



**FARM RISK MANAGEMENT IN AFRICA**

**ZAMBIA  
STRATEGIC ACTION PLAN  
2014**

| ACTIVITIES   | Q1 | Q2  | Q3   | Q4                     | EXPECTED RESULTS   |
|--|----|---|--|------------------------|--|
| <b>1. INCREASING ACCESS TO FINANCIAL SERVICES</b>  |    |   |  |                        |  |
| 1.1. Review costing structures of the existing financial services and devise measures/business models to help reduce cost of finance |    | Agree with int. experts on scope of work  | Review, analysis and reporting               |                        | <ul style="list-style-type: none"> <li>Proposed of new cost structure of finance under LCS and other schemes,</li> <li>Reduction in interest rates</li> <li>New financial schemes with other banks.</li> </ul> |
| 1.2. Conduct a socio economic impact assessment the Lima credit scheme   |    | TOR and survey design   | Data collection                              | Analysis and reporting | <ul style="list-style-type: none"> <li>Approved survey TORs and scope and tools/methods</li> <li>Impact assessment Survey</li> <li>Results and final report</li> <li></li> </ul>                               |
| 1.3. Continue conducting production and financial management trainings for SSFs & EFs  |    | Ongoing activity  |  |                        | <ul style="list-style-type: none"> <li>At least 200 EFs are trained in production and financial management</li> </ul>  |
| <b>2. Development of Risk mitigation measures</b>  |    |   |  |                        |  |
| 2.1. Using LCS impact assessment report, we propose measures to improve existing agro-insurance products                             |    |   | Engage insurance Cos to develop new products |                        | <ul style="list-style-type: none"> <li>New agro insurance products (expand cover-perils, commodities, regions, premium differentiation, etc.)</li> </ul>   |
| 2.2. Expanding and improving competition in the agro insurance market  |    | Facilitate other insurance Cos' participation in LCS + other financial services |  |                        | <ul style="list-style-type: none"> <li>Increased # of insurers active in agro-insurance markets</li> <li>New insurance products</li> </ul>   |
| 2.3. Exploration weather index insurance as an alternative   |    | Meet with institutions promoting weather index insurance                        |  |                        | <ul style="list-style-type: none"> <li>Proposal for pilot scheme on weather index insurance</li> </ul>   |
| 2.4. Procurement & installation of automated weather monitoring equipment for piloting/demonstration                                 |    | Installation of procured equipment & link to Met. Dept                          |  |                        | <ul style="list-style-type: none"> <li>Improved weather data collection/recording</li> <li>Increased use of independently collected and recorded weather data by insurers + Met. Dept</li> </ul>               |

|  |  |   |                           |   |
|--|--|---|---------------------------|---|
| 2.5. Improved dissemination of weather forecast and crop weather bulletin info to SSFs   |  | Weather information disseminated through national and local media houses          |                           | <ul style="list-style-type: none"> <li>Increased reliance of weather info by farmers</li> <li>Improved/weather responsive agronomic practices (esp. planting, weeding etc)</li> </ul>   |
| <b>3. Innovative Marketing Initiatives and Improved Market Access</b>  |  |   |                           |   |
| 3.1. Continued crop forecasting using GIS technologies   |  | Remodeling, datacollection, analysis & repoting                                   |                           | <ul style="list-style-type: none"> <li>Timely crop production estimates (indication area specific prod. Vols. And marketable surpluses)</li> <li>Actionable market info for buyers</li> </ul>   |
| 3.2. Promote forward contracts with pre-guaranteed prices for SSFs soya beans and other commodities on LCS (design measures to counter mkt failures) |  |   | Contracts 2015 deliveries | All Lima farmers grow at least 1 ha soya bean under forward contracts   |
| 3.3. Train DFAs in commodity quality control   |  |   |                           | <ul style="list-style-type: none"> <li>At least 6 DFAs are trained in commodity quality control</li> </ul>  |
| 3.4. Support ZAMACE in the promotion of WRS  |  |   |                           | <ul style="list-style-type: none"> <li>Hold at least 4 meetings with ZAMACE</li> <li>Start-up Plan agreed (ready for implementation when SI is signed by GRZ).</li> <li>Start-up technical support provided for ZAMACE (including staff training as well as preparation of inspection and other relevant manuals).</li> </ul> |
| 3.5. Continued dissemination of mkt & price information  |  | Using SMS and USSD platforms, ICT based info collection, analysis & dissemination |                           | <ul style="list-style-type: none"> <li>Timely, accurate and actionable mkt &amp; price info</li> <li>Improved mkt &amp; price discovery and mkt linkages for SSFs</li> </ul>  |
| 3.6. Create a Grain stock information service(GSIS)  |  | Stock monitoring  |                           | <ul style="list-style-type: none"> <li>Initiate linkage with SAGIS for possible</li> </ul>  |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  | <ul style="list-style-type: none"> <li>establishment of GSIS</li> <li>Update stock info for marketing purpose</li> </ul>   |
| 3.7. Disseminate information through the ZFM Television programme  |  |  |  |  | <ul style="list-style-type: none"> <li>Commodity prices and weather report broadcasted weekly</li> </ul>   |
| 3.8. Establish links with Data service providers   |  |  |  |  | <ul style="list-style-type: none"> <li>Linkage established with Data sources such as FERTCON LTD and COTLOOK Daily</li> </ul>  |
| <b>4. Collective Actions</b>   |  |  |  |  |  |
| 4.1. Continue lobbying for the enactment of the Agricultural Marketing Act                               |  |  |  |  | <ul style="list-style-type: none"> <li>New Agric Marketing Act, stipulating different roles of industry stakeholders</li> </ul>  |
| 4.2. Continue lobbying for the issuance of the SI for the appointment of a WR regulator/licensing agency |  |  |  |  | <ul style="list-style-type: none"> <li>Govt SI appointing a WR regulator/licensing agency in place</li> <li>Resurrection WRS and Commodity Exchange operations</li> </ul>  |
| 4.3. Documentation SSFs joint crop marketing activities and Joint input procurements under LCS           |  |  |  |  | <ul style="list-style-type: none"> <li>Best joint marketing &amp; inputs supply documented, discussed and disseminated</li> </ul>  |
| 4.4. Organization of the Farmaf Policy Conference  |  | Around June, 2014<br>NRI to dev Concept Note |  |  | <ul style="list-style-type: none"> <li>Policy maker made aware of agric risk management policy challenges &amp; opportunities'</li> <li>Dissemination Farmaf interventions and emerging lessons</li> <li>Agric risk management profiled as part of priority policy and development area</li> </ul> |
| <b>4.0 Coordination and Monitoring</b>   |  |  |  |  |  |
| (Kees, Marcel to propose general M&E framework   |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
|--|--|--|--|--|--|

**Comments**

Forward contracts (need to consider potential risks of non-performance when market moves against one of the players)

SI on WRS licensing Agency (need plan for Zamace should there be an SI, need to get a business plan so that we are not caught unawares. Farmaf to provide materials to help kick start the Zamace activities)