



LINKING ZAMBIAN FARMERS TO
THE WORLD OF AGRIBUSINESS



The Agrarian Accelerator

Musika Development Initiatives continues to enable smallholder farmers across Zambia access to agribusiness and their resources, the collective impact is sure to help the country realise its massive agricultural potential.



Zambia, it is fair to say, has enormous agricultural potential.

Home to 42 million hectares of suitable farming land and some 40 percent of Sub-Saharan Africa's entire water supply, the landlocked Southern African nation is yet to fully exploit these favourable conditions. Indeed, just 15 percent of the 42 million hectares is being cultivated.

This is not to suggest agriculture is not already a vital economic contributor, however. The sector currently accounts for 19 percent of GDP and employs three quarters of the country's workforce, with maize, sorghum, millet, and cassava, sugar, soybeans, coffee, groundnuts, rice, and cotton all important crops.

But the room to maneuver into is massive. Mechanisation of irrigation and general farming practices represent two clear opportunities for growth, the likes of which are being explored by organisations such as Musika Development Initiatives.

Translating to 'market' in local dialect, Musika was formed in 2010 to stimulate private market activity in Zambia's agricultural sector, linking agribusinesses with smallholder farmers who would otherwise have no means of accessing such resources and expertise.

"Musika was born out of work with USAID on a project called PROFIT which started in 2005 and ended in 2011," explains Reuben Banda, the organisation's Managing Director. "We drove a lot of market and private sector development in Zambia and decided to come up with a local entity called Musika."

"This essentially allowed us to continue the programme and continue the work on Zambia's agricultural sector to make it functional by connecting small-scale farmers to market players."

M4P in action

Musika's *modus operandi* can be summarised by M4P – making markets work for the poor.

This involves stimulating change within the market systems upon which the poor are dependent in order to stimulate greater and more beneficial involvement of these people in economic development. Musika does this via its networks in and knowledge of the Zambian agricultural market, its technical staff based in Lusaka and around the country identifying opportunities for investment and innovation and linking small-scale farmers to agribusiness to make it happen.

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MUSIKA

THE MUSIKA PURPOSE

Musika is a Zambian non-profit company that stimulates and supports private sector investment in the smallholder market.

Vision: To help create a dynamic Zambian agricultural market that works for all stakeholders and in particular the rural poor.

Mission: To provide world class business development services to Zambia's agricultural markets to deepen and broaden the impact of economic growth to all levels of rural society.

Strategic Goal: To reduce rural poverty through integrating farming households in well-functioning agricultural markets. Musika is owned and managed by Zambians, developing home-grown solutions for the Zambian market.

Musika is owned by six stakeholder groups: Zambia National Farmers Union (ZNFU), Golden Valley Agricultural Research Trust (GART), Grain Traders Association of Zambia (GTAZ), Indaba Agricultural Policy Research Institute (IAPRI), Zambia Seed Traders Association (ZASTA) and the Bankers Association of Zambia (BAZ).



Each opportunity is carefully scrutinised and must demonstrate a return on investment, such activities organised around four key practice areas: Business and finance, agricultural technology, diversification and environment.

And the impact in recent years has been sizable. For example, in 2020, over 2,500 new micro, small and medium sized 'intermediaries' (stockists, small traders, vet assistants, etc.) were providing a range of services, allowing smallholder communities across the country access to markets, while in 2018 \$10 million in private capital was leveraged and invested into distribution and aggregation networks.

In total, well over 380,000 rural farmers are now benefitting from greater market access, 74 percent of which are stating that they feel encouraged to invest more in their own production thanks to improved supply chain relations with agribusiness. At the other end of the value chain, hundreds of SMEs have benefitted from supplying their products to Zambian farms. One specific focus area championed by the organisation in the recent past

has been post-harvest support. Banda explains: "This is important. Something close to around 30 to 40 percent of produce is lost because of poor handling of post-harvest processes, which means the country is losing out on a massive amount of food."

"To reduce these losses and improve on the quality of grain stored, Musika has been working with the private sector on numerous post-harvest solutions including storage methods which do not require the use of chemicals to kill off pests. "We have also been looking at silos of varying sizes depending on farmers' needs, starting from one tonne through to 30 tonnes, and are facilitating training of farmers by the suppliers themselves to help improve access to these important solutions in order to maximise the benefits."

Empowerment through technology

Banda is also all too aware of the need for Zambia's agriculture sector to mechanise and embrace technology in other areas. "Zambian small-scale agriculture has been growing but much slower than it could be," he continues. "The benefits

of productivity-enhancing technologies have yet to be realised, and once they are it will create a virtuous cycle. For example, irrigation methods will enable production all year round, as opposed to just during the rainy season."

Musika has supported the setup of agricultural technology demonstration sites around the country by its private sector partners, a strategy which has pushed up agriculture technology sales.

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Around 140 new access points covering irrigation, mechanisation and post-harvest technologies have emerged, each with an average outreach of 150,000 smallholder farmers.

“We help the private sector to develop a business model which incorporates small farmers,” Banda adds. “By helping with costs and logistics, we can help these companies to reach out to people that they might not otherwise be able to contact.

“It is about reducing the risk and incentivising investment into our small-scale farming communities – Musika helps to develop a win-win situation between both parties by granting more buying power to farmers through improved productivity and a repeat customer for the agribusinesses.”

Biotechnology is another important area. For example, Zambian commercial farmers planted 40,000 hectares of soya in 2016 using biological seed, biological growth stimulants, mineral solubilisation and pest control methods, leading to both improved nutrition and disease control.

A diversified future

Such technological investment will, no doubt, help to futureproof and expand Zambia’s agricultural output to the levels its undoubted geographic potential suggests.

Another key focus for Banda and Musika moving forwards is to also encourage its members to embrace a wider variety of crops, supporting the consumption of a range of nutritious foods among poorer households as well as helping farmers to increase profits.

Banda adds: “With financial support from IrishAid, through the Embassy of Ireland in Zambia, Musika is now exploring how the private agricultural market and the food processing sector can enhance the opportunities for smallholder farmers and rural communities to not just increase their incomes, but also to have more diverse, nutritious foods on their plates.”

Musika concentrated its efforts across the whole supply chain here, focussing on three categories that will play a key role in the expansion of nutritious food choices in Zambia – legumes, fresh fruit and vegetables, livestock and livestock products.



Other priorities for the organisation include tackling the challenge of climate change through tree planting, Banda citing that hundreds of thousands of hectares of forested area is being lost and adversely impacting conditions for farming.

Further, Musika will be working closely with farmers and the private sector on boosting financial inclusion via digital payments, while education of land rights will also be a strong focus.

This fresh impetus gives Banda tremendous cause for optimism as he looks ahead to the next year and beyond, the Managing Director’s concluding comments outlining his vision for both Musika and the wider agricultural picture in the country.

“I am optimistic because a number of things are starting to happen,” he says. “The structure of the agricultural sector is changing, with suppliers now integrating small-scale farmers into their business models, which is improving access to products and information and giving them confidence to invest. There is also

stronger political will in Zambia and a belief that agriculture is a priority industry for our development.

“The shift away from maize is starting to happen as well. We are seeing other crops coming on board and this is giving farmers the strength and resilience to resist the impacts of climate change, as they can grow other produce. One of our major goals is to continue building that resilience alongside our ongoing ambition to develop a more open agricultural market in Zambia.”

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MUSIKA'S EIGHT STRANDS OF ACTIVITY

Agricultural diversification: A concerted push to diversify away from overreliance on maize, which almost 90 percent of Zambian farmers grow. Working with vendors to encourage growing other crops, raising livestock and farming fish by smallholders, as ways of diversifying the sector.

Agricultural technology: Improving access to productivity enhancing technologies such as mechanised equipment, irrigation, water recycling and biotechnology.

Business and finance: Here, Musika focuses on improving the functionality of the agricultural supply chain through building business management capacity, upgrading management systems, integrating digital solutions and improving access to financial products and services for key actors in the agricultural market.

Environmental markets: Predominantly focussing on renewable power, Musika looks at how green solutions can solve the energy poverty that cripples rural communities, stimulating private investment in biomass, biofuels and agricultural waste aggregation systems. It also focuses on stimulating the development of tree-based production systems on smallholder farms as well as the development of carbon markets through forest protection

Aquaculture: In partnership with WorldFish, Musika has piloted innovations in both technology and approaches to farming under the Aquaculture Technical, Vocational, and Entrepreneurship Training for Improved Private Sector and Smallholder Skills project.

Gender: Addressing the issue of gender inequality, seen as a key challenge to achieving inclusive growth in the sector. Musika helps to alleviate this by developing knowledge and skills among female farmers, as well as conducting research into gender issues.

Grants: Musika, through its policy of working with prospective partners under its M4P approach, provides grants through cost sharing mechanisms in negotiated and agreed budgets. Grants fall into four categories depending on size (ranging from up to \$50,000 to between \$150,000 and \$250,000).

Nutrition: This involves working on the Making Zambia's Agricultural Markets work for Nutrition project, which focusses on three key areas: production, food processing and distribution of nutritious foods in rural areas.



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