

The Politics of Seed Relief in Zimbabwe

Introduction

Over much of the past decade, the Zimbabwean government and donor organisations have implemented agricultural input support programmes, comprised of private suppliers (seed houses and fertiliser manufacturers), wholesalers and rural agro-dealers, bypassing the previously vibrant market chain. This article argues that these 'seed relief' programmes contributed to the collapse of the input supply chain, and therefore hastening the decline of agricultural productivity in Zimbabwe today.

In the past, the large-scale commercial farming sector dominated both seed production and demand, especially for high-quality hybrid maize seed. Today, a new scenario, plagued by its own challenges, has emerged: with a substantial expansion in the number of farmers and an extension of cropped area into once under-utilised large-scale commercial farms, a new demand for cereal seed has arisen. This FAC Policy Brief asks how Zimbabwe can rebuild a seed system appropriate to its post-land reform context, asking in particular, what the underlying political economy of this process may be. Also highlighted is the importance of political-economic factors in creating distorted incentives,

rent-seeking opportunities, patronage and market power – all of which are deeply affected by politics, not simply the economics of demand and supply – in the context of 'real markets'.

Rebuilding seed systems

Following the 2000 land reform, local seed production underwent rapid transformation. A new network of seed producers was established on small-scale plots, increasing the costs of supervision and quality control. An effective system, however, is seen to be emerging from this. Prior to 2010, seed production had been in decline, and as a result, a significant quantity of seed was imported. In 2009 alone, between 15,000 and 20,000 tonnes of maize seed was imported through legal channels, while an additional substantial amount was imported illegally across borders (Sperling et al. 2009). Following economic stabilisation post-2009, national maize seed production has rebounded and currently exceeds national requirements (~40,000 tonnes).

Another effect of the economic decline over the last decade was the collapse in the seed delivery system. This system was based on a large network of agro-dealers – village retailers

who sell seeds, fertilisers and farm tools – to which private companies were linked. The agro-dealer network was highly effective in delivering quality seed at competitive prices even to remote rural areas. In 2000, 374 wholesalers and 2,057 agro-dealers were registered with Zimbabwe's Seed Services, whereas by 2010, less than 100 wholesalers and only 300 agro-dealers were registered. The majority of the survivors were linked to large supermarkets and other larger retailers, and located in urban centres rather than rural areas.

During the collapse of the formal seed system (2005–2009), most farmers relied on informal seed systems. This involved a growth in seed saving, and a significant decline in the use and yearly purchasing of hybrid seed. Seed reuse, and particularly in open pollinated varieties (OPV) of maize seed, has been significant. Over this period, the adoption rate of hybrid maize in the smallholder sector declined from 90 percent to 80 percent, whilst the use of OPV seeds, particularly millet and sorghum which are supplied through informal systems, saw a marked increase (Sperling et al. 2009; Langyintuo et al. 2008; Mano 2006).

The politics of seed relief programmes

Over the last decade, the government has been a major player in the provision of agricultural inputs, both as a drought response initiative and to buttress the Fast Track Land Reform Programme (FTLRP) (Rohrbach et al. 2004; Govere et al. 2009; Hanyani-Mlambo and Hobane 2010). A plethora of schemes have been implemented, primarily through parastatals such as the Grain Marketing Board (GMB) and District Development Fund (DDF), involving free or heavily subsidised inputs. A brief history of these government schemes is described in Table 1.

Table 1. Recent government seed relief programmes

A common feature of all government programmes was that inputs were acquired in

<p>2004:</p> <ul style="list-style-type: none"> Reserve Bank of Zimbabwe (RBZ) becomes a major financier of input support programmes through the launching of the Productive Sector Facility (PSF), and later the Agricultural Sector Productivity Enhancement Facility (ASPEF) Both agricultural support schemes aim to cushion farmers against the high input prices caused by massive inflation rates
<p>2005:</p> <ul style="list-style-type: none"> Operation Maguta/Inala is launched: a military-led programme supporting farmers with tillage, seeds and fertilisers, and mechanisation
<p>2008/09 growing season:</p> <ul style="list-style-type: none"> The Champion Farmer Programme (successor to Operation Maguta/Inala) targeting farmers capable of achieving high yields
<p>2009/10 growing season:</p> <ul style="list-style-type: none"> A subsidised agricultural input scheme is implemented through the Grain Marketing Board (GMB) The Presidential Well-Wishers Programme is launched: provides input packs containing maize, sorghum or finger millet, bean seed, and basal fertilizer

bulk from local or international input suppliers for distribution through the GMB network of depots, largely bypassing the normal agricultural input distribution chain involving wholesalers and agro-dealers.

Most Non Governmental Organisation (NGO) schemes, supported by donors, also sourced their inputs through local or international suppliers to the neglect of the national input distribution chain. The proportion of all smallholder farming households supported by these schemes ranged from 65 percent in

2003/04 to about 15 percent in 2007/08. During this time, NGOs mainly distributed OPV maize to beneficiary households, and other grains to a lesser extent. In an effort to capture the lucrative NGO market many seed companies began producing OPV maize seed. Therefore, as NGOs procured inputs directly from seed or fertiliser companies and employed direct distribution in dispensing the seed, wholesalers and rural agro-dealers were heavily undermined.

During the 2009/10 and the 2010/11 growing seasons there were attempts to revitalise seed production and rural agro-dealer connections. However, agro-dealerships were still forced to compete with directly-distributed 'relief' seed. Recognising this problem of overlapping interests NGOs introduced a number of market-based input initiatives, including:

- Farmers provided with inputs on credit; farmers deliver a portion of their produce to the market, equivalent to the input support provided.
- Seed fairs conducted. Vouchers provided by NGOs to vulnerable members of the community were exchanged for inputs supplied by commercial and informal traders.
- Vouchers provided; redeemable for inputs through rural agro-dealers.

Alternative narratives?

Our research has identified two alternative seed supply narratives which have often been silenced by the dominance of the government and donor push:

1. The private sector and market-centered formal seed systems
2. The farmer and informal local-level seed systems.

Narrative 1: *Private sector and market-centered formal seed systems: has recent policy undermined the capacity of the private sector both to produce quality seed and deliver it?*

Key narrative points:

- *Rebuilding the seed system requires rebuilding the private sector for the long term*
- *The private sector must be remolded to a new pattern of supply and demand, reflective of the real needs of today's farmers*
- *Whilst actors (aid agencies, government, seed industry) recognise the need for rebuilding the seed industry, they also face intense pressure to maintain an emergency approach to seed supply*
 - *Aid agencies: emergency/humanitarian funding is the primary source of funding in Zimbabwe given the ongoing political conflicts and 'restrictive measures'*
 - *Government: an emergency footing suits a seed delivery mode that is top-down and directed at immediate production targets rather than grapples with the challenge of long-term development*
 - *Seed industry: 'fat cheques' and guaranteed markets are highly profitable and less risky*

Narrative 2: *Farmer and informal local-level seed systems: rebuilding an effective and appropriate national seed system hinges on rebuilding a grassroots farmer-based seed system.*

Key narrative points

- *Remarkably resilient, despite the failures and collapse of the formal seed system*
- *Informal seed systems are geared to different needs and so offer different products (legumes, OPVs, small grains, etc.)*

- *Farmers need research support and links with the private sector for multiplication*
- *Promoted by a diverse group of actors: farmers, farmer organisations, NGOs and institutional analysts.*
 - *All actors agree for the need to mobilise the informal seed industry from the grassroots level and strengthen local seed systems*
 - *All actors identify particular needs and priorities of the informal system: the importance of recognition and inclusion in policy and programme design; the need for extending breeding/crop management and agri-extension foci; and the requirement for improvement in yield and productivity of traditional land races/varieties (offsetting the degeneration caused by regular seed reuse without active selection)*

The politics of seed policy

A number of competing narratives therefore coexist in Zimbabwe's current policy debate, each suggesting different routes to rebuilding the seed system. While a dominant version is promoted by both government and (many) donors/NGOs, despite their often extreme political differences, this is countered by two alternative perspectives. The alternatives highlight (1) the need to rebuild the private sector with all its ancillary structures for input distribution and (2) the importance of agricultural diversification, non-maize pathways and the need to build from grassroots.

Why is it then that a dominant narrative involving seed relief prevails, and alternatives are silenced or ignored?:

The economic fundamentals (including credit supply, collateral security, financing, investor confidence, tenure security) had been substantially undermined in the last decade. This makes rebuilding the seed system, with the

private sector at its core, very difficult – a relief orientation is easier to achieve.

Government/donor/NGO-controlled delivery allows control and patronage (our seed, our people), buying allegiance through 'development'. The UN, donors, NGOs and government – often in separate, parallel programmes – are using an argument of 'crisis' and 'emergency' to promote programmes of seed delivery. Some see these as simply 'seed dumping' and not addressing a fundamental lack of supply. This fuels patronage, as certain individuals/organisations have an interest in promoting a 'perpetual emergency' which justifies funding flows and field activities. Others, formally working in the policy realm, may have commercial interests in the seed sector and may directly profit from the activities being promoted. There is 'profit to be made from a crisis'.

The basic capacity to oversee the provisions of the Seed Act and other legislative provisions is weak. While this may not be the result of deficiencies in the formal legal framework which is well developed in Zimbabwe, regulatory failures do exist. These undermine the ability of the seed system to develop effectively, especially in 'emergency' situations or where seed is part of a political programme. Under these circumstances, poor quality seed may be provided, and a range of side-marketing and other notionally illegal activities may be promoted.

Farmers, private sector and other actors are not part of the current policy debate. They are not within the mainstream donor and government structures. Farmers lack capacity to express ideas and perspectives in policy arenas. This then eliminates them from the policy processes. But also, there is a general lack of debate about policy in Zimbabwe, with lots of parallel policies being created behind closed doors or the various corridors of power.

Conclusions

The politics of the policy processes has a number of consequences for current seed systems in Zimbabwe:

Constraints on agro-dealers. Instances of agro-dealers closing down or being unable to operate at certain times of the year when government/donor/NGO programmes start running were cited in interviews as well as meetings. Overall, there has been a reduction in the numbers of agro-dealers in the country from around 2,800 in the late-1990s to around 300 registered dealers today, mostly concentrated in the large chains/stores and in more urban settings. With new market-oriented programmes from 2010 this has improved, but distortions still exist and the focus on wholesaler support concentrates power in the market.

Dependence on public and donor subsidies. Reliance on the 'fat cheques' from government/donors/NGOs is an increasing necessity for the private sector. With their supply/delivery system decimated by the consequences of the economic collapse since 1997, a business model focused on emergency aid/government programmes has become a commercial necessity. This results in a shift away from building a long-term business strategy for rebuilding agro-dealer networks and a move to products which can be supplied as part of bulk orders rather than a more differentiated, customer-focused product development strategy. Again, this may be changing from 2010, as seed supply increases and reliance on aid contract declines, but such centralised efforts continue to distort the industry's priorities.

Rise of rent-seeking and elite capture. Large programmes, involving big contracts and a highly diffuse and poorly-regulated distribution system, open up many opportunities for corruption, rentseeking and speculation; examples are hoarding and release of sub-standard products when prices peaked. The

involvement of senior officials, often linked to the new farming-business-political elite, was identified as part of the problem. Aid agencies, NGOs and others are also not immune to corrupt practices in field level delivery. The capture of seed delivery by elites at the local level has been almost inevitable, with certain local officials, traditional leaders and others in charge of 'targeting'.

Ill-conceived humanitarian aid. Much evidence points to the very real demand for quality seed, even in the cash-constrained markets of Zimbabwe. People are certainly willing to pay, and many more than assumed are able to pay for high quality, improved seed. While there are undoubtedly some who are clearly too poor to afford inputs of this sort and therefore are rightly the beneficiaries of aid/humanitarian efforts, a narrow focus on seed and fertiliser may not be the most appropriate form of social protection for such people, given the agronomic and financial risks involved. Linking such benefits to conditions, such as conservation farming, adds further distortions at the local level and much diversion of effort and energy.

Market and political distortions. Large-scale government/aid programmes act to distort markets, removing the competitiveness of local seed sellers/agro-dealers. These programmes, by their very nature, are often poor at targeting. As a result there is frequently a flood of supply in government or NGO favoured sites/villages/districts (often influenced more by politics than demand), and an absence of supply nearby. While secondary markets emerge, these may not result in an efficient distribution of supply. A donor focus on communal areas and a government focus on new resettlement areas are also creating geographical (and so political) distortions. While market-friendly mechanisms are being experimented with, these often create their own distortions.

In summary, although there is merit in the government and aid agencies implementing

market-based programmes to facilitate the revitalisation of the agricultural input supply chain, the effectiveness of the input programmes is severely compromised by overlapping objectives, limited coordination and mistrust among key stakeholders.

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