

Maize dominated on the scene of the Zambian agricultural sector and its price greatly affected the cost of living.⁴⁵ Not only was maize the national staple food but it was also a basic input in poultry, intensive dairy and pig production. Its increased production therefore meant a security in domestic food supply as well as a reduction in imports of maize finished products. With an annual rise in demand for marketed maize, increasing marketing facilities was the sure way to encourage farmers to increase their production. The government in its planning thus emphasized that not only would regional and national self -sufficiency be achieved and maintained but that measures would also have to be taken to create an adequate

⁴³ G.R.Z. Department of Agriculture, Eastern Province Annual Report, 1975-1976, p9.

⁴⁴ G.R.Z. Towards Complete Independence- Address by his excellency, Mr. Kaunda, Lusaka, 1969, p10.

⁴⁵ M.R. Mulele, 'Maize production in Zambia since independence' in Farming in Zambia, Vol.10, No.4, Nov, 1976, p26.

buffer stock.⁴⁶ The measure in principal was improving the marketing system. It was also acknowledged that agricultural development should, of necessity, correspond with marketing organisations and facilities provided.⁴⁷ Therefore, the Zambian government endeavoured to promote marketing facilities with a view of further strengthening agricultural development. As evidenced in the 1976 bumper harvest where farmers supplied more than eight million bags of maize to Namboard, the President, together with the Minister of Rural Development described the harvest as an achievement.⁴⁸

As maize was the staple food of the land, it undoubtedly became the most important crop handled by marketing services. Its marketing was thus controlled by government through Namboard and other marketing services such as cooperative unions. These had to ensure that Zambia was adequately supplied from internal production and through importation when necessary.⁴⁹ The marketing services offered ensured that there was adequate stock in the country and in times of deficit facilitated its importation.

In Southern Province, owing to improved markets for farm products, mobilised transportation of produce from the farm to arranged markets and the very local availability of adequate supplies of agricultural requisites formed incentives to farmers for high crop production.⁵⁰ The farmers responded to these marketing services by producing more. The subsistence

⁴⁶ G.R.Z. Third National Development Plan, 1979-1983, p146.

⁴⁷ N.A.Z. MAG4/1/6 4248, R.B Kateka, 'Food and Agricultural Organisation of the United Nations Technical Aid to Zambia in Marketing, 1974, p1-2.

⁴⁸ P, Daka, 'Zambia Does it, 1976 Bumper Harvest' in Farming in Zambia, Vol. 10, No.4, Nov.1976, p38.

⁴⁹ C.S. Lombard and A.H. C. Tweedie, Agriculture in Zambia since Independence, (Lusaka: NECZAM, 1972) P17.

⁵⁰ N.A.Z SP1/3/60, 'M of R.D, Dept. of Marketing Annual Report for 1972 season.'

farmers were gradually being diversified from small scale to large scale farmers that were achieving food self-sufficiency.⁵¹

The emphasis on agricultural marketing system was also primarily geared to supplying food to the industrialised and urban areas of Zambia, which in practice meant those along the line of rail.⁵² The urban consumers, who were the proletariat increased in number after independence and so did the demand of maize products. The government was thus faced with a conflict between the urban pressures and the rural pressures, and on balance, urban interests overwhelmed rural interests.⁵³ To cushion the cost of living for the urban population, the government saw it fit to provide an efficient and effective marketing system. Zambia, having inherited from the colonial regime a system that held down food prices for the mining and urban sectors developed a system of subsidizing transportation, handling and processing of food stuff for the urban consumers.⁵⁴ Though this policy in the long run had adverse effects on the marketing system, it contributed to food security as both sectors, urban and rural were catered for in terms of food supplies. The government ensured that it bought all the maize from the rural farmer, offering him subsidised inputs and sold to the consumer at a subsidised rate. This therefore accorded everyone a chance to have access to food and consequently something to eat.

Further, despite the relative high level of urbanisation in Zambia and the dominance of the mining economy, agriculture had always been regarded as an important influence upon the

⁵¹ N.A.Z SP1/3/60, 'M of R. D, Dept. of Marketing Annual Report for 1972 season.'

⁵² G.R.Z. and the European Development fund of the commission of the European communities, 'Big Concession, Integrated Agricultural Projects, Vol.1, Sept. 1978, p149.

⁵³ R, Klepper, 'Zambian Agricultural Structure and Performance,' in Ben Turok, (ed) Development in Zambia, (Lusaka: Zed Press, 1979,), p140.

⁵⁴ R Klepper, 'Zambian Agricultural Structure and Performance' p 144.

pattern and nature of modern economic development.⁵⁵ Agriculture still remained a source of livelihood for the majority of the people in the rural areas and it also provided a growing number of urban jobs in related activities like those involved in the transportation and processing of food. The sector therefore had to be nurtured with different government policies all aimed at improving the agricultural production and consequently contributing to food security. It was also hoped that increased agricultural production would reduce the country's dependency on imports from the 'south' while at the same time keeping urban food costs low.⁵⁶

Marketing facilities also encouraged farmers not to get discouraged in years of poor harvests. In the 1972-73 season, the harvest was poor owing to poor rainfall but farmers in the following years increased their production.⁵⁷ This was as a result of the policy of periodically reviewing the producer prices in order to provide the necessary incentives to farmers to grow more. The government had created a favourable economic climate for farmers. On the other hand, if a province was not self-sufficient in maize production, it was the marketing system that ensured that farmers were given high prices so as to encourage them to grow more.⁵⁸ The government through the marketing system also had the responsibility of importing from the surplus provinces to deficit provinces in a bid to curb famine. For example, in 1972-73 season, rain partially failed in Southern Province and the two districts of Gwembe and Monze were badly hit.⁵⁹ The government directed Namboard to deliver to the affected areas bags of

⁵⁵ A, P Wood and E.C.W Shula, 'the State and Agriculture in Zambia; A Review of the Evolution and Consequence of food and Agricultural Policies in a mining Economy,' p278.

⁵⁶ A. P. Wood and Shula, "the State and Agriculture in Zambia; A Review of the Evolution and Consequences of food and Agricultural Policies in a mining Economy," p 278.

⁵⁷ G.R.Z. Bank of Zambia, Report and Statement of accounts for the year ended 31st Dec.1976, p13.

⁵⁸ The marketing of Agricultural Produce in Northern Rhodesia, 1962, p7.

⁵⁹ Bernnett S. Siamwiza, 'Hunger in the Gwembe valley: A case study of Mweemba Chieftaincy, 1905-1987,' M.A. Dissertation, University of Zambia, 1993, p96.

maize for sale. A total of 8,200 bags of maize were sent to Gwembe.⁶⁰ This network provided by marketing systems therefore facilitated food security in the country as a whole.

It was also the realisation of the government that increased agricultural output was a matter of national security. This was owing to the fact that Zambia, with its landlocked nature depended on trade routes through other countries. This created difficulties in deficit years when imports were needed from other countries but couldn't be transported with ease. Boarder disruptions became a common thing especially during the Unilateral Declaration of Independence, (UDI) in Southern Rhodesia and also the liberation struggles of Southern Africa.⁶¹ It thus became increasingly necessary for Zambia to become self -sufficient to feed its people and this could only be achieved if policies were tailored towards encouraging farmers to grow more. The marketing policy, coupled with the increased supply and use of agricultural inputs such as fertilizers at subsidized rates provided enough incentives to producers to increase their maize and other crop production.⁶² In line with this, the high rate of growth achieved in the 1980/81 season was largely attributed to favourable rains but also to the rather attractive packages of production incentives offered by the government to the farming community.⁶³ Marketed maize production through official marketing agencies increased from 4.2 million bags in 1979/80 to 7.7 million bags in 1980/81, an increase of about 83.3%.⁶⁴

Agricultural Marketing and Dissemination of Agricultural Information.

⁶⁰B. Siamwiza, 'Hunger in the Gwembe valley: A Case study of Mweemba Chieftaincy, 1905-1987,' p 96.

⁶¹ G.R.Z. A path for the future, Address by his Excellence, President Kaunda, 1971, p16.

⁶² N.A.Z .144B/19 List of government publications, Ministry of Rural Development . Case Studies in Development, Specialist Department and Research Reports, May, 1972, p4.

⁶³ N.A.Z. Third National Development Plan, Annual Plan, 1982, p 27.

⁶⁴ N.A.Z. Third National Development plan, Annual Plan, 1982, p27.

Agricultural marketing was also a channel used in the dissemination of agricultural information, especially in rural areas where access to information was still a challenge. Agricultural information, which included information on government policy, producer and input prices, advice on agricultural services available to farmers, markets for particular products, demand, new techniques in the production of a particular crop as well as new seed varieties were all disseminated using the marketing system.⁶⁵ In this way, Namboard provided a channel through which farmers received vital information pertaining to agriculture. This was seen in different parts of the country where production was steadily increasing as a result of fertilizer use, different seed varieties as well as proper farming methods which were encouraged by marketing services.⁶⁶ Fertilizer use had grown considerably over the years and methods of production were steadily being improved.⁶⁷

The marketing system in place facilitated the dissemination of information to farmers through surveys, radio programmes as well as questionnaires'. In 1971, Namboard carried out a survey among Zambian farmers with the distribution of 10,000 questionnaires on production of vegetables and other crops.⁶⁸ The whole idea of this exercise was for Namboard to establish a pattern for production, times of expected harvest and demand for particular products. From the replies, the marketing agency gained a picture of future storage, distribution and marketing requirements.⁶⁹ Information collected was also used to formulate plans which helped in the orderly expansion of the agricultural industry.

⁶⁵ P. Watts, P. Ngangula and A. Hass, 'Agricultural communication,' in The Dynamics of Agricultural Policy and Reform in Zambia, p357.

⁶⁶ Interview, Mr. G. Luanja, former employee of Cold Storage, NIEC stores, ZIMCO .

⁶⁷ G.R.Z. Department of Agriculture, North Western province, 1972-73 Annual Report Index, p 5.

⁶⁸ 'Namboard Corner', in *Zambian Farmer, Incorporating commercial Farming*, January 1971, p 5.

⁶⁹ 'Namboard Corner', in *Zambian Farmer, Incorporating Commercial Farming*, Jan, 1971, p 5.

The marketing system also acted as advisory and promotion boards.⁷⁰ This implied that it was through marketing agencies that information such as advice to farmers could be passed. Farmers were advised on the suitable seed varieties depending on the rainfall patterns in their areas. They were also advised accordingly on various agricultural concerns. Further, the marketing system also provided advice to producers on agricultural commodities, on the availability of markets and to the consumers and marketeers of where to get these agriculture commodities.⁷¹ Marketing advice was also provided to other marketing organisations, individual producers and traders.⁷²

This service of information dissemination was so cardinal to the success of agricultural marketing in particular and the agricultural industry as a whole. Through the provision of marketing information on supply and demand position, producers and consumers were kept in touch, and some of the would be problems were effectively nipped in the bud.⁷³ As observed and echoed by Mr. Brown, a Food and Agricultural Organisation (FAO) marketing economist that it was important to keep clearly in mind that people would only buy what they wanted, when and where they wanted it.⁷⁴ This consequently meant that the producers were to know well that what they produced would be wanted and that they could only know this if they had the right information from reputable marketing organisations and systems. In

⁷⁰ N.A.Z. MAG4/1/6/4248 R.N.B Kateka, ' Food and Agricultural Organisation of the united nations Technical Aid to Zambia in marketing, 1974, p 1-2.

⁷¹ N.A.Z. 144B/19 List of government publications, Ministry of Rural Development, Annual Report of the Department of marketing for the year ended 31/12/1974, p1.

⁷² N.A.Z. EP2/1/22 Director of marketing's Address at the Provincial Rural Development Officers Seminar held on 30th Sept, 1971 at Choma, Southern Province, p2.

⁷³ N.A.Z.144B/19 List of government publications, Ministry of Rural Development, Annual Report of the department of marketing for the year ended 31/12/1970 ,p 3.

⁷⁴ N.A.Z. EP2/1/22, Minutes of the second Conference of the Provincial marketing officers held from 20-21 may, 1971, Mulungushi house, p 2.

addition to the above, information on supply and demand were collected weekly and broadcast over the radio every Saturday.⁷⁵

Agricultural marketing also helped with information dissemination in that it was through this system that collection and collating statistics for all agricultural products and undertaking crop forecast was done.⁷⁶ Marketing information included the collection of information and statistics relating to production- crop forecast, for example supplies and stocks, prices and consumption trends. Some of this information would not be published at all but kept in confidential use of management, other information would be communicated to producers while other would be required to be made public.⁷⁷ Thus Organisations such as the Central Statistical Office (C.S.O.), Bank of Zambia and generally the Ministry of Agriculture which needed information on agricultural production, economic trends or farmers response to incentives went to the marketing department to acquire such information. The information collected would be used in the planning and implementation of agricultural projects. The marketing department of agriculture was therefore more like the helm of the whole agricultural industry.

Agricultural marketing also went hand in hand with agricultural information in that in marketing, there was a whole system of business activities designed to plan, price, promote and distribute want satisfying goods and services to markets.⁷⁸ For all this to happen successfully, one needed agricultural information which was obtained through marketing

⁷⁵ N.A.Z. 144B/19, List of Government publications. Ministry of Rural Development, Annual Report of the department of marketing for the year ended 31st December, 1970, p3.

⁷⁶ N.A.Z. 23D/19, List of government publications . Ministry of agriculture and water Development, Department of marketing and cooperatives, Annual Report for the year ended 31st December, 1980, p 2.

⁷⁷ J.A.E Morley, ' Marketing Boards' in T.K .Warley (ed.) Agricultural Producers and their Markets, (Oxford: Basil Blackwell, 1967,) p348.

⁷⁸ W. Michelo, 'Effective Marketing of Agricultural produce and inputs', in Namboard Handout on seminar held at the Presidents Citizenship College, 7-11 march, 1988, p2.

agencies. Information was also very vital in agricultural marketing because agricultural marketing needed extra care. Marketing of agricultural products needed to be extremely timely and therefore needed a well forecast and planned line of action.⁷⁹ This could only come about if sufficient information was available. Questions like where the products could be marketed and how it would be marketed could only be answered if adequate marketing information was available.

Besides planning, promotion was also regarded as the communication function of marketing. Products were promoted with four basic promotion tools, these being advertising, personal selling, sales promotion and publicity.⁸⁰ Therefore, without agricultural information, the product could be the best and the prices the lowest but if the consumer or the buyer was not aware of these things, exchange could not take place.⁸¹

Marketing information was also necessary and important if agricultural marketing was to take place efficiently and effectively. Since marketing consisted of the activities involved in getting the right products to the right place at the right time, adequate and accurate information about supply and demand conditions of the markets were necessary if the produce was to be moved into consumption areas with minimum waste, confusion and costs.⁸² In the same vein, agricultural information was also required by agro-traders, processors, policy makers, researchers and other agencies of the marketing system who continually took marketing decisions at every level.⁸³ Therefore, a smooth, efficient, effective

⁷⁹ W. Michelo, 'Effective Marketing of Agricultural Produce and inputs', p 3.

⁸⁰ H.E. Sickinga, 'Introduction to Fertilizer Marketing', in Namboard Training Materials, 1988, p2.

⁸¹ H.E. Sickinga, 'Introduction to Fertilizer Marketing,' in Namboard Training Materials, p 2.

⁸² J. Mawere, 'Agricultural marketing information and maize marketing in Zambia; A survey of Kabwe district in central province of Zambia', Copper belt University, 2008, p17.

⁸³ J. Mawere, 'Agricultural marketing information and maize marketing in Zambia', p17.

and sustainable operating marketing information system was the heart of agricultural marketing and consequently the agriculture industry. Farmers, marketing intermediaries and consumers were all connected by information networks. The whole agricultural marketing process was the connecting link between the producer and the consumer.⁸⁴

In conclusion, the chapter has outlined why it was important and necessary to have a sound and efficient agricultural marketing system in promoting food security. The chapter has shown how agricultural marketing system and facilities put in place by the government contributed to food security by promoting rural development and domestic food security. As has been noted already, a well -functioning agricultural marketing system played a number of roles in society. It provided the national income, remunerated the farmer and other marketing agents and provided consumers with goods and services.⁸⁵ Namboard in particular played a significant role in contributing to domestic food security because it provided farmers with a ready and guaranteed market for their produce. This was very important as it was believed that it was better for the farmer to have a relatively steady market and fixed prices for his crops rather than subject him to frequent and rapid variations in prices. Further, the marketing services provided by Namboard were flexible and its monopoly position enabled marketing costs to be kept at a minimum cost.

In line with the same, marketing services also helped in the transformation of rural areas by fostering rural development. The marketing services available in the rural areas allowed the proliferation of products marketed. They provided an outlet of the produce produced thereby empowering the rural community with some income. More people in the rural sector started

⁸⁴ Agricultural Marketing Management Vol. 1, Food and Agricultural Organization of the U.N. and Cooperative college, Ministry of Agriculture and Cooperatives, p 3.

⁸⁵ Agricultural Marketing Management, p3.

viewing agriculture as a commercial venture that would help them raise their standards of living.

Apart from contributing to domestic food security and rural development, agricultural marketing also helped in the dissemination of agricultural information. Agricultural information was very vital in the running of an effective and efficient agricultural industry. Agricultural information, often disseminated through marketing services helped farmers as well as government to plan, promote as well as distribute want satisfying goods and services.

CHAPTER 3

The role and impact of Namboard in promoting food security, 1969-1989

The chapter attempts to investigate the role and impact of Namboard on the farming community and consequently on the nation in its attempt to enhance food security. As much as it was acknowledged that Namboard was a service organisation and therefore did not perform as much as it was expected to, its existence as a monopoly parastatal in the marketing of maize helped to improve the food security of Zambia. During the full operation years of Namboard, maize production kept on increasing regardless of the flaws that the organization faced as well as weather vagaries. It was therefore plausible to argue that Namboard contributed positively to domestic food security.

The National Agricultural Marketing (NAM) Act of 1969 created the National Agricultural Marketing Board (Namboard) after an amalgamation of the Grain Marketing Board and the Agricultural Rural Marketing Board. The Act was given assent on 5th August 1969 and the new Board came into existence on 1st September 1969.¹ The Board was formed with the purpose of rationalising the marketing functions within the agricultural field. This was after the realisation from government circles that although the GMB was receiving the largest share of the nation's resources allocated to marketing institutions, it had a bias of serving the interest of the commercial farmers along the line of rail.² In contrast, the ARMB which was trying to stimulate areas outside the line of rail was treated as an inferior organisation in resource allocation.

¹ Namboard Annual Report and Accounts for the 16th month period ended 31st December, 1970, p1.

² C. Chibaye, 'Statutory Agricultural Marketing Boards and the Development of Agriculture in Zambia: A Case study on Development Administration,' Ph. D Thesis, Carleton University, Ottawa, Ontario, 1979. P178.

After independence, the government realised that small scale farmers accounted for about 50% of maize produced.³ The small scale farmers provided an important share of maize output in almost all the provinces. Together with the emergent farmers, this category of farmers provided the country with over 70% of the total maize produced.⁴ And while it was realised that the commercial farmers had a role to play in increasing agricultural output and promoting exports, the biggest potential was with the small scale farmers. This was due to the fact that the small scale farmers could produce much more cheaply than the commercial farmers.⁵ The small scale farmers therefore needed to be mobilised to improve their production through favourable incentives. Deliberate price and marketing incentives were thus used to popularise maize production.⁶ It was from such a background that Namboard was instituted to serve peasant producers who were unable to arrange for their own marketing and supply facilities. It was set up to achieve rural development and improve the standards of living, incomes and nutrition of the peasants. Further, it was also established on political lines especially that the dominant feature of Zambia's agricultural policy was to maintain 'cheap food' to the mining and industrial workers.⁷ This was only achievable through a marketing institution such as Namboard which could be controlled.

³ F.K. Sipula, 'Reforms of the maize market system in Zambia, Issues of price and market policies, cooperative and interprovincial Transportation,' Ph. D Thesis, Michigan State University, 1993, p13.

⁴ F.K. Sipula, 'Reforms in the maize Market systems in Zambia,' p13.

⁵ Namboard Annual Report for the 16th Month period ended 31st December 1970, p2.

⁶ A. k .Kanduza, 'History and Agricultural Change in Zambia,' in Transafrican Journal of History, Vol.20 1991, p100.

⁷ Zambia, Agricultural pricing and Parastatal performance Study, Eastern and Southern Africa, project Department, southern African Division, June 14th 1985, p 19.

IMPACT OF NAMBORD

The Namboard impacted positively on the farming community through its national-wide functions of marketing. Unlike the two previous Boards, Namboard had the advantage of bulk buying and storage which encouraged the farmers to produce more. Marketed maize production kept on increasing steadily since independence despite the fact that many expatriate commercial farmers had left the country.⁸ 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 harvest year of 1964 had a total of 2,251,700 bags of maize bought by marketing organisations.⁹ This kept on increasing with a record high of 7 million bags in 1972 and despite the poor growing conditions of 1972/ 73 season approximately 4.3 million bags of maize were marketed.¹⁰

As already noted from the previous chapter, maize dominated on the scene of the Zambian agricultural sector and its pricing and availability greatly affected the cost of living. The 1969 Act gave Namboard the responsibility for the purchase, storage, transport and sale at a fixed price of a specified range of agricultural commodities.¹¹ Namboard was the monopoly buyer of maize, it being of great importance as Zambia's staple food. The Act also entrusted Namboard to do all things necessary and consistent with the provisions of the Act to ensure the orderly marketing of controlled products and the orderly supply and distribution of

⁸ R.M. Mulele, 'Maize Production in Zambia since Independence,' in *Farming in Zambia*, Vol.10, No 4, November 1976, p26.

⁹ Mulele, 'Maize Production in Zambia since Independence,' p26.

¹⁰ Mulele, 'Maize Production in Zambia since Independence,' p26.

¹¹ G.R.Z. and the European Development Fund of the commission of the European committees, *Big Concessions Integrated Agricultural Projects*, Vol.iii, sep 1978, p 151.

agricultural requisites within the prescribed area.¹² Namboard bought most of the maize marketed in Zambia from individual farmers and from co-operatives. Most of the maize was bought on the line of rail where Namboard had the monopoly. It also bought a little from farmers in Luapula, North Western and Western Provinces because these were run by Co-operative Unions. Namboard thus ensured that Zambia was adequately supplied from internal production and through importation when necessary. It was also the responsibility of Namboard to act as a residue buyer.¹³ This meant that if a grower could not find someone else willing to buy his maize, the board would easily buy it from him.

Namboard also impacted positively on the farming community in that it spearheaded all the operations involved in the movement of food and material from the farm to the final consumer.¹⁴ It had well established rural buying centers at which farm produce was purchased from individual farmers. Maize often had to be graded, packed, stored and fumigated to kill insects.¹⁵ Further, Namboard had to pay the essential workers at these depots. With the establishment of Namboard, there was an increase in the number of rural buying depots. By 1971, there were about 550 locations for buying controlled grain from the farmers.¹⁶ These were planned to help towards a more efficient marketing system. Namboard 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.¹⁷

¹² N.A.Z Act No. 30 of 1969, p161.

¹³ C.S Lombard and A.H.C. Tweedie, Agriculture in Zambia since Independence, (Lusaka: NECZAM, 1972), p17.

¹⁴ Report of the Rural Economic Development working party, Northern Rhodesia, p86.

¹⁵ The Marketing of African Agricultural Produce in Northern Rhodesia, p3.

¹⁶ M. Fairview, 'Namboard Celebrated Two Years of Achievement,' in *Zambian Farmer*; Inco-operating Commercial farming. Sept. 1971, p4.

¹⁷ G.R.Z. and the European Development Fund of the commission of the European community, p151.

In Southern Province, only the registered commercial or semi- commercial farmers who could transport their produce at their own cost had direct access to the 11 railway depots managed by Namboard. All the other farmers depended on the rural depots operated by Namboard and the co-operatives in the rural areas to market their maize.¹⁸ This incentive encouraged farmers even in the remotest areas to increase production as Namboard was there at their service to buy their produce. Further, at national level, the most important policy changes involved the expansion of the network of crop collection and input supply depots to cover almost the whole country and move towards uniform crop pricing which was achieved in 1974.¹⁹ These measures sought to remove locational disadvantages which farmers had faced if they lived outside the areas of Eastern, Southern and Central provinces.²⁰ Namboard itself was the market to which the farmers sold their produce.

Statutory marketing boards such as Namboard provided a guaranteed market to the farming community. It was a view of many policy makers that stable prices and a guaranteed market were essential to the success of increased agricultural production and consequently food security. It became a well- known fact that every farmer, every cooperative, settlement scheme and production unit needed marketing structures in order to produce beyond subsistence needs.²¹ Thus the creation of Namboard was a positive move in the government's quest of attaining food security. Namboard handled the bulk of agricultural produce and was not afraid to extend services into areas where private buyers would not. For example of the 4,435,019 bags of maize marketed in Zambia in 1973/74 season, 3,694,064 bags were

¹⁸ Southern Province of Zambia, Prospects of Regional Development, Bonn Adenaueralle, 1971, p479.

¹⁹ 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), p287.

²⁰ A.P. Wood and E.C.W. Shula, 'The State and Agricultural in Zambia,' p287.

²¹ C. Chibuye, 'Statutory Agricultural Marketing Boards,' p102.

marketed directly by Namboard.²² It was therefore important to see the strategic role that Namboard played in developing agriculture.

The importance that Namboard had was also felt by the farming community. The farmers especially the small scale farmers really relied on Namboard to market their maize. That was why whenever Namboard under performed, the farmers felt threatened. As was reported in the Zambia Daily Mail in April 1972, when Namboard threatened to boycott the purchase of farmers produce because they blamed the organisation for poor service, the farmers told Namboard that they still needed the help of the Board. Mr. Desmond, a farmer from the Copperbelt said this kind of threat created fear among farmers in the country especially that there was no one else who could buy and supply the farming community with fertilizer or any other farm requirements.²³ He also said farmers still had a long way to go before they could be left alone to look for their own market.²⁴ Besides, Namboard provided a profitable market to the farmers by buying most of their yields of crops. This was evidenced in 1975 when Chisamba farmers collected K25,000 from Namboard.²⁵ Chisamba Member of Parliament, Mr. Richard Kasanda who presented the cheques on behalf of Namboard praised the farmers for their hard work and urged them to continue producing more. More than 240 farmers received the cheques and 40 more whose cheques were valued at a total of K3, 655 did not turn up.²⁶

Apart from providing a guaranteed market to the farmers, the Board also provided storage facilities. It would have been almost impossible for the farmers to arrange on their own

²² Chibuye, 'Statutory Agricultural Marketing Boards,' p103.

²³ Zambia Daily Mail, April 15, 1972.

²⁴ Zambia Daily Mail, April 15, 1972.

²⁵ Zambia Daily Mail, August 20, 1975.

²⁶ Zambia Daily Mail, August 20, 1975.

storage facilities for their produce. Thus providing storage facilities to the farmers had a positive impact as they could produce more without worrying about where they could store the excess maize. Mr. Handiya, a farmer from Mulungushi Agro scheme testified to this effect that all he had to do was to produce maize and Namboard would worry about the storage. He further said that Namboard would send its Lorries to Mulungushi Agro scheme to collect the maize for proper storage.²⁷ The Board assembled maize at line of rail depots and held it there under water proof tarpaulins until it could be sold to mills or until it could be moved to concrete silos. When the yields became larger, the Board embarked on creating new storage facilities. In 1972, Namboard completed an addition phase of storage space for about 2 million bags, bringing the total number of hard standings constructed to 3.5 million bags capacity.²⁸ In 1973, three new silo complexes were to be constructed at Kabwe, Chisamba and Ndola by Namboard to avert repetition of maize storage shortages experienced in 1971.²⁹ Namboard took this action in a bid to maintain a national reserve for maize due to fluctuating weather conditions.

In 1977, Southern Province beat the deadline on the transportation of maize from remote and rural areas to the main depots in town.³⁰ Mr. Sikombe said he was satisfied with the work of Namboard on the haulage and safe storage of maize.³¹

At the peak of its operations in 1977, the Board maintained and controlled some 800 depots all over the country in order to give maximum service to all the people, whilst if it was operating purely on the basis of profit criteria, it would have opened no more than 100 depots

²⁷ Interview, Mr. P Handiya, 'Farmer During Namboard Operating Years'.

²⁸ Zambia Daily Mail, September 27, 1972.

²⁹ Zambia Daily Mail, January 9, 1973.

³⁰ Zambia Daily Mail, November 21st 1977.

³¹ Zambia Daily Mail, November, 21st 1977.

along the line of rail and at provincial centers.³² In 1985, even after re-organisation, Namboard continued to be the principle marketing organisation dealing with maize mainly and fertilizer. Since Namboard bought the maize at subsidised rates from the producers and also offered fertilizer at subsidised fees, it was the one that covered all the handling cost such as transportation and storage. During the 1985 farming season, Namboard got a total K122, 767 in subsidies on maize and fertilizer.³³ On maize, a total of K86, 461 was given to cover handling costs for 6.6 million bags of maize and K36,211 to cover handling cost of 3.0 million bags of fertilizer.³⁴

The Board also impacted positively on the farming community and helped to increase the food security of the country. Namboard was better qualified to execute its mandate, had more expertise to negotiate overseas sales and to store and move surplus maize.³⁵ As a large organisation, Namboard had the advantages of bulk storage and purchasing at cheap rates because of the large quantities involved. It also had provincial and district officers whose roles were to co-ordinate the activities of the marketing board, develop market outlets for maize and provide market intelligence.³⁶ The Board was charged with the obligation to serve all farmers, both by providing them with a market for their produce and with a source of supply for productive inputs. As was already known, the numerous and various locations of small scale farmers caused a major challenge for crop extraction and food and input distribution. The market dealt with small quantities of the commodity scattered all over the

³² Namboard Annual Report and statement of Accounts, 1977, p1.

³³ Bank of Zambia Report and Statement of Accounts for the year ended 31st December, 1985, p12.

³⁴ Bank of Zambia Report and Statement of Accounts for the year ended 31st December, 1985, p12.

³⁵ G.R.Z. Agricultural and Rural Sector Survey Vol.11, Report No.84, October 1975 p11.

³⁶ G.R.Z. 'Agricultural and Rural Sector Survey,' p11.

country and only a big organisation such as Namboard could do that.³⁷ It was not afraid to go into rural remote areas where private buyers would not have gone. And also the distance of urban markets had caused farm operations to depend overwhelmingly on the performance of government bureaucracies and thus organisations like Namboard were created to offset the absence of significant markets in rural areas.³⁸

Price Incentives

Stable prices and a guaranteed market were essential to the success of improved and increased agricultural production. It was believed that there was a need with a relatively weak and immature economy to cushion producers from undue shocks, whether resulting from changes in overseas demand or from such internal causes as droughts, floods and diseases.³⁹ This protection could best be offered with government statutory boards, such as Namboard, whose goal was to improve the economic position of the agricultural producers concerned.⁴⁰ For production to develop on sound lines, stable prices were to be assured for reasonable periods and local production was to be protected.

The major aims of Zambia's agricultural policy from independence were political and economic; securing the urban food supply at a reasonable price and also to increase the participation of African farmers in marketed agriculture. The government also wanted to reduce the reliance on the commercial farmers and also improve the standards of living for the bulk of the rural dwellers. These conditions could not have been met or assured if the free

³⁷ F.K. Sipula, 'Reforms of the Maize Marketing System in Zambia,' p16.

³⁸ P Vedeld Ragnar Oygard, Peasant Household Resources; A Study of Labour Allocation of Peasants Households in Zambia's Northern Province and Market Constraints on their increased Agricultural Production, (Oslo: Lobo, 1973,) p115.

³⁹ C. Chibuye, 'Statutory Agricultural Marketing Boards,' p 47.

⁴⁰ John Abbot, 'Agricultural Marketing Boards in developing countries,' in Journal of Farm Economics, Vol. 49, No.3, August 1967, p705.

operation of the market was to apply. The creation of Namboard was thus to regulate prices for controlled agricultural produce. The board was used as an important means to manipulate production and consumption through price fixing and subsidies, to control the handling and disposal by way of sale of maize.⁴¹ Since it was government controlled, Namboard was flexible in its operations and its monopoly position enabled marketing costs to be kept at a minimum cost. The government through Namboard controlled both producer and consumer prices by granting farmers and marketing agencies subsidies to cover the cost of producing and marketing maize.⁴²

The state also played an important role in creating a policy environment which promoted agriculture. It had a responsibility of ensuring that an orderly and efficient system of distribution was established and maintained for agricultural products.⁴³ Agricultural marketing was manipulated by the state for various reasons, the important one being building support among certain sectors of the population, for example the urban population. In addition, the establishment of state run markets ensured that the politically defined criteria of equity and countrywide opportunity for access would be met.⁴⁴ Thus even if the state run Board was expected not to operate on commercial lines, the point was to extend service and to keep the food prices low. As already pointed out, Zambia's political system was extraordinarily sensitive to the demands and interests of those who lived in cities and towns. The high degree of urbanisation and the concentration of power on the Copperbelt imposed

⁴¹ Justina Mapulanga, 'Training of Women in Marketing of food grains,' in G.R.Z. Strengthening Women's Participation in food and Agricultural marketing, p60.

⁴² L. Mumeke , 'Policy Constraints on the Development of Agriculture and small scale enterprises in rural Zambia,' in S. Wanmali, J Milimo and R Celis (eds.) Adopting Improved Farming Technology, (Washington D.C: International Food Policy Research Institution, 1991), p83.

⁴³ James Pletcher, ' The Political uses of Agricultural Markets in Zambia,; in Journal of Modern African Studies, Vol.24, No. 4,1986, p603.

⁴⁴ J. Pletcher, 'The Political uses of Agricultural Markets in Zambia,' p609.

crucial constraints on the state's ability to re-distribute income through price policy reforms.⁴⁵ Indeed urban reactions to increased food prices caused officials to retract from such attempts twice in the 1970s and the late 1980s.⁴⁶ Thus Namboard facilitated the access of cheap food to the urban consumers.

The pricing policy with respect to maize was to encourage Zambia farmers to shift from subsistence to commercial farmers, and to ensure provincial and national self-sufficiency as much as possible.⁴⁷ Producer prices were therefore determined by the government and the marketing Board was responsible for paying the fixed prices for the products they bought and also sold at controlled prices. The policy coupled with increased supply and use of fertilizer at subsidised rates provided enough incentives to producers to increase their maize production.⁴⁸ In 1970/71 farming season, the Zambia government for the very first time set a floor price of K3.20 per bag of maize at all depots throughout the country.⁴⁹ The floor price was introduced to ensure fair competition to all farmers, including those in the remotest areas. With the price policy in place, regional price differentials were abolished and for the first time, transport costs were eliminated at all depots so that prices received by a producer at a local depot were the same as that at a district center depot.⁵⁰ Although this incentive had a negative effect on the operations of the board, it motivated the farmers, especially the small scale farmers and allowed them to take part in the money economy. Further, it facilitated the

⁴⁵J. Pletcher, 'The Political uses of Agricultural markets in Zambia,' p614.

⁴⁶J. Pletcher, 'The Political uses of Agricultural markets in Zambia,' p614.

⁴⁷ N.A.Z 144B/19 List of govt publications, G.R.Z. Ministry of Rural Development, Annual Report of the Department of Marketing, 1970, p3.

⁴⁸ N.A.Z 144/19 Ministry of Rural Development Annual Report, 1970, p3.

⁴⁹ Doris, J. Dodge, Agricultural Policy and Performance in Zambia; History, Prospects and proposal for change, (Berkeley: University of California, 1977), p101.

⁵⁰D. Dodge, Agricultural Policy and Performance in Zambia, p 101.

integration of small scale farmers from the more peripheral provinces into the national market economy.⁵¹ The table below shows the producer prices of maize from 1972 to 1979.

Agricultural Producer Prices 1972-1979

Harvest year	1972	1973	1974	1975	1976	1977	1978	1979
Maize price	4.30	4.30	5.00	6.30	6.30	6.80	9.00	11.70

Source: Bank of Zambia Annual Report, 1979.

The government increased the producer price of maize for the 1974/75 season as an incentive to boost production.⁵² This was announced by the minister of Rural Development, Mr. Paul Lusaka. Mr. Lusaka explained that the increase in producer prices would mean that Namboard would buy the three grades of maize from farmers at an average of about K1.25 more than the previous price.⁵³ He also said the increase on producer price was meant to stimulate the farmers so that they could produce more maize to feed the nation and surplus to export to the neighboring countries. It was not only during the 1974/75 seasons that the government increased the maize price, there was also a marked increase during the 1976/77 season and 1977/78 season. In 1977, the government announced the producer price of up to 25% for various crops as an incentive to spur the farmers to produce more.⁵⁴ With the increase in producer prices, farmers increased the land under cultivation in a bid to increase production. The estimated cropped area under maize increased by 40% from 367,000 hectares in 1979/80 to 514,000 hectares in 1981 reflecting the probable effect of more favourable

⁵¹ A. K. Kanduzi, 'History and Agricultural Change in Zambia,' in Transafrican Journal of History, Vol.20, 1991, p100.

⁵² Zambia Daily Mail, 30th September, 1975.

⁵³ Zambia Daily Mail, 30th September, 1975.

⁵⁴ Zambia Daily Mail, Aug 16th 1977.

prices offered to farmers.⁵⁵ The table below shows the area under cultivation for maize from 1982 to 1987.

Area under Cultivation for Maize, 1982/83-1986/87 (Hectares)

1982/83	1983/84	1984/85	1985/86	1986/87
538, 600	507,000	566,900	588,490	609,529

Source: Bank of Zambia Annual Report, 1987.

As can be seen from the table above, the area under cultivation of maize kept on increasing due to the favourable incentives. In 1984, the area under cultivation went up by 11.8% from 507, 000 hectares in that year to 566,900 hectares in 1985.⁵⁶ In the same year, in addition to favourable weather conditions, an attractive producer price increase of 12.2% was given from K24.50 per bag to K28.3 per bag.⁵⁷ With increased land under cultivation came increased production. The maize yields also increased because of the price policy put in place by government. Marketed maize production registered an increase of 13.4% from 571,320 tons in 1983/84 seasons to 648, 000 tons in 1984/85 season.⁵⁸ This trend in marketed production of maize showed the degree to which the efforts to increase production were successful. In 1986, production increased 50% to reach 953,981 tons.⁵⁹ This is illustrated in the table below,

Marketed agricultural Production, maize in Metric tons 1979-1985.

Year	1979	1980	1981	1982	1983	1984	1985
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⁵⁵ M.R. Masheke, 'Marketing Structure for Agricultural Products in Zambia,' M.A. Dissertation, University of Gent, 1983, p 34

⁵⁶ Bank of Zambia Annual Report and statement of Accounts for the year ended 31st December, 1985, p13.

⁵⁷ Bank of Zambia Annual Report and statement of Accounts for the year ended 31st December, 1985, p13.

⁵⁸ Bank of Zambia Annual Report and statement of Accounts for the year ended 31st December, 1985, p13.

⁵⁹ L. Mumeka, 'Policy constraints on the Development of Agriculture and Small Scale Enterprises in Rural Zambia,' p77.

Maize MT	331, 255	382, 988	693, 328	508, 328	530, 640	571, 320	648,000
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Source: Bank of Zambia Annual Report, 1985.

In 1980, the producer price for maize which stood at K11.70 per 90 kg bag was raised to K13.50 for the 1980/81 season. This represented a positive move in the right direction and this move was welcomed by the farming community.⁶⁰ The producer prices kept on increasing as the government recognised that price incentives played an important role in the expansion of agricultural output and thus it continued to offer the farmers attractive producer prices and reduced tax rates. The table below shows producer prices from 1981-1987.

Agricultural Producer Prices (1981-1987) in Kwacha

Maize	1981	1982	1983	1984	1985	1986	1987
Maize price	13.50	16.00	18.30	24.50	28.50	55.60	78.00

Source: Bank of Zambia Annual Report, 1987.

Fertilizer, seeds and Implements Division

It was also realised from government circles that production and agricultural marketing supplemented each other and that the two also complemented each other. In other words, there could be no sustained production for cash crops unless facilities to market them existed. According to Chibuye, agriculture marketing led to an expansion in the volume of production and also in the volume of trade.⁶¹ This in turn raised the level of living of the farming community and added to the economic wealth of the community.

Farmers for example needed modern tools, improved seeds and good advice to increase the volume and quality of their produce. Through the fertilizer, seeds and pesticide division,

⁶⁰ Bank of Zambia Annual Report and Statement of Accounts for the year ended 31st December 1980, p15.

⁶¹ C. Chibuye, 'Statutory Agricultural Marketing Boards,' p 35.

Namboard encouraged farmers to adopt improved agricultural techniques. It also encouraged the use of fertilizers and hybrid seeds. All these were facilitated by established depots and shops that Namboard opened in various parts of the country. Pesticides, agricultural implements such as ploughs, ox-drawn scotch carts and hoes were all stocked in Namboard depots. All these services by Namboard helped to increase production as farmers had no reason to travel afar to acquire inputs and implements. Further, these retail stores had staff who gave advice to farmers on the best agricultural techniques as well as the latest certified hybrid seeds. Mr. B.C. Tembo, a former employee of Namboard narrated how the depots were used as channels of agricultural information transfer between the farmers and Namboard.⁶²

It was also the introduction of chemical fertilizers to the farming community, especially the small scale farmers that improved their productivity. On the whole, Zambian soils are of low inherent fertility being acidic and leached in the North of the country because of high rainfall and poorly developed in the West and escarpment area.⁶³ Only the Eastern and South Central plateaus are the soils of moderate fertility. Given these limitations, increased agricultural productivity could only be achieved at a cost of massive investments in agricultural marketing such as the input policy.⁶⁴ The government thus intervened with an input policy mainly to do with accelerating the adoption of new inputs as it was seen that successful

⁶² Interview, Mr. B.C. Tembo, Former Employee of Namboard.

⁶³ J.K. McPhillips and A. P Wood, 'Soil Productivity and Fertilizer Use,' in The Dynamics of Agricultural Policy and Reform in Zambia, p 87.

⁶⁴ Patrick E. Ollawa, 'Rural Development Strategy and performance in Zambia; An Evaluation of Past Efforts,' in Journal of African Studies Review, Vol.21, No.2 Sept 1978, p110.

adoption of new inputs by farmers would be slow and uneven if left entirely to market forces.⁶⁵

The period after independence therefore saw a rise in fertilizer use especially with the small scale farmers as it was seen as a crucial element in encouraging African farmers to increase their involvement in market agriculture. The government thus introduced the fertilizer subsidy in early 1972. Although the fertilizer subsidy in the long run put a huge financial cost on the government and on Namboard in particular, the subsidy was provided for the purpose of supplying small scale farmers with affordable inputs in order to improve their incomes.⁶⁶ Peasant utilisation of chemical fertilizer increased because it replenished soil fertility, especially where mono-culture was practiced.⁶⁷ It replaced the rotation system which was unpopular for reasons of land shortages.⁶⁸ This increase in fertilizer use improved and increased maize yields, especially that the fertilizer was heavily subsidized. Farmers, through Namboard now had access to government subsidized fertilizer. This was because fertilizer was considered as the major input in maize production in the country.⁶⁹ The subsidy further encouraged consumption of the input among the small scale farmers and emergent producers and thus promoted output of maize.

In 1972, the national wide distribution of fertilizer by Namboard was off to a flying start.⁷⁰ Depots throughout the country received ample stock of the particular mixtures. The rural

⁶⁵F. Ellis, Agricultural Policies in Developing countries, p126.

⁶⁶F.S. Kapola, 'Reforms of the Maize marketing System in Zambia,' p27.

⁶⁷S. Chipungu, 'The State, Technology and Peasant Differentiation: A Case Study of Southern Province 1930-1987,' Ph. D Thesis, University of Minnesota, 1987, p307.

⁶⁸S. Chipungu, 'The State, Technology and Peasant Differentiation in Zambia,' p 307.

⁶⁹F.S. Kapola, 'Reforms in the Maize Marketing system in Zambia,' p27.

⁷⁰NAMB, 'Fertilizer distribution off to flying start,' in *Zambian Farmer, Inco-operating Commercial Farming*, June 1972, p19.

farmers had the advantage of paying the same price as their brothers along the line of rail and farmers were urged to take advantage of this. This effectively encouraged its use among the small scale farmers which consequently improved their yields.

Namboard in the 1975/76 farming season was well organized in Eastern Province. With its fleet of both light and heavy vehicles, it delivered all the necessary required requisites and fertilizers to centralized depots closely located to concentrated farming areas.⁷¹ The farming community and the like were well happy with its organised distribution of fertilizer. Further, as it became government policy to extend maize growing to all areas with soil fertility enough to support it, the government used the fertilizer subsidy as a sure way of encouraging farmers to produce more. In North Western Province, the marketing department acknowledged that fertilizer use had grown considerably over the past few years and judging by the high yields obtained by some farmers, methods of production were also steadily being improved.⁷² The board successfully distributed all farming requisites to the districts in good time.⁷³ In Southern Province, the provincial Marketing Officers Report for 1975 indicated that fertilizer and insecticides were in satisfactory supply and were all well distributed by Namboard to rural depots for use by farmers.⁷⁴

Namboard was also the sole importer and distributor of fertilizer in Zambia. Even though this role was met with a lot of challenges, a complete fertilizer marketing system performed all the marketing functions that Namboard did. Namboard provided for co-ordination of the organisations resources and activities for market development and supplied the farmer with

⁷¹ G.R.Z. Department of Agriculture, Eastern Province Annual Report, 1975/76, p74.

⁷² G.R.Z Department of Agriculture, North Western Province Annual Report, 1972/73, p5.

⁷³ G.R.Z. Department of Agriculture, North Western Province Annual Report, 1972/73, p32.

⁷⁴ N.A.Z SP1/3/60, Ministry of Rural Development, Dept. of Marketing, Southern Province Annual Report, 1974/75 season.

the right product at the right price and at the right time.⁷⁵ Fertilizer distribution in Zambia involved getting fertilizer from Nitrogen Chemicals of Zambia (NCZ) point of production and port of Dar-es-salam, Republic of South Africa, Zimbabwe or any other source to the retail points, which were the Provincial Co-operative Unions (PCUs) and District Co-operative Unions(DCUs).⁷⁶ Namboard delivered this fertilizer to the consumers in good condition, in suitable packages and when required. It also delivered the right type of fertilizer and in the most efficient and economic manner.⁷⁷ All these activities benefited the farmer as the farmer, especially the small scale farmers did not have to source for fertilizer on their own. The rural farming community did not have to travel to Kafue or to the ports to access the product. This was further a motivation to the farmers especially that fertilizer was bought at a subsidised rate.

The government imported fertilizer through Namboard. Fertilizer imports from overseas usually came through the port of Dar-es-salam but many also came through South African ports such as East London. Namboard distributed fertilizer according to branch or provincial requirements in such a manner that fertilizer imports coming into the country via Dar-es-salam were taken to Northern, Luapula, Copperbelt and Western provinces while fertilizer coming from Zimbabwe, RSA or through RSA was taken to Southern, Central, Eastern and Lusaka Provinces.⁷⁸ This kind of arrangement enabled Namboard to make a saving on transport costs. Apart from distribution, Namboard also carefully stored fertilizer at the storage sheds. It also maintained fertilizer under optimum conditions for delivery and use at

⁷⁵ C. H .E. Sichinga, 'Introduction to fertilizer Marketing,' in Namboard Training Materials, March 1988, p3.

⁷⁶ C.H.E. Sichinga, 'Fertilizer Distribution, Handling and Storage,' in Namboard Training Materials, March, 1988, p1.

⁷⁷ C.H.E. Sichinga, 'Fertilizer Distribution, Handling and Storage,' p1.

⁷⁸ C.H.E. Sichinga, 'Fertilizer Distribution, Handling and Storage,' p2.

the moment that it was needed.⁷⁹ The function of fertilizer handling, storing and distribution contributed to increased and improved maize production as farmers were sure that they would have and use fertilizer in their farming. Further, this same function cut the ‘middleman’ who would have exploited the farmers especially that one needed to have an import license in order to import fertilizer. In 1972, Zambia imported 173,000 metric tons of fertilizer from Italy to meet that year’s demand.⁸⁰ By 1982, 250,000 metric tons were being used, more than eight times the level at independence.⁸¹

In 1973, it was announced in Namboard’s Annual report that the movement of fertilizer imports through Balaka Dar-es salam and Lobito was generally satisfactory.⁸² The Board chairman announced that no major hold ups were experienced and that most of the agricultural inputs arrived in time. In 1974, it was also observed that notwithstanding the long routes through which the bulk of the fertilizer had to be bought, there were no shortages of fertilizer in the country.⁸³ The only concern was the handling of fertilizer at the ports which caused a great deal of damage.⁸⁴ In a letter written to the Namboard district manager in Chipata in 1974, Mr. A. Zulu announced that he was pleased to inform the district that agricultural requisites in the province were healthy.⁸⁵ He further stated that there was adequate stock of fertilizer for the 1974/75 growing season.⁸⁶ Mr. A. Zulu also appealed to

⁷⁹C.H.E. Sichinga, ‘Fertilizer Distribution, Handling and Storage,’ p3.

⁸⁰ Zambia Daily Mail, April 15th 1972, p3.

⁸¹J.K. McPhillips and A.P. Wood, ‘Soil Productivity and Fertilizer Use,’ p 93.

⁸² Namboard Annual Report for the year ended 31st December, 1973, p1.

⁸³ Namboard Annual Report for the year ended 31st December, 1974, p3.

⁸⁴ Namboard Annual Report for the year ended 31st December, 1974, p3.

⁸⁵ NAZ EP4/15/17/5644, ‘Fertilizer Stock,’ (Chipata), 1974.

⁸⁶ N.A.Z. EP4/15/17/5644, ‘Fertilizer stock,’ (Chipata), 1974

the district governors to inform all farmers of the good news. This was also echoed by the Eastern Province Namboard manager that all main depots at district levels had large stocks of fertilizer which needed to go to their rural depots in time for use by the farmers.⁸⁷

It was also the subsidization of fertilizer that motivated farmers to grow more maize and improve their productivity. The government introduced the fertilizer subsidy basically to stimulate farmer's production. Since the objective of the government was to stimulate increased production, the government assisted the farmers by cutting down their production costs. In 1980, it was decided to reduce the price of fertilizer by K2 per 50 Kg bag.⁸⁸ Although such a move had the effect of increasing subsidies, the small scale farmers, whose access to agricultural finance was limited, benefited from the reduced fertilizer prices and consequently increased their maize yields which raised the food security of the country.

The distribution of inputs such as fertilizer, seeds, pesticides and other facets of agricultural marketing such as transportation, storage, processing and pricing greatly improved and increased agricultural productivity among the farming community. The small scale farmers were encouraged to produce more because the marketing system helped the rural population and agriculturally less advanced areas to produce beyond subsistence needs. Namboard services drew the farming community, especially those from the rural areas into agriculture marketing. Mr. Handiya, from Mulungushi Agro scheme testified to this effect that they were encouraged to grow more crops with the availability of fertilizer, seeds and the market that Namboard provided.⁸⁹ Further, as observed by Chipungu, small scale farmers in Southern Province appeared to have increased by the end of the First Republic. They shared a post-

⁸⁷ N.A.Z EP4/15/17/5644, 'Transportation of Fertilizer from main depots to rural depots,' p1.

⁸⁸ Bank of Zambia, Report and Statement of Accounts for the year ended 31st December, 1980, p15.

⁸⁹ Interview, Mr. P. Handiya, Farmer in Namboard Operation Years.

colonial label of 'Baku Board' denoting those that sold their maize to Namboard.⁹⁰ 'Baku Board' could be seen even in areas where previously the G.M.B did not operate, showing that Namboard was really giving service to everyone everywhere. Further, production kept on increasing. As cited from Chipungu, 'You could see very big piles of maize year after year after year.'⁹¹ These piles were from small scale producers, who sold to the local Namboard depots.

Sole Importer and Exporter of Maize

Namboard also maintained the food security of the country even in years of poor harvests. It ensured that the country with its people was supplied with enough food to eat. The other mandate of Namboard apart from providing a guaranteed market to the farmers was to be the sole importer and exporter of maize.⁹² It assumed these responsibilities to satisfy the food demand at the national level. In order to complete its functions, Namboard made timely arrangements of imports or exports in cases of shortages or an excess in the national operational stock.⁹³ It ensured that the country was adequately supplied from internal production and through importation when necessary. The board also controlled agricultural commodities imports and exports through the issue of agricultural import and export permits.⁹⁴ This meant that no one could import or export maize without a license. This move was made to protect the consumers as the government regulated and manipulated the pricing of maize in order to cushion the consumers. Further, the fact that there was an organisation to

⁹⁰ S. Chipungu, 'The State, Technology and Peasant Differentiation in Zambia,' p 287.

⁹¹ S. Chipungu, 'The State, Technology and Peasant Differentiation in Zambia,' p288.

⁹² G.R.Z. and the European Development Fund of the commission of the European communities, integrated Agricultural projects, Vol. iii, September 1978, p151.

⁹³ National-wide study of Zambia's storage requirements for both produce and input, p5.

⁹⁴ N.A.Z 144B List of govt publications, Ministry of Rural Development, Department of marketing Annual Report for the year ended 31st December, 1974, p1.

see to it that the country was well stocked ensured food security in the country as a whole. With Namboard at the helm, all imports and exports, shipping and co-ordination, acquisition and hire of transport and maintenance of buildings were sorted.⁹⁵

In 1972, Zambia exported maize to other countries following the bumper crop that year.⁹⁶ This was announced by Namboard General Manager, Mr. Rupiah Banda. He did not however say how many bags of maize would be made available to the other countries. This was also echoed by Mr. Reuben Kamanga, Minister of Rural Development. The minister assured the nation that there was enough maize for national requirement and in the national reserve and that the intended surplus for export would not have an adverse effect on the country.⁹⁷ In 1973/74 season, Zambia exported some 26,000 tons of maize to Zaire and 72,000 tons to Tanzania, (at a total marketed crop of 509, 000 tons) at producer equivalent prices of between K7 and K8 per bag.

Apart from exporting, Namboard also imported maize on behalf of the country. As seen in 1969/70 season, the intake by Namboard was insufficient to meet the sales within the country and imports became necessary. Imports arriving in the country were 1,092, 240 and 268,147 bags of maize received in 1969 and 1970 respectively.⁹⁸ 1978 saw Zambia enter the maize importation market once more. It was the beginning of yellow maize and hence yellow mealie meal in the shops. The importation was necessitated by bad weather conditions resulting in the Board purchasing only 3.7 million bags as against 6.4 million bags the previous year.⁹⁹ The Board acknowledged that it could not have been able to feed the nation

⁹⁵ Namboard Annual Report and statement of Accounts for the year ended 31st December 1978, p2.

⁹⁶ Zambia Daily Mail, August 17, 1972, p1.

⁹⁷ Zambia Daily Mail, August 28, 1972, p1.

⁹⁸ Namboard Annual Report for the 16th month period ended at 31st December 1970, p2.

⁹⁹ Namboard Annual Report for the year ended 31st December, 1979, p11.

if it had not imported the maize. As the table below indicates, maize came from many different countries to support Zambia.

Maize Imports in tons

Country of supply	Quantity ordered	Received in Zambia	Balance
U.S.A. Aid	9,588	9,588	–
Tanzania U.S .Aid	40, 000	10, 398	29, 602
Malawi Aid	13, 500	13, 500	–
R.S.A	57, 668	30, 057	27, 611
Total	120,756	63, 543	57, 213

Source: Namboard Annual Report, 1979.

In 1980, the output of maize recorded was once more inadequate to meet the local demand of 8 million bags with the result that Namboard imported about 3.5 million bags of maize from South Africa at a cost of K60 million.¹⁰⁰ The imported maize was expected to forestall the shortage which was caused by poor yields which resulted from bad weather conditions. The Minister said K38 million was used to purchase the maize while K22 million met transportation costs.¹⁰¹ In view of the bad harvest of the 1980 marketing season, government placed orders from foreign countries. The table below shows how much was received.

Imported Maize Received

Country	Total Received Bags
U.S.A	854, 098
U.K	158, 605
R.S.A	1,904, 605
Tanzania	75, 657
Kenya	5, 194
E.E.C	271,721
TOTAL	3, 269, 780 Bags

Source: Namboard Annual Report, 1980.

¹⁰⁰ Zambia Daily Mail, May 26, 1980, p1.

¹⁰¹ Zambia Daily Mail, May 26, 1980, p1.

The 1984 season was equally not spared by bad weather conditions. The droughts were more pronounced in areas which had been traditional sources of the marketed maize. These were the Southern, Central and Eastern Provinces. The marketed maize although better than that of 1983 necessitated the importation of 1, 122, 206 bags of maize to meet the national shortfall.¹⁰² These included 33,000 bags donated by the Royal Netherlands government, 358,235 bags donated by the U.S. Aid and 265, 642 bags donated by European Economic Community. The rest of the imports were financed by the Board.¹⁰³ As can be seen from the above, the government through Namboard ensured that the country was well supplied with maize both in good and bad years. This ensured food security as people had access to food regardless of the country experiencing poor yields.

Famine Relief

Namboard, which was charged with ensuring that national reserves were adequate also proved to be very effective in terms of local famine relief. It was a very common feature during the operation years of Namboard for some areas to experience famine and request Namboard to supplement their needs. For the distribution of maize from excess to deficit areas, Namboard bought all the maize not needed for local consumption in surplus areas through its depots retained at provincial headquarters.¹⁰⁴ Namboard, which even after reorganization in 1984 still ran 15 branches with approximately 30 storage points through-out the country, bought surplus maize from co-operative unions and re-distributed the grain to deficit provinces.¹⁰⁵ In deficit provinces, Namboard stored the grain in the storage facilities

¹⁰² Namboard Annual Report for the year ended 31st December, 1984, p3.

¹⁰³ Namboard Annual Report for the year ended 31st December, 1984, p3.

¹⁰⁴ G.R.Z National wide study of Zambia's Storage requirements for both produce and input, p5.

¹⁰⁵ W. Michelo, 'Effective Marketing of Agricultural produce and inputs,' in Namboard Handout on Seminar held at the PCC between 7-11th March 1988, p4.

until millers or eventually the local co-operative unions collected it for processing and re-distribution.

Local famine was not a new phenomenon in Zambia. The Zambia Daily Mail, reported in 1970 that a lorry was sent carrying food to chief Mumpashya along the Luangwa River following a report that there was famine in the area.¹⁰⁶ The district governor however said people had to buy the food at reasonable prices. During the latter part of the accounting period in the same year, 1970, the rural department was involved in the distribution of famine relief maize. The substantial quantity of maize distributed to Western and North Western provinces resulted in famine relief for the affected areas.¹⁰⁷ In 1972, more than 20,000 bags of maize was freighted to Luapula and North Western Provinces to alleviate a critical food shortage.¹⁰⁸ Mr. E. Lungu, secretary of Luapula Grain Marketing Board said that the maize was being freighted from Copperbelt and Central provinces. He further said there was a critical famine in the villages following the previous year's rain failure.¹⁰⁹ In the same year, Lukulu district also ordered 1, 066 bags of maize for famine relief. All the bags of maize were drawn from Namboard.¹¹⁰ It must be noted that Western province was among the poorest provinces with regards to natural factors. Only a small portion of land was suitable for agriculture purposes and thus the province could hardly afford to be self-sufficient and self-reliant in food production hence it depended on famine relief maize from Namboard.¹¹¹

¹⁰⁶ Zambia Daily Mail. January 5, 1970, p3.

¹⁰⁷ Namboard Annual Report and Statement of Accounts for the 16th month Period ended 31st December, 1970, p3.

¹⁰⁸ Zambia Daily Mail, April 23, 1972, p7.

¹⁰⁹ Zambia Daily Mail, April 23, 1972, p7.

¹¹⁰ N.A.Z. SP1/14/83, Famine Relief- Lukulu District, 1972.

¹¹¹ N.A.Z. SP1/14/83 Opening Speech by the Permanent Secretary for Western Province, Seminar on Fertilizer Distribution, Namushakende, July 13, 1972.

In 1975, the government launched a massive relief operation for more than 20, 000 people who were affected by famine which had hit parts of Western Province.¹¹² The Provincial cabinet Minister, Mr. Joseph Siyomunji said that Lorries had been dispatched from Lusaka to supplement the fleet already in the province in a bid to transport food to the hunger stricken families in Senanga and Sesheke.¹¹³

In Southern Province, Namboard also helped to alleviate food shortages. Siamwiza noted that the government was aware that food shortages in the valley were caused by land shortages and declining soil fertility as well as natural factors. Whenever the area was hit by a food crisis, the government through Namboard provided food relief.¹¹⁴ Between the years 1969 and 1975, localized food shortages occurred in the valley following erratic and uneven rainfall. The Zambian government through the Namboard and through the Gwembe local authority provided food relief amounting to more than 1,856 bags of maize to the people of Siampondo, Siameja, Sinangombe and other neighbouring villages.¹¹⁵ The government also undertook some relief measures in July, 1982. A sum of K 170, 667 and a total of 31, 000 bags of maize were given to Gwembe South to be shared between Mweemba and Sinazongwe Chieftaincy.¹¹⁶ It must be noted that all famine relief maize was sold. Thus subsistence crises were redressed and alleviated by food reliefs. Such efforts were important because they supplemented the local people's initiatives in handling the adversity.

¹¹² Zambia Daily Mail, February 22, 1975, p1.

¹¹³ Zambia Daily Mail, February 22, 1975, p1.

¹¹⁴ B. Siamwiza, 'Hunger in the Gwembe Valley; A Case Study of Mweemba Chieftaincy, 1905- 1987,' M.A Dissertation, University of Zambia, 1993, p95.

¹¹⁵ B. Siamwiza, 'Hunger in the Gwembe Valley,' p96.

¹¹⁶ B. Siamwiza, 'Hunger in the Gwembe Valley,' p 99.

In conclusion, the chapter has tried to highlight the positive impact that Namboard had on the farming community, especially the small scale farmers. The chapter has shown that by providing a guaranteed market and selling at controlled prices, Namboard stimulated farmers to produce even more beyond their subsistence needs. As seen by the evidence provided, maize production kept on increasing in spite of poor rains as well as the challenges that the organisation faced because of the incentives that came along marketing with Namboard. The progress made in the agricultural sector was attributed to increased incentives offered to the farmers by Namboard in form of higher prices for products and marketing services. Equity pricing stimulated agricultural production in areas far from consumer demand because peasant farmers now had the same advantages as those along the line of rail. The fertilizer, implements and seeds program, together with famine relief and sole importer and exporter of maize also impacted positively on the farming community and the nation as a whole to secure food security.

Thus as much as it has been argued by several scholars that the creation of Namboard did not help the farmers, that Namboard was inefficient and that it siphoned off resources from rural peasants for the benefit of urban consumers, what was major and important was the transformation of the peasant mode of production from subsistence to market oriented agriculture. The peasant producers were now seen as participants or contributors to the agricultural sector and this situation led to increased agricultural productivity which led to improved food security in the nation as a whole.

CHAPTER 4

Challenges and constraints faced by Namboard

The chapter is an assessment of the challenges and constraints that Namboard encountered in its attempt to secure national food security. As already documented in some literature, Namboard faced a lot of challenges in its quest to sustain food security. Some of these challenges were external, others internal while some were logistical. It is therefore important to assess whether these challenges were caused by Namboard or there were other underlying factors that contributed to the failure of Namboard to execute its duties effectively and efficiently.

To begin with, it is important to note that Namboard was created as a non- profit service Organisation designed to regulate and control the prices and marketing of certain agricultural products and agricultural requisites among other things.¹ It operated in all the provinces of the country and to a limited extent in the Northern, Eastern and Southern Provinces. This was because these three provinces had a good network of cooperative 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.² As Mr. Lumina pointed out during a parliamentary debate, Namboard was a service organisation but honorable members expected it to work at a profit, which was contrally to the principles of a service organisation.³ With such a background, Namboard was prone to many challenges which were either internal or external.

¹ N.A.Z. Acts 1969-1970, Act No. 30 of 1969, p159.

² G.R.Z Official Verbatum No. 35. Report of the Parliamentary Debates of the first session of the Third National Assembly 12th December -14th March 1974, p 2041.

³ G.R.Z Official Verbatum No. 35, p2043.

The policy and institutional factors which affected the performance of Namboard fell into two main categories. Firstly, there were those of external origin and outside management's control. Secondly, there were also factors that were internal, these having to do with the weakness of the board from the inside.

EXTERNAL FACTORS

The external factors were government's economic and sectorial policies, laws and regulations and the institutional arrangements under which Namboard operated or interacted with other government agencies.⁴ The government had put up policies that were unrealistic and inconsistent. These external challenges were further compounded by the government's inability to clearly and unambiguously define the goals which it expected Namboard to achieve and the time span in which they were to be accomplished. Namboard was set up as a non profit organisation yet the time span in which it was expected to help the farmers through subsidies was not clear. The government also failed to define that set of operational criteria which Namboard was to apply to itself and finally failed to construct an organizational interface between itself and Namboard.⁵ Thus from the very beginning, the government failed to give the management of Namboard sufficient operational autonomy on day to day matters for them to achieve their overall objectives. As documented in the Act, the board was in the exercise of its power and the performance of its duties be subject to the written direction, both general and specific of the minister.⁶

⁴ G.R.Z Zambia Agricultural Pricing and Parastatal Performance Study, June 14 1985, Eastern and Southern Africa Projects Department, Southern Agricultural Division Report No. 5556, p26.

⁵ N.A.Z Box 78 B/14 Report on the National Agricultural Marketing Board, prepared by Williams and T. Wardale for Honorable A.M. Milner M.P Sept, 1971, 1.

⁶ N.A. Z, Act No. 30 of 1969, p161.

As already noted, the first objective of the Zambian Agricultural marketing system was to provide the mining sector and its ancillary industries with cheap food. The government thus perceived Namboard as a political instrument used to achieve its political objectives. It looked at it fundamentally as a vehicle for implementing a policy of low food costs. Thus the government thought it had a legitimate right to intervene in Namboard's operations even if to do so impinged on the efficient operations of the Board. Namboard was required to buy and sale fertilizer and maize at uniform prices regardless of location.⁷ In addition, the Board stood ready to purchase and supply these commodities everywhere, irrespective of the distance the commodity had to be transported and the value of the merchandise handled by the depot. The cost of storage was further borne by Namboard.⁸ These constraints on their own ensured non viability of the enterprise, especially that the enforced losses or subsidies were inadequately recouped by the central government.⁹ Thus the government did not expect the Board to operate at a profit, the point was to extend services and to keep the food prices low.¹⁰ The policy functions of Namboard therefore invariably involved activities which were non-commercial such as price guarantees and the provision of uneconomic services. These activities resulted in losses, more accurately described as policy deficits.¹¹

The minister through the government set unrealistic pricing on maize and fertilizer. The government used the price controls to influence the pattern and composition of production

⁷ GRZ, Agricultural and Rural sector Survey, Vol. ii, October 20 1975, Report No. 84, p36.

⁸ GRZ, Agricultural Rural Sector Survey, p36.

⁹ F. Ellis, Agricultural Policies in Developing Countries, (London: Cambridge University Press, 1992), p117.

¹⁰ J. Pletcher, 'The Political Uses of Agricultural Markets in Zambia,' in The Journal of Modern African Studies, Vol. 24, No. 4, December 1986, p612.

¹¹ S. M. Makings, Agricultural Problems in Developing Countries in Africa, London: Oxford University Press, 1967, p129.

and the distribution and consumption of maize.¹² For example in 1974, Namboard continued to operate a maize subsidy in accordance with government policy of maintaining the price of maize meal to consumers at a low level. The existence of this fund enabled the Board to buy maize grade A from the farmers at K4.30 per 90 kg but sell it to the millers or consumers at only K3.90 per 90kg.¹³ Towards the end of the year, the government had increased the maximum statutory maize price to the farmer for the 1975 season from K4.30 to K5.00 per 90kg while maintaining the price charged to the consumer at K3.90.¹⁴ Further, in 1983/84 seasons the PCMUs bought maize from the farmers at K24.50 per bag and then sold it to Namboard at K25.00 per bag or to the miller at K26.00 per bag.¹⁵ This measure entailed larger subsidies in the maize operation from the government. It also amounted to a margin of 2 percent of the farm gate price for hauling and storing. The principle disadvantages of the subsidies were that they removed incentives for efficiency and created liquidity crises that resulted in farmers being paid late for their produce.

Also because of government's perception of Namboard as a vehicle to carry out its mandate, it put the Board in unprofitable situations. In 1986, the committee on Agriculture, Land and Cooperatives heard that Namboard incurred freight and handling costs of fertilizer donated by foreign agencies.¹⁶ However, after selling the fertilizer, the proceeds were given to the ministry of Finance and National Commission for Development Planning. This meant that Namboard had to meet the handling and freight charges and distribution costs through

¹² K. Katongo, 'Agricultural Policies in Zambia, 1975-1985,' p 33.

¹³ Namboard Annual Report for the year ended 31st December, 1974, p4.

¹⁴ Namboard Annual Report for the year ended 31st December, 1974, p4.

¹⁵ J. J. Shawa and W.I Johnson, 'Input Supply and Marketing' in Wood et'al (eds.) The Dynamics of Agricultural Policy and Reform in Zambia, p376.

¹⁶ GRZ, Report of the Committee on Agricultural, Land and Cooperatives for the third session of the fifth National Assembly Appointed on 21st January, 1986, p29.

overdrafts facilities with various banks.¹⁷ It was therefore impossible for Namboard to operate efficiently because it operated under a faulty system. Donations by foreign agencies were not beneficial to the Board but only drained its resources. The committee felt that Namboard should have retained the proceeds from the sale of fertilizer donated by foreign agencies in order to improve its operation.¹⁸ However, because of its nature as a service organisation, the Board was unable to break even and make profit thereby finding it impossible to expand its businesses. The effect of this was that it was unable to augment production, increase employment opportunities or to sustain its operational setup in terms of transport, marketing, distribution and storage of commodities.¹⁹

As already mentioned, Namboard operated with ministerial directives. Since Namboard was a statutory body, it was subject to directions by the minister of Agriculture and Water Development. The minister had full powers over the Board's policies and strategic decisions. The Board members, Finance Directors and all other strategic departments as well as other individuals prominent in politics were all appointed by the minister.²⁰ To add on, the minister often directed Namboard's operational performance and determined the Board's policy with regard to purchase and sale pricing, financing through annual operating subsidies and by using government loan guarantees.²¹ As a result, the Board members provided neither significant input nor direction into general or specific aspects of agricultural policy. The Board did not act as a link between government and management as it was the government that decided how management was supposed to run the organisation. The functions of the

¹⁷ GRZ, Report of the Committee on Agricultural Land and Cooperatives, p29.

¹⁸ GRZ, Report of the Committee of Agricultural, Land and Cooperatives, p29.

¹⁹ UNIP 7/10/11-15 UNIP National Council Resolutions on Rural Development Committee, p2.

²⁰ GRZ. Agricultural Pricing and Parastatal Performance study, June 14th 1985, p20.

²¹ GRZ. Agricultural Pricing and Parastatal Performance study, June 14th 1985, 36.

Board were all determined by the Act and overall policy was dictated by the government. Commodity pricing and operational locations were all decided by government. Mr. A. Chola, who worked in the personnel division of Namboard testified to this fact that government decided where to erect silos, sheds or slabs for Namboard.²² He stated that the management of the board was there just to facilitate government policy.

It was the government through the minister that declared controlled product and prescribed areas in which such products would be considered controlled. The minister also annually fixed prices which were supposed to take account of Namboard's handling costs and the equalization factor without taking into account the cost of production of the produce as well as comparative advantage. As documented in a lot of Namboard's annual reports as well as the Bank of Zambia annual reports, the minister would often announce the maize price to the public before the season finished. Mr. Paul Lusaka, who was minister of Rural Development in 1975, announced that the government had increased the producer prices of maize for the 1975/76 season.²³ These price increases and other incentives were also announced by the Minister of Planning and Finance, Mr. Alexander Chikwanda in 1975. He said that the government would spend K33 million to subsidize fertilizers.²⁴ In 1980, the price of maize was raised from K11.70 per 90kg to K13.50 per 90kg while the price of fertilizer was reduced by K2 per 50kg.²⁵ Thus overwhelming ministerial control reduced the overall performance of Namboard and evaded the organisation of management accountability. This was because management saw the Board's activities merely as reactions to external factors.

²² Interview, Mr. A. Chola, Former employee of Namboard.

²³ Zambia Daily Mail, Sept 30th 1975.

²⁴ Zambia Daily Mail, February, 1st, 1975.

²⁵ Bank of Zambia Annual Report for the year ended December, 1980, p 15.

Further, the personality and zeal of the incumbent minister also affected the operations of the Board.²⁶ This was seen with variations that existed in terms of price increases and various incentives. There were also cases where lines of authority were blurred or conflicting resulting in inefficiency and ineffectiveness. All these ministerial interventions were to ensure that the political objectives of the government were pursued.²⁷

Resource allocation

Apart from the policy environment under which Namboard operated in, it also faced another external challenge of scarce or limited resource allocation to the Board by the government. As observed already, Namboard did not generate any revenue of its own and therefore depended entirely on government resources to meet its operational costs. The parastatal obtained only 2 percent income from its huge capital investment.²⁸ However, Namboard had to grapple with insufficient working capital caused by increased stock holding and unrealistic budget allocations.²⁹ The Board's resources were strained due to the numerous operations it was called upon to service.³⁰

This was also reported by the Board chairman, Mr. Alexander Chikwanda in 1977. He stated that at the end of the year under review, subsidies received amounted to K16 million which were insufficient to cover the total operations of the Board.³¹ The Board was not funded sufficiently by the government. There was lack of adequate finance and in particular, the

²⁶ Kakusa S. Mutukwa, 'Political Control of Parastatal Organisations in Zambia,' in ZANGO Zambian Journal of Contemporary Issues, No. 1, Sept 1976, p48.

²⁷ Ben Turok, 'Control of the Parastatal sector of Zambia,' in The Journal of Modern African studies, Vol.19, No. 3 September 1981, pp427.

²⁸ Rene Dumont, 'Towards Another Development in Rural Zambia,' Institute National Agronomique de Paris, 1979, p17.

²⁹ Namboard Annual Report for the year ended 31st December 1977, p1.

³⁰ N.A.Z. SP1/5/35, 'Provincial Marketing Officers Conference, 6th-7th March, 1972.

³¹ Namboard Annual Report for the year ended 31st December, 1977. P1.

reluctant manner in which subsidies involving operational losses were reimbursed.³² This created operational difficulties for Namboard and resulted in late deliveries of inputs, late collection of produce and late payments to the farmers. As one Namboard official said, ‘if the ministry of Finance had given us the required amount of money in time, we could have paid cash for all the crops, with more credits we could have bought more lorries to collect the crops in time or we could have built better storage facilities for the numerous rural depots, nearer to villages.’³³

As Namboard operated the whole Agricultural marketing system in the country, sufficient funding was essential for the successful operations of the Board and consequently the agricultural industry. However, its operations were handicapped by the need to stretch meager managerial resources throughout the country and by its government imposed obligation to equalize producer prices throughout the country, regardless of comparative advantage pertaining to some areas over others and to serve remote sparsely populated areas.

³⁴ As Mr. Lumina pointed out in the parliamentary debates of 1974, he did not think that Namboard had failed to carry out its duties but attributed the problems the organisation was facing to the government not giving sufficient finance to it.³⁵

The pre- determined prices for key products and services which encouraged producers to produce more precluded Namboard from having a pricing policy. This was the major constraint on Namboard’s performance since its inception. The pricing system created substantial operating losses on the board and required corresponding operating subsidies by

³² N.A.Z, Box78B, Shelf No.14 Report on the National Agricultural Marketing Board,p10.

³³ Rene Dumont, ‘Towards Another development in Rural Zambia,’ Institute National Agronomique de Paris, 1979, p16.

³⁴ UNDP, A Profile of the Zambian Economy, Lusaka, October 1976, p51.

³⁵ GRZ, Official Verbatum No. 35, Report of the Parliamentary Debates of the first session , p2043.

government.³⁶ Sales prices typically were set at levels inadequate to cover the purchasing and operating costs of Namboard and occasionally at below procurement prices. Thus the Board's operational losses and hence subsidies which came about as a result of the unrealistic pricing had occasionally exceeded the value of sales of maize and inputs. The administered price system made Namboard so highly dependent on government subsidies and loan guarantees that it was unable to exist without them.³⁷

Further, as the importation of new grain bags and their distribution to farmers was a prime and established responsibility of Namboard, it was in order that the Board ensued that these were stocked all the time. However, this was not achieved with ease due to insufficient resources allocated for this exercise. For example in July 1976, the Zambia Daily Mail reported that farmers in Choma faced possible financial ruin unless Namboard immediately supplied them with grain bags. Member of Parliament, Mr. Daniel Munkombwe said farmers in his area were unable to deliver their produce because Namboard depots only had 40 grain bags in stock.³⁸ In 1985, there was a repetition of the same. Following a bumper harvest that year, it emerged that the country's critical shortage of grain bags was not only due to mismanagement at the highest level of Namboard but also the inadequate priority actually accorded to Namboard's operation by the government.³⁹ The minister of agriculture, General Chinkuli told parliament that Namboard had in fact not been allocated the necessary foreign

³⁶ GRZ, Zambia Agricultural Pricing and Parastatal Performance Study, p27.

³⁷ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p27.

³⁸ Zambia Daily Mail, July 26, 1976.

³⁹ Kenneth Good, 'Systematic Agriculture Mismanagement; The 1985 bumper Harvest in Zambia,' in The Journal of Modern African Studies, Vol.24, No. 2 June 1986, P269.

exchange to import 10 million jute bags from Bangladesh.⁴⁰ This affected the overall performance of the Board and consequently led to inefficiency.

In the same vein, in spite of the Board's effort to create opportunity for itself, some major credit customer's mainly fellow parastatal organisations could not settle their accounts until after prolonged delays.⁴¹ The consequence of this was that Namboard was compelled to operate at very high bank overdrafts levels and had to pay high interests charges. Further, since operational subsidies from the treasury were irregular and inadequate to meet the needs of the organisation, a consortium of banks was the second important source of Namboard's operating funds.⁴² Namboard's overdraft facilities with the commercial banks assumed an important role in providing operating capital. However, with such a trend, the bank consortium decreased the Board's authorized and government guaranteed overdrafts from K59.5 million in 1983 to K54 million in 1984.⁴³ Thus, the Board continued to operate on meager resources, thereby affecting its overall performance.

In 1980, the Board failed to pay farmers on time and crops were left to rot as they could not be collected promptly.⁴⁴ This trend continued year after year, with crop marketing facing several constraints, notably the untimely release of funds to Namboard by government to commence purchase of maize and procure empty grain bags.⁴⁵ In 1985, Namboard again failed to pay the farmers on time. General Chinkuli announced that the government had not

⁴⁰ Kenneth Good, 'Systematic Agriculture Mismanagement; The 1985 bumper Harvest in Zambia,' in The Journal of Modern African Studies, Vol.24, No.2 June 1986, p269.

⁴¹ Namboard Annual Report for the year ended 31st December 1977, p1.

⁴² G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p28.

⁴³ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p28.

⁴⁴ Bank of Zambia Annual Report for the year ended 31st December 1980, p15.

⁴⁵ Bank of Zambia Annual Report for the year ended 31st December 1985, p12.

provided Namboard with the money to pay the farmers and complete the haulage of crops. 'Because we have failed to get the money from the government which is supposed to fund us, we have resorted to asking for loans from the banks which I am sure doubt our ability to pay them.'⁴⁶

There was also a discrepancy that existed between the objectives of the Board to cover the whole country with a sufficiently intensive network of rural depots so as to offer every farmer an opportunity to sell his produce within a reasonable distance and the funds available for that purpose.⁴⁷ The depots were too numerous, too far apart in some areas while others were merely weekly pick up centers.⁴⁸ The numerous and various locations of small scale farmers caused a major challenge for crop extraction and food and input distribution. The Board had to deal with small quantities of the commodity scattered all over the country.⁴⁹ This need to maintain depots in remote areas which handled small quantities of produce and supplies placed a heavy burden on the Board, both in terms of operational costs and personnel. Mr. A. Chola and Mr. B.C. Tembo confirmed that Namboard had put up so many rural depots, with others becoming almost unreachable due to remoteness and impassable roads.⁵⁰ However, Namboard was not adequately funded to run all the rural depots and this was a further drain on the Board's meagre resources. As earlier echoed by Mr. Brown, a FAO marketing Economist during a conference in 1971 that neither Namboard nor Zambia could afford for long to go to remote places to bring in small amounts of scattered produce and pay heavily on

⁴⁶ Cited in Kenneth Good, 'Systematic Agriculture Mismanagement ; the 1985 bumper Harvest in Zambia.' P269.

⁴⁷ Southern Province of Zambia, Prospects of Regional Development, 1971, p474.

⁴⁸ Robert Klepper, 'Zambian Agricultural Structure and Performance,' in Ben Turok (ed.) Development in Zambia, (Lusaka: Zed Press, 1979), p142.

⁴⁹ F, Kapola Sipula, 'Reforms of the Maize Market System in Zambia; Issues of Price and Market Policies, Cooperatives and Interprovincial Transportation,' p13.

⁵⁰ Interview, Mr. A. Chola, Former Employee of Namboard.

transport and handling costs.⁵¹ He noted that the only solution to rural marketing was to encourage cooperatives to take part in rural marketing on account of their members and as agents of Namboard.⁵²

Lack of Foreign Exchange

Closely related to the issue of insufficient working capital, the Board also had to deal with another external challenge of lack of foreign exchange. Inadequate foreign exchange required Namboard to queue for foreign exchange to import maize, fertilizer, grain bags and other chemicals.⁵³ Foreign exchange issues started mushrooming with the collapse of the copper prices in the late 1970s. In the mid - 1970s, world recession brought a drastic drop in the price of copper, leading to a major crisis in the Zambian economy. The crisis was compounded by world inflation, soaring oil prices, war and the disruption of Zambia's major trade routes to the South.⁵⁴ This depressed level of the copper prices during most of the Second National Development Plan affected national income.⁵⁵ The immediate impact was upon export earnings. The value of exports in 1976 was slightly below the value recorded in 1970.⁵⁶ In the meantime, inflation had increased the cost of imports. The government was therefore obliged to introduce import controls to ensure some sort of respectability for the balance of payments statistic. The other problem created by the low copper prices was that it

⁵¹ N.A.Z. EP2/1/22 Minutes of the second Conference of the provincial marketing Officers held from 20-21st may 1971, p2.

⁵² N.A.Z. EP2/1/22 Minutes of the second conference of provincial marketing officers held from 20-21st may 1971.

⁵³ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p26.

⁵⁴ W. Smith, 'Crisis and Response: Agricultural Development and Zambia's Third National Development Plan,' in Geography, Vol.66, No.2 April 1981, P 134.

⁵⁵ James Fry, 'The Zambia Economy,' in William Tordoff (ed.) Administration in Zambia, (London: Manchester University Press, 1980), p58.

⁵⁶ J. Fry, 'The Zambian Economy,' p58.

caused both profit and tax revenue available to the government to fall far short of expectations.⁵⁷ Therefore, with the fall of the copper prices, the Zambian government found it very difficult to carry out its duties effectively, especially with regard to importations and funding of the agricultural sector. The importation of maize, grain bags, chemical fertilizers and other agricultural chemicals became a challenge for Namboard, with delays becoming a norm.

The uncertainty of foreign exchange availability was further compounded by Namboard's lack of planning with regard to its medium term foreign exchange requirements.⁵⁸ The foreign exchange requirements for fertilizer and maize were determined only after respective committees had assessed the requirements of the Board. The central supply Tender Board also had to evaluate the tenders. This process however proved to be very lengthy and thus the bank found it difficult to assign priority to the needs of Namboard.⁵⁹ This made operations of Namboard very slow as it would not operate effectively without foreign exchange.

These factors and the insufficient working capital coupled with transport difficulties forced Namboard to import less. Mr. I. Carmichael, public Relations officer of Namboard during a senior management workshop in 1973 pointed out the operational difficulties that the Board faced, especially with regard to the ordering of fertilizers.⁶⁰ In this respect, he warned that it

⁵⁷ J. Fry, 'The Zambian Economy,' p 59.

⁵⁸ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p26.

⁵⁹ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p27.

⁶⁰ N.A.Z. Mag2/3/39/ 128 Report of the Senior Management workshop No.1 held at NIPA 8th-23rd February 1973.

would be as bad to 'over order' as it would be to 'under order'. He further emphasized that the estimates were to be accurate, as they tied the national foreign reserve.⁶¹

As documented in some agricultural marketing annual reports, fertilizer arrived late or was in short supply because of inadequate foreign exchange. Mr. A. Chola also said that many depots ran out of stock of fertilizer before distribution of the commodity was finished.⁶² This was also echoed by the Kabwe Farmers Association in 1972.⁶³ The farmers accused the Namboard of failing to ensure that fertilizer was available when required. Mr. J. Rankin, chairman of the association said many farmers received the fertilizer, especially top dressing too late and 35% did not receive it at all.⁶⁴ The Board also had the tendency to import more fertilizer and maintain fertilizer stocks in amounts larger than national demand justified, tying up scarce capital.⁶⁵ All these problems were as a result of inadequate foreign exchange. This problem made operations of the Board very difficult.

Transportation Problems

The other external problem that engulfed the operations of Namboard were transport issues. As Namboard was in the business of distribution of produce and input from the farmer to the consumer, transport was of critical importance to the successful performance and operation of the Board. Namboard was the largest single user of internal transport in the country with over 750,000 tons of various commodities being hauled annually.⁶⁶ Two transport issues were of

⁶¹ N.A.Z. Mag 2/3/39/ 128, Report of the Senior Management workshop No.1 held at NIPA 8th - 23rd February 1973.

⁶² Interview, Mr. A Chola, Former Employee of Namboard.

⁶³ Zambia Daily Mail, April 19, 1972.

⁶⁴ Zambia Daily Mail, April 19, 1972.

⁶⁵ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p27.

⁶⁶ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance Study, p26.

critical importance to the performance of Namboard. These were availability of transport and the transport facilities as well as transport tariffs, fuel and motor vehicle spare parts. These however were neither put in place by the government nor by the Board. Further, there were others that were beyond the control of both.

Namboard largely depended on the trucking sector for most of its transport requirements. This was because of the railway lines shortcomings. Tanzania Zambia Railways (Tazara's) handicaps were its slowness and delays. It also had inadequate wagons. Agricultural goods and inputs like maize and fertilizer needed to be moved quickly to their destination before they got spoiled. However, as noted by the Namboard Kasama Branch in 1985, the fertilizer which was supposed to be carried by Tazara from Kapiri Mposhi to Kasama for distribution to the local farmers had been delayed.⁶⁷ The branch Manager argued that had Namboard utilized road transport, the fertilizer would have been delivered on time. Thus delays were inherent to the rail sector. Further, the second inherent problem of Tazara was its limited access. Customers had to find their own transport to move goods to Tazara stations and from Tazara warehouses at stations to their own depots. For example Namboard at Kasama had to hire trucks to transport maize to Tazara stations and to move fertilizer from Tazara warehouses to Namboard selling depots.⁶⁸ Thus the use of the railway line was cumbersome and expensive. In addition, Zambia Railways and Tazara experienced extreme difficulties in providing enough wagons, security for goods and did not provide enough tarpaulins to cover their goods to and from Dar-es – salaam.⁶⁹ These problems were non-existent with road transport.

As a result, there was pressure on the trucking system to haul all the produce by Namboard. The Provincial Agricultural Officers (PAO) Report for Central Province in 1975/76 seasons attested to this fact. The PAO noted that although the buying period had been extended, the main problem which

⁶⁷ Bertha Osei-Hwedie and Kwaku Osei- Hwedie, Tanzania-Zambia Railroad(TAZARA) An Analysis of Zambia's Decision Making in Transportation, (Virginia: Brunswick Publishing Corporation, 1990), p78.

⁶⁸ B. Osei-Hwedie and K. Osei- Hwedie, Tanzania- Zambia Railroad, p 79.

⁶⁹ Namboard Annual Report for the year ended 31st December 1977, p1.

faced Namboard was lack of transport to collect produce from rural depots to main ones.⁷⁰ He observed that most of the transporters who were assigned to transport produce preferred long distances to short ones due to profitability. Therefore, there was still a lot of maize lying in the depot even at the end of the extended date.⁷¹ This was also noted in the Agrarian Revolution committee held in Southern Province in the same year. The committee noted that there was no transport to deliver maize and fertilizer to the depots.⁷² It was observed that fertilizer was available but there was insufficient transport.

The parliamentary debates of 1978 also brought out the transport problems that Namboard was faced with. Mr. A. Chikwanda, who was Minister of Agriculture then, pointed out that because of transportation problems, the Board was not able to distribute the fertilizer for that season to all the districts in time.⁷³ He brought out the fact that Namboard did not own enough transport. Namboard had continued to rely on transport contracts for the movement of the bulk of its merchandise. The Board owned a fleet of transport for its domestic requirements. This fleet however, was completely inadequate for the expanding needs and constituted a bottleneck to the realisation of the Board's objectives.⁷⁴ The Board therefore continued to rely on transport contracts for the movement of the bulk of its merchandise.

The transport issues of Namboard had an adverse effect on the performance of the organisation. Late delivery of inputs and late collection of produce became the order of operations for the Board. A Namboard spokesperson admitted that sometimes farmers received their fertilizer, seeds and other requisites late. He however pointed out that people needed to realise that it took a lot of planning and

⁷⁰ G.R.Z. Provincial Agricultural Officers Annual Report, 1975-1976 season, Central Province, p109.

⁷¹ G.R.Z. Provincial Agricultural Officers Annual Report, 1975-1976 season, Central Province, p109.

⁷² N.A.Z SP1/5/50 Minutes of the meeting of the Agrarian Revolution Committee held in S. Province Cabinet Minister's office on 13th Oct. 1975, p2.

⁷³ GRZ, Official Verbutum Report of the Parliamentary Debates of the 5th session of the 3rd National Assembly 12th January-8th April 1978, p112.

⁷⁴ Namboard Annual Report for the year ended 31st December, 1974, p8.

organising to get the supplies from abroad including shipping, landing and thereafter distribution throughout the country.⁷⁵ All these activities involved transport, which was a challenge to the Board. This had also been echoed earlier in the same year when the spokesperson said that his organisation had completely failed to raise transport from the line of rail to rescue the maize, some of which had not been bought from the farmers in remote areas.⁷⁶ The spokesperson said that more than one million bags of maize worth nearly K6.8 million was to be destroyed by rains unless the government transported it quickly to safety.⁷⁷ He attributed this failure to transport available in the country being already engaged in other exercises such as transportation of fertilizer and other goods.

The transportation problem continued to manifest itself in almost all the operation years of Namboard. The 1978 marketing season was equally not spared. Namboard experienced a lot of problems in the movement of crops from rural buying depots to the main storage points. This was mostly due to lack of transport and the bad conditions of feeder roads which had not been maintained during the year after the heavy rains of 1977/78 seasons.⁷⁸ At the end of the year, there were still the following bags of maize uncollected; Central Province had 36, 000 bags while Southern Province had 900 bags.⁷⁹ It was expected that some of this crop would be damaged before being retrieved because of poor storage facilities at the buying depots.

Apart from Namboard having to deal with inadequate transport, the other problem was to do with the transporters themselves. The poor conditions of feeder roads contributed to the late collection of produce and in some cases, loss of produce as private transporters refused to collect produce from places where the roads were impassable.⁸⁰ The transporters, for example in North Western Province

⁷⁵ Zambia Daily Mail, November 30, 1975.

⁷⁶ Zambia Daily Mail, November 30, 1975.

⁷⁷ Zambia Daily Mail, October 11, 1977.

⁷⁸ Namboard Annual Report for the year ended 31st December 1978, p12.

⁷⁹ Namboard Annual Report for the year ended 31st December 1978, p12.

⁸⁰ G.R.Z. Report on the Committee on Agriculture, Land and Cooperatives, p9.

refused to transport maize to the copper belt for safe storage. Namboard Provincial Manager, Mr. A. Mwape claimed that over 16 contractors refused to transport maize from Solwezi to Ndola citing poor road conditions as an excuse.⁸¹ The transporters also complained that Namboard did not pay them enough money for their services. Also in a letter written to the Provincial manager for Eastern Province, Mr. A.B. Chiponda, the District Manager for Chadiza wrote that no fertilizer had reached Sindamisale depot in chief Pembamoyo's area.⁸² He stated that no fertilizer had been distributed to the area due to the roads which had become impassable.⁸³

This was also narrated by Mr. A. Chola, who stated that poor roads discouraged transporters from doing business with Namboard. He stated that some roads were so bad that drivers would be stuck for weeks in some remote and rural areas. Mr. A. Chola also mentioned of his own experience when they were coming back from chief Tembwe and Kanyebele in Chama district that they were stuck for a week as it had rained heavily and the roads had become impassable.⁸⁴ Thus although fertilizer and other requisites could be available, some transporters could still refuse to go out to dump the fertilizer in the rural depots because of impassable roads.⁸⁵ The most suitable vehicles for produce haulage in the rural areas were the ten ton trucks which were in short supply both from the Board and private transporters.⁸⁶

Further, the pan territorial pricing system meant higher transportation and handling cost in moving commodities from some remote areas.⁸⁷ Thus the private traders were not attracted to maize marketing especially that only Namboard and the Cooperative unions were entitled to reimbursement of the overhead costs. Prior to the 1982/83 season, the major trucking firms independently negotiated

⁸¹ Zambia Daily Mail, November 8th, 1977.

⁸² N.A.Z. EP4/15/17/5644 Agriculture and Farming in Marketing Boards.

⁸³ N.A.Z. EP4/15/17/5644 Agriculture and Farming in Marketing Boards.

⁸⁴ Interview, Mr. A. Chola, Former employee of Namboard.

⁸⁵ N.A.Z. EP4/15/17/5644 'Transportation of Fertilizer from main depots to Rural Depots.' 1976.

⁸⁶ GRZ Report on the Committee on Agriculture. Land and Cooperatives, p9.

⁸⁷ C. B. Barret and E. Mutambatsere, 'Marketing Boards,' Cornell University, p7.

contracts on a consignment with the Board. However in 1983, the government introduced the system of fixed transport rates.⁸⁸ This made many transporters to complain that Namboard did not pay them enough for their services and thus were reluctant to enter into contracts with the Board. The Board therefore had to outsource for transport in times of emergency. In a letter written in 1984 to the party secretary general of UNIP, the marketing officer wrote that because of the inadequate transport from private transporters coupled with the fact that Namboard was then running out of time, they had to appeal to Defense to help in the transportation of maize and other crops.⁸⁹

In the same vein the non availability of tires, tubes, spare parts and fuel shortages also contributed to the transportation challenges of the Board. Fuel supplies which were a basic requirement in the transportation of produce and requisites started dwindling in the late 1970, following souring oil prices. This caused a major challenge in the efficient execution of Namboard's mandate as all movement of commodities involved transportation which required fuel. Further tires, tubes and spare parts were known to be in short supply throughout the country.⁹⁰

Geo-Political Situation

The other external challenge that Namboard was faced with was that to do with the geo-political situation of the territory at that time. The geographic structure of the markets dictated long distance movements of inputs and output and a high transport cost.⁹¹ In addition, Namboard operated during the years of the liberation struggles of Southern Africa. Due to the war situation in Southern Rhodesia, movements of fertilizer from the ports of Beira, Maputo and East London continued to be disrupted.⁹² In 1973, Ian Smith of Rhodesia denounced Zambia for continued support of the liberation movements. The border between Zambia and Rhodesia was then closed. The border closure

⁸⁸ G.R.Z. Agricultural Pricing and Parastatal Performance Study, p26.

⁸⁹ UNIP 7/10/11-15 Letter written to his Honour, the secretary General of the Party, UNIP House, Lusaka.

⁹⁰ Kenneth Good, 'Systematic Agricultural Mismanagement; The 1985 Bumper Harvest in Zambia,' p266.

⁹¹ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance, p44.

⁹² Namboard Annual Report for the year ended 31st December 1978, p9.

delayed the transportation of various inputs. As Zambia stopped to ship through Rhodesia, new routes through Malawi, Tanzania and Zaire were opened. The rerouting caused a lot of delays, increased the costs of imports, shipping and transportation.⁹³ Namboard experienced unusual hardships in the movements of fertilizer from the ports due to the disruption of rail and road routes. Further, at times ships carrying fertilizer would be diverted from Beira to Maputo and East London. In 1979, the board encountered immense problems in the movement of fertilizer from the ports due to congestion. This was further worsened by the fact that Namboard had to start importing maize during the year.⁹⁴ This further increased the burden on the import routes thereby causing more delays in receiving the vital commodities in the country. All these problems were further aggravated by the geo-political position of the country which made road haulage of fertilizer a very hazardous undertaking.

It is also necessary to consider factors that were exogenous to policy when examining the overall performance of Namboard. These included Zambia's geographic location and the effects of climatic conditions. The production performance of maize was considered successful only under favourable weather conditions.⁹⁵ Production therefore fluctuated considerably depending on weather conditions. This was because as observed by President Kaunda during the opening of the sixth General conference of the UNIP that weather could be beyond man's control and the most ideal situation could be nullified abruptly by adverse weather conditions.⁹⁶ Until 1978, Zambia was a net exporter of maize with virtually all the surplus being sold to Zaire, now Democratic Republic of Congo and moved by rail.⁹⁷ The effects of drought however were felt during some operation years of Namboard. 1980 was a very difficult year for the Board in that it did not buy enough maize because of poor

⁹³ Bonard L. Mwape, 'Zambia's Agricultural Policy and Performance; 1960-1980,' Ph. D Thesis, University of Pittsburg, 1984, p204.

⁹⁴ Namboard Annual Report for the year ended 31st December 1979, p11.

⁹⁵ F Kapola Sipula, 'Reforms of the maize market system in Zambia; Issues of Price and Market Policies,' p16.

⁹⁶ G.R.Z. A Path for the Future; Address by his Excellence , the President Dr. Kaunda, Secretary General of UNIP on the occasion of the opening of the sixth General Conference of the UNIP Party, Mulungushi 8th May, 1971, p16.

⁹⁷ G.R.Z. Agricultural Pricing and Parastatal Performance Study, p30.

yields. As a result of these poor yields which were caused by continued drought in Southern Africa, Namboard imported maize to meet the shortfall.⁹⁸ In 1984, the problems of adverse weather conditions continued to be experienced in many parts of the country. They were more pronounced in areas which had been traditional source of Zambia's marketed maize. The drought conditions necessitated the importation of 1,122,206 bags of maize to meet national shortfall.⁹⁹ This naturally meant a further strain on the country's meager foreign exchange reserve and consequently the underperformance of Namboard in this regard.

INTERNAL CHALLENGES

The internal challenges that Namboard faced were to some extent highly interrelated with the external factors. The interference of government in the operations of Namboard had adverse effects on the administration and management of the Board. There was no doubt that much of the governments sponsored activities in agricultural marketing were fully justified by virtue of the facilities it provided or stimulated and the conditions it imposed or induced. The main defects or disadvantages however were that it lacked the stimulus to efficiency.¹⁰⁰ There was no efficiency in the running of Namboard by the administrator. This was so because monopoly, even if it had an advantage on the farming community, everywhere else pushed inefficiency, laziness, carelessness, and too often nepotism and corruption.¹⁰¹ As the Board members and the top officials were all appointed by the Minister, the general performance of the Board was more like a reaction or dictation of the government's objectives.

The main internal challenge to the performance of Namboard was the lack of efficiency from the administrators. The administration lacked a significant planning capability.¹⁰² This was because the

⁹⁸ Namboard Annual Report for the year ended 31st December 1980, p3.

⁹⁹ Namboard Annual Report for the year ended 31st December 1984, p3.

¹⁰⁰ N.A.Z. Box 23D /19 List of Government Publications S. M. Makings, A Note on Crop Price Stabilization and Government Responsibilities with Reference to Northern Rhodesia, January, 1963, p10.

¹⁰¹ Rene Dumont, 'Towards Another Development in Rural Zambia,' p 16.

¹⁰² G.R.Z. Agricultural Pricing and Parastatal Performance study, p37.

government determined all principle policy matters, precluding Namboard from making long term operational and financial plans. Due to the lack of autonomy in budgeting, management had difficulties to plan ahead. For example foreign exchange and procurement procedures imposed a constraint on transport planning, especially for the supply and distribution of fertilizer and grain bags.¹⁰³ In the same vein, foreign exchange for a fertilizer tender awarded in August 1983 was only released in September 1984, resulting in shipment being delayed by fourteen months.¹⁰⁴ The inefficiency was also seen with regard to transport planning locally. There was supposed to be efficient transport planning locally if costs were to be minimised. However, there was lack of coordination in the delivery of fertilizer and produce both in the rural and urban areas. Transport should have had fertilizer for its outward journey and then bring back produce in its inward journey.¹⁰⁵ However, that was not the case as most of the times Namboard would hire a vehicle to take fertilizer to a depot with no backload while the Cooperative Unions, for example the Eastern Province Co-operative Union (EPCU) would hire a vehicle to go back to the same area empty to bring back produce.¹⁰⁶

Between 560,000 and 770,000 bags of maize were lost annually in Zambia through poor marketing and storage arrangements.¹⁰⁷ Wastage was caused by poor planning, especially of the haulage of grain by the Board, the unsatisfactory location and extent of storage facilities and the lack of tarpaulins.

The other causes of inefficiency to the successful operations of Namboard were the shortage of competent staff. Namboard was a very large and complex marketing organisation. The Board was responsible for the marketing of fertilizer, grain crops, seeds and to some extent vegetables. However, as noted by Mr. W.J.D. Watson, President of the Commercial Farmers Bureau, these responsibilities

¹⁰³ G.R.Z. Agricultural Pricing and Parastatal Performance Study, p44.

¹⁰⁴ G.R.Z. Agricultural Pricing and Parastatal Performance Study, p44.

¹⁰⁵ Zambia Intensive Development Programme, Eastern Province, Phase ii Project, p10.

¹⁰⁶ Zambia, Intensive Development Programme, Eastern Province, Phases ii Project, p10.

¹⁰⁷ Kenneth Good, ' Systematic Agricultural Mismanagement; The 1985 Bumper Harvest in Zambia,' p258.

were assumed too fast before adequate staff were available to organize and operate these services.¹⁰⁸

The difficulty of hiring and training competent personnel was a matter of concern at all levels. It was extremely difficult to find managers for the nearly 1,000 depots, many of which were seasonal and therefore did not provide year round employment.¹⁰⁹

Further, because of the effects of Zambianisation, management personnel and many young Zambians were placed in positions for which they were inadequately trained.¹¹⁰ Zambianisation which was introduced shortly after independence entailed that many Zambians were placed in positions previously occupied by the colonial administrators. This was in a bid to expose the Zambian personnel in the operations of different parastatals and companies. However, as Mr. A. Chola confirmed, the personnel of Namboard were not adequately trained as the Board would use the local residents of where the depots were located to run them.¹¹¹ He further said that depots, especially those in remote areas were run by form 2s and 3s, as long as one was able to read and write.¹¹² Thus it was a common feature that supplies of fertilizer and seeds would arrive on time but depot managers were not well informed about the use of these products and were often ignorant of the nature and availability of other products that were nominally handled by the Board.¹¹³

To add on, because of the same problem of lack of qualified staff, some cooperative unions and depot clerks were late in advising management or administration of their transport requirements and this resulted in late collection of crops from many depots way into the rainy season.¹¹⁴ Therefore, because of the shortage of qualified staff, it was difficult to determine the causes of the excessive handling and

¹⁰⁸ W.J.D. Watson, 'Commercial Farmers Bureau,' in *Zambian Farmer, Incorporating Commercial Farming*, September 1970, p3.

¹⁰⁹ G.R.Z. Agricultural and Rural Sector Survey, p27.

¹¹⁰ D. Dodge, *Agricultural Policy and Performance in Zambia*, p 84.

¹¹¹ Interview, Mr. A. Chola, Former Employee of Namboard.

¹¹² Interview, Mr. A. Chola, Former Employee of Namboard .

¹¹³ G.R.Z. Agricultural Pricing and Parastatal Performance Study, p26.

¹¹⁴ Namboard Annual Report and Statement of Accounts for the year ended 31 December 1976, p7.

marketing costs for agricultural produce and inputs.¹¹⁵ The board suffered inefficiencies in almost everything it did. The lack of qualified workers further made it difficult for the administrators to perform their duties efficiently as they were seriously handicapped with lack of information about the size and location of stocks, about crop conditions and prospects, about actual production and about the magnitude of domestic requirements.¹¹⁶ Namboard thus suffered inefficiencies and losses in almost everything it did because of its unskilled work force.

There was a serious shortage of accounting staff. For example, in 1971, the commercial department which was the biggest and certainly one of the most important departments did not have a qualified accountant looking after its activities for nearly 12 months.¹¹⁷ The shortage of accountants led to poor accounting and consequently excessive losses. In addition to this, the books of accounts were not kept in accordance with section 22(1), (2) and (3) and section 25(3) of the NAM Act of 1969.¹¹⁸ This made it impossible for the auditing firms to satisfy themselves that all transactions had been properly carried out and that they were recorded in the books consequently. Apart from the organisation lacking qualified accountants, the accounting system was also faulty. The accounting system did not provide management with internally generated information necessary for the efficient conduct of business. It was unnecessarily cumbersome and internally inconsistent as there was no uniform approach in the application of the basic recording system. Procedures also varied both between commodities and branches.¹¹⁹

The weakness of the state also extended to the weakness of the economy. The state was most notable for its weakness, these assuming a variety of forms such as mismanagement, inefficiency and

¹¹⁵ D. Dodge, Agricultural Policy and Performance in Zambia, p84.

¹¹⁶ G.R.Z. Agricultural and Rural Sector Survey, p27.

¹¹⁷ N.A.Z. Box78B/14 Report on Namboard Prepared by Williams and Wardale for Honourable A.M. Milner M.P, September 1971.

¹¹⁸ Namboard Report and Accounts for the 16th month period ended 31st December 1970, p5.

¹¹⁹ G.R.Z. Agricultural Pricing and Parastatal Performance, p38.

corruption.¹²⁰ And Namboard employees took advantage of these weaknesses. Namboard was reported to have suffered in the past from heavy losses due to theft and manipulation of accounts by dishonest employees. In 1972, an alarming number of malpractices were discovered in some rural depots. A number of rural personnel colluded with the farmers to defraud the Board by executing false grain receipts.¹²¹ Mr. A Chola said some officials of the Namboard were corrupt and manipulated the books of accounts. He said in depots where there were no weigh bridges or scales, the clerks just used assumptions and recorded false information.¹²²

The staff also adopted an increasingly bureaucratic attitude towards work, especially documents. They perceived the documents as ends in themselves, that was as a form of protection for their actions and inactions rather than as management and operational tools.¹²³ They adopted unwelcoming and cumbersome procedures that complicated administrative processes. Further, the physical conditions under which the staff worked were poor with workers crowded in small offices. Rural depots were worse with grass thatched buildings being used as depots. This was evidenced at Sindamisale depot whose sanitary and structural conditions required immediate attention.¹²⁴ These conditions further impaired the performance of employees who were not too well qualified to begin with.¹²⁵

The unqualified workers also failed to follow the stock system. The stock system was supposed to act as an information channel through which management was able to know what commodities the Board had in its possession.¹²⁶ A sound stock system was able to inform the organisation on agricultural production patterns, marketing patterns and consumption patterns. This would have led to working out

¹²⁰ Kenneth Good, 'The Reproduction of Weakness in the State and Agriculture: Zambian Experience', in African Affairs, Vol.85. No. 339 April 1986, p251.

¹²¹ Namboard Annual Report for the year ended 31st December 1972, p2.

¹²² Interview, Mr. A Chola, Former Employee of Namboard.

¹²³ GRZ Agricultural Pricing and Parastatal Performance, p37.

¹²⁴ N.A.Z EP4/15/17, 'Inspection of Namboard Depot at Sindamisale,' 1977.

¹²⁵ G.R.Z. Agricultural and Rural Sector Survey, p27.

¹²⁶ W. Michelo, 'Effective Marketing of Agricultural Produce and Inputs,' in Namboard Handout on Seminar held at the PCC between 07-11th March, 1988, p2.

of a smooth distribution pattern. However, Namboard faced similar challenges year after year because there was no information on patterns and trends. The unqualified workers did not follow the stock system promptly and when they did, it was incompletely done. Mr. A. Chola and Mr. B.C. Tembo both confirmed that Namboard experienced the same problems of late delivery of fertilizer and late collection of produce because the management did not have enough information.¹²⁷ They said the lack of information made planning for the future very difficult as planning was based on the information made available from stocks.¹²⁸ Further, the maize stock book which was supposed to be completed every Friday after the close of business and copies sent to head office once every week was equally not done accordingly and copies were not sent to head office.¹²⁹ This was partly due to the attitude of the workers and also because of frequent breakdowns in the transport and communication systems such as telephones and telegraphs. The absence of such information made it difficult for management to make decisions on such matters as whether to import or export commodities it had in short supply or in abundance. It was also difficult to keep a record of maize stocks, intakes and dispatches during the week.¹³⁰

In the same context, the cost structure was very important in the efficient distribution of produce and fertilizer. The cost structure involved the real cost and the indirect costs incurred when doing business. However, it was noticed that the administrators of Namboard did not study well, understand and plan for the indirect costs.¹³¹ These costs were well over the direct costs. For example time. Time was very important and probably one of the most important aspects of indirect cost which would either increase or reduce the cost structure. The following aspects of Agricultural marketing all involved time; when to buy the inputs, when to distribute the inputs, when to sell the inputs, when to

¹²⁷ Interview, Mr. A Chola and Mr. B.C Tembo, 'Former Employees of Namboard.'

¹²⁸ Interview, Mr. A Chola and Mr. B.C Tembo, 'Former Employees of Namboard.'

¹²⁹ W. Michelo, 'Effective Marketing of Agricultural Produce and Inputs,' p2.

¹³⁰ W. Michelo, 'Effective Marketing of Agricultural Produce and Input,' p2.

¹³¹ W. Michelo, 'Effective Marketing of Agricultural Produce and Input,' p5.

buy the produce and when to transport the produce.¹³² An oversight on any of these would be disastrous. However, the operations of Namboard were characterised by late delivery of input and late collection of produce. Late transportation of produce resulted in produce getting soaked by the rains.¹³³ Thus the indirect costs were more than the real costs and these soon created a huge tax burden. The subsidies which were not adequate meant that Namboard had to limp in its day to day operations. Thus as observed by Mr. Carmichael, as long as Namboard remained a service organisation, its officials did very little to reduce losses because they were assured of government subsidies.¹³⁴

In conclusion, Namboard faced a lot of challenges in its operations as a service organisation. Namboard which was principally established to serve the farming community without amassing any profit had several constraints to carry out its duties successfully. Many of these challenges emerged from government's perception that Namboard was a political tool used to carry out the mandate of government of providing low food costs. Thus from the way the Act was designed, Namboard was subject to ministerial control, so that the government through the minister would control it. This lack of autonomy by Namboard made it difficult for it to budget, plan and execute its duties efficiently and effectively. Further, the government dictated prices made Namboard to operate at losses. In its attempt to ensure food security, the government would generally increase producer prices with less than proportional increases in consumer prices, taking on the responsibility for the significant share of the marketing cost associated with agricultural marketing. The pricing system meant higher transportation and handling costs. However with time the government began to feel the impact of this with funding to the Board being reduced while operation subsidies fell below expectations. This affected the operations of Namboard as it was completely dependent on government funding to successfully carry out its duties. Insufficient working capital meant that the Board failed to deliver inputs in time, failed to collect produce on time and generally faced a lot of difficulties in its day to day operations.

¹³² W. Michelo, 'Effective Marketing of Agricultural Produce and input,' p5.

¹³³ W. Michelo, 'Effective Marketing of Agricultural Produce and Inputs,' p5.

¹³⁴ N.A.Z. MAG 2/3/39 Report of the senior management workshop No. I held at NIPA 8TH- 23RD February, 1973.

Aside from government control, Namboard also faced another challenge of transportation. As the Board depended heavily on the private trucking system, it became increasingly difficult with time to keep up with the transport sector as produce and input increased but the transport sector did not. Further, because of lack of foreign exchange, the country was hit with lack of spare parts, fuel shortages and high tariffs from the transport sector. These factors coupled together with impassable roads made maize and fertilizer haulage a very complex and difficult undertaking. This resulted in the Board failing to collect and distribute produce and inputs in time, thereby disrupting the whole farming system.

It was also the attitude of the workers of Namboard that contributed to its inefficiencies. Many of its staff were under qualified for the positions they held while others were appointed on political grounds. This resulted in inefficiency from the top administrators' right down to the depot clerks. The officials of the Board were corrupt while those who were not qualified for the job did a mediocre service. In addition, their susceptibility to bureaucracy and corruption increased both the inefficiency in the Boards operations.

CHAPTER 5

Conclusion

In conclusion, this dissertation attempted to reconstruct the history of Namboard as an agricultural marketing parastatal and how it contributed to domestic food security. The study first attempted to analyse why it was necessary and important to have a marketing system in the pursuit of domestic food security. It tried to establish why a good marketing system was essential in contributing to food security. The second chapter looked at how Namboard contributed to food security in Zambia during its operation years while the last chapter assessed the challenges that this organisation faced in the execution of its duties.

Food security had always been regarded as a priority of the government's development agenda from independence. The availability, accessibility and affordability of food was essential for economic development and hence it was a highly politicised issue. Since it was the desire of the government to create an environment in which farmers, especially the small scale farmers could operate efficiently and profitably, the government thought it was essential and necessary to put in place agricultural marketing structures or system. An efficient and effective agricultural marketing system provided a convenient way for the government to maintain control over the marketing of strategic food especially maize.¹ The government also wanted to ensure that the food security for the urban consumers was guaranteed by offering cheap food. Thus to achieve these objectives, a marketing structure, especially through statutory marketing Boards was essential.

Apart from providing the mining and its ancillary industries with cheap food, a good marketing system promoted rural development. Since the majority of the country's population lived in rural areas, there was no escaping the fact an improvement in the living

¹C. Barret and E. Mutambatsere, 'Marketing Boards,' Cornell University, June, 2005.

standards of the people depended on agricultural production.² This agricultural production needed an efficient marketing structure, especially one controlled by the government so as to provide incentives and opportunities to the rural cultivators. A good marketing system provided the rural population with greater opportunities to sell more produce and earn some income.³ This contributed to food security.

A good and efficient marketing system also aided rural development by opening up these rural areas. In developing marketing services, investments were made in improving infrastructure such as expansion of road networks. A large network of transport and communication infrastructure provided an excellent basis for developing these productive rural areas.⁴ Apart from opening up the rural areas, an efficient marketing system also introduced the rural population to a money or cash economy. As it was realised, production and marketing went together and there could be no sustained production for cash crops unless facilities to market them existed.⁵ Thus through marketing services, small scale farmers in various parts of the country were able to get some benefit from agriculture. They also used other resources available to the producer through improvement of the marketing system.⁶

Apart from promoting rural development, a good marketing system also promoted domestic food security. A good marketing system encouraged farmers to produce more maize in the first place for self- sufficiency and secondly to sell their surplus.⁷ This was because with a marketing system in place, producers received the same favourable treatment wherever they

² C. Chibaye, 'Statutory Agricultural Marketing Boards,' p35.

³ Interview, Mr. G. Luanja.

⁴ Report of the third National Convention on the State of the Economy, Lusaka, 23rd-25th July, 1984, p6.

⁵ C. Chibaye, 'Statutory Agricultural Marketing Boards,' p35.

⁶ J, Mapulanga, 'Training of Women in marketing of grains,' p59.

⁷ G.R.Z. Department of Agriculture, Eastern Province Annual Reports 1975/1976, p9.

happened to be, even in the most inaccessible areas. The increased production of maize therefore meant a security in domestic supply as well as a reduction in imports.

Agricultural marketing was also a channel used in the dissemination of agricultural information especially in rural areas where access to information was still a challenge. The marketing services by Namboard provided a channel through which farmers received the vital information pertaining to agriculture. Producer prices, fertilizer prices, new seed varieties as well as improved agricultural techniques were communicated through a good marketing system. This was facilitated through radio programs, questionnaires' as well as through the depots.

Chapter three was concerned with the role and impact that Namboard had in promoting food security. As much as it was acknowledged that Namboard was a service organisation and that it did not perform as was expected due to the numerous challenges it faced, its existence as a monopoly parastatal in the marketing of maize helped to improve the food security of the country. Namboard impacted positively on the farming community through its national wide functions of marketing. Namboard led to increased maize production. This was because more Zambians had since moved up to semi commercial production levels.⁸ Further, the guaranteed market motivated the farming community to increase production as they were assured of a ready market. Namboard bought most of the marketed maize in Zambia and also acted as a residue buyer.

The other positive contribution of Namboard to the farming community was that it spearheaded all the operations involved in the movement of food and materials from the farm to the final consumer.⁹ Namboard had well established rural buying centers at which farm

⁸ R. M Mulele, 'Maize Production in Zambia since Independence,' in *Farming in Zambia*, 1976, p26.

⁹⁹ Report of the Rural Economic Development Working Party, p86.

produce was purchased from individual farmers. These buying centers were planned to help towards a more efficient marketing system.

Price incentives also contributed to increased agricultural production. The pricing policy with respect to maize was to encourage Zambian farmers to shift from subsistence to commercial levels of production, and to ensure provincial and national self-sufficiency as much as possible.¹⁰ With the introduction of floor prices, regional price differentials were abolished. This incentive surely had a huge impact on maize production. It motivated the farmers especially the small scale farmers and allowed them to take part in the money economy. With the increase in producer prices, farmers increased the land under cultivation in a bid to increase production. With increased land under cultivation came increased production. Marketed maize production thus registered an increase. Closely related to price incentives was also the use of subsidized inputs, especially fertilizer that improved the productivity of farmers. The government introduced the fertilizer subsidy in 1972. The subsidized fertilizer was provided for the purpose of supplying the small scale farmers with affordable inputs in order to improve their yields and incomes.¹¹ Farmers through Namboard now had access to government subsidized fertilizer.

Namboard was also the sole importer and exporter of maize. It ensured that the country was supplied with enough food to eat. In order to complete its functions, Namboard made timely arrangements of imports or exports in cases of shortages or excess in the national operation stock.¹² It ensured that the country was adequately supplied from internal production and through importation when necessary. Closely related to importation and exportation,

¹⁰ N.A.Z. 144B/19 GRZ, Ministry of Rural Development Annual Report of the Department of Marketing, 1970, p3.

¹¹ Kapola, 'Reforms of the maize Marketing Systems in Zambia,' 27.

¹² National wide study of Zambia's Storage requirements for both Produce and Inputs, p5.

Namboard also ensured that local reserves and national reserves were adequate. Namboard proved to be effective in terms of local famine relief. Namboard bought surplus maize from cooperative unions and redistributed the grain to deficit provinces.¹³ In deficit provinces, Namboard stored the grain in the storage facilities until millers or eventually the local cooperative unions collected it for processing and redistribution. This ensured food security in places where local production could not meet the demand.

Chapter four tried to assess the challenges and constraints that Namboard encountered as it attempted to secure the nation's food security. Namboard encountered many challenges because of the nature of the organisation, it being a statutory parastatal controlled by the government. It was regarded as a service organisation hence it lacked a profit motive. As a result, it faced a lot of challenges, many being external and internal.

The external factors that contributed to the poor performance of Namboard were government's economic and sectorial policies, laws and regulations and institutional arrangements under which Namboard operated under.¹⁴ The government had put up policies that were unrealistic, irrational and inconsistent, making it difficult for the board to perform effectively. Since it was a parastatal body, the government failed to give the management of Namboard sufficient operational autonomy on day to day matters for them to achieve their overall objectives. The government viewed Namboard as a vehicle for implementing the policy of low food costs, and to achieve this, the government intervened in almost all the operations of Namboard. The board was required to buy and sale fertilizer and maize at uniform prices regardless of location.¹⁵ In addition, it stood ready to purchase and supply these commodities everywhere, irrespective of the distance the commodity had to travel and

¹³ W Michelo, 'Effective Marketing of Agricultural Produce and Inputs,' p4.

¹⁴ G.R.Z. Zambia Agricultural pricing and Parastatal Performance Study, p26.

¹⁵ G.R.Z. Agricultural and Rural Sector Survey, Vol. ii, p36.

the value of the merchandise handled by the depot. Thus the government didn't expect the board to make a profit, the point was to extend services and to keep the food prices low.¹⁶

The activities of Namboard resulted in what was called policy deficits.

Apart from government interference, the Board also faced another challenge of scarce or little resource allocation. This was further compounded by the insufficient foreign exchange that had rocked the country after the collapse of the copper prices in the late 1970s. Since Namboard did not generate any revenue of its own, it depended entirely on government resources to carry out its operational costs. However, the Board had to grapple with insufficient working capital caused by increased stock holding and unrealistic budget allocations.¹⁷ There had been lack of finance and in particular the reluctant manner in which subsidies involving operational losses were reimbursed.¹⁸ There was also the uncertainty of foreign exchange. With the fall of the copper prices in the late 1970s, the banks found it difficult to assign priority to the needs of Namboard,¹⁹ making the operations of the Board quite slow and difficult.

The other external problem that engulfed the operations of Namboard were transport issues. As Namboard was in the business of distribution of produce and input, transport was of critical importance to the successful operations and performance of the Board. However, Namboard lacked transport to move produce and inputs. Because of transportation problems, the Board found it difficult to distribute the fertilizer and collect produce on time.²⁰ This

¹⁶ J. Pletcher, 'The Political Uses of Markets in Zambia,' p612.

¹⁷ Namboard Annual Report for the year ended 31st December 1977, p1.

¹⁸ N.A.Z. Box 78B, SHELF No. 14 Report of the National Agricultural Marketing Board.

¹⁹ G.R.Z. Zambia Agricultural Pricing and Parastatal Performance study, p27.

²⁰ G.R.Z. Official Verbutum Report on the Parliamentary Debates of the 5th Session of the 3rd National Assembly 12th January- 8th April, 1978, p112.

seriously affected its performance and the performance of the agricultural industry as a whole. Apart from Namboard not having enough transport, the other problem was to do with the transporters. Some transporters refused or shunned to go to some places especially rural areas because of the impassable roads. Some roads were so bad that drivers refused to go there for fear of being stuck. Thus because of transportation issues, produce was collected late or worse still got spoiled by rains while inputs were delivered late, thereby affecting the whole farming community.

The internal challenges that Namboard faced were to some extent highly interrelated with the external factors. The interference of the government in the operations of the Board had adverse effects on the administration and management of the Board. The Board lacked the stimulus to efficiency.²¹ This was because monopoly as elsewhere pushed inefficiency, laziness, carelessness and too often nepotism and corruption. The other cause of inefficiency was the shortage of qualified and competent staff. This was further compounded by the fact there was a shortage of qualified accountants. These problems created a lot of inefficiencies and consequently excessive losses. They impaired on the operations of the Board as decision were usually inaccurate, biased and political. This really affected the operations and performance of the Board.

²¹ N.A.Z. Box23D, List of Govt Publications, S.M. Makings, A note on crop pricing, p10.

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