

## RESEARCH BULLETIN

### A Baseline Study of an Out-grower Initiative for Legumes in Northern Zambia

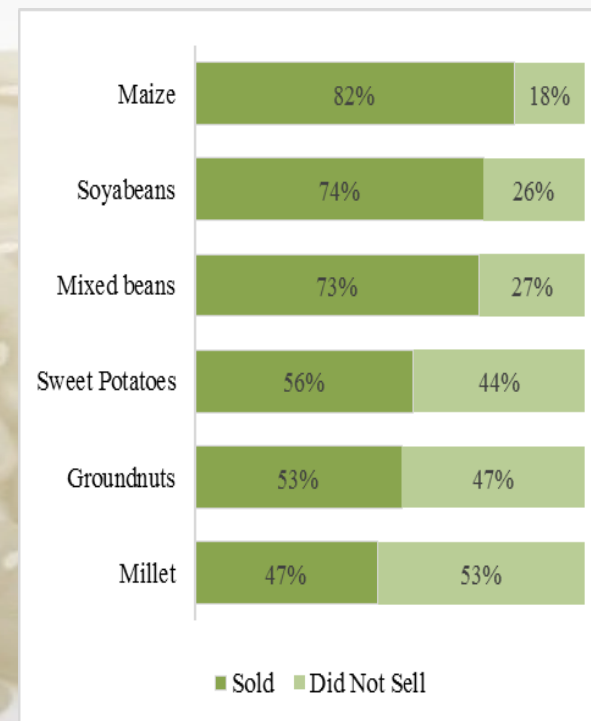
Musika supports the development of commercial relationships between the private sector and the rural smallholder farmers in Zambia. In Northern Zambia, Musika facilitated the development of a private-sector led out-grower scheme for legumes. Musika provided both infrastructure and logistical support that would see the firm provide bundled services to farmers, which include an assured market (out-grower scheme), mechanization and extension services. Following this, Musika conducted a study to derive baseline estimates as well as identify market gaps and opportunities for the provision of an out-grower scheme in the targeted intervention areas. The following were the key findings.

- ⇒ The results showed that the majority of the farmers were not using productivity-enhancing technology such as mechanization, agrochemicals and improved seed. About 99% of the smallholders did not use any mechanized services, 88% of the farmers did not use agrochemicals to control for pests and diseases and less than 30% used improved seed to grow legumes. This gap presents an opportunity for firms to provide productivity-enhancing technology to farmers.
- ⇒ Farmers had limited access to extension services. Only one third of the smallholders indicated having received some technical information on the production of at least one commodity.
- ⇒ There was high dependency on maize production. Households allocated at least twice as much land to maize production than legumes. The out-grower initiative therefore has the potential to increase the production of legumes through the provision of input credit and an assured market.
- ⇒ The average crop yields were found to be rela-

tively low. The average yields per household for selected legumes was 142kg/ha for groundnuts, 490kg/ha for mixed beans, 362kg/ha for soya beans and 119kg/ha for cowpeas.

- ⇒ The proportion of legume producers that had sold their crop was relatively high. The percentage of farmers that sold soya bean, mixed beans and groundnuts was 74%, 73% and 53% respectively. This shows the farmers' willingness to trade and participate in markets which the out-grower scheme can take advantage of.
- ⇒ The traders were an important marketing channel for legume producers. The proportion of farmers that sold to traders was 80% among mixed beans producers, 68% among groundnut producers and 30% among soya bean producers. Since the traders provide spot markets, introducing out-grower schemes can help increase farmers' options with regard to marketing channels in addition to providing access to transparent and assured markets, thereby incentivizing farmers to invest more in their own production.

**Proportion of Farmers Selling their Produce by Selected Crop Types**



*Musika believes that enhancing farmers' access to formal legume markets and associated extension services could help improve farmers' knowledge about the crop's production, as well as diversify farmer's sources of income from agricultural production.*