

# AgDevCo<sup>o</sup>

## CHC COMMODITIES LTD BASELINE SURVEY AGDEVCO SMALLHOLDER DEVELOPMENT UNIT



## ABOUT CHC

CHC Commodities was formed to fill a gap in Zambia's agricultural sector: reliable storage and handling facilities and credible brokerage services for bulk commodities. From blue chip companies to relief agencies, CHC provides storage, handling and shipping services, sourcing over 40,000 metric tonnes of maize, sunflower, soya bean, sorghum and cassava from its 6 buying depots across the country.

Since it began in 2011, CHC has worked primarily as a commodity trader, preferring to purchase from intermediaries rather than from smallholder farmers directly. However, with these same farmers meeting about 80% of the country's food needs, CHC is reaching out to them – not just to meet orders, but to build the capacity of smallholder farmers to become productive long-term suppliers.

## ABOUT THE PROJECT

With support from AgDevCo's Smallholder Development Unit (SDU), CHC is providing technical support and training to 10,000 smallholder farmers in three provinces. Video-based training is being provided, demo plots are being set up and field days held annually to showcase good agricultural practices. Three new decentralised buying and processing points are also being established, to provide a consistent, reliable and accessible market for farmers to sell their crops in a transparent manner.

The project is expected to enable 10,000 smallholder farmers to increase their yields by 50% and their average household income by at least \$50 per year. Women and youth will be encouraged to participate in all aspects of crop production, harvest and marketing through training on Farming as a Family Business.

## BASELINE SURVEY

This report draws on data from a baseline household survey that was carried out in July to September 2017 by six CHC extension officers with support from the SDU. Eight districts of districts where CHC operates were selected to be included in the survey. A sample of 382 smallholder farmers were surveyed, selected at random from among all those who were registered with the aggregators in the survey districts.

## THE SURVEY INCLUDED

4

questions about the producer and their household.



7

questions about the household's crop production and other sources of income.



10

questions drawn from the Poverty Probability Index (PPI).



13

questions about the household's diet.



Working on the maize plot.



Noah Banda, a lead farmer, and Eugene Beene from CHC Commodities, inspecting the groundnut crop.

## DEMOGRAPHICS

51%



Half (51%) of the farmers interviewed were women.

45



The median age of farmers interviewed is 45 years.

25%



25% are aged 35 years or below.

98%



Almost all (98%) of the men interviewed are heads of household.

43%



Among women farmers, 43% are heads of household (most of these were either widowed, separated or never married).

66%



said that they (or the head of their household) have only primary education.

## FARMING

Crop production is the predominant source of income for most of the farmers interviewed.

Only small minorities had significant income from sources other than farming:

Income source	Proportion of households
Crop production	96.9%
Livestock Breeding	15.0%
Hired farm work	1.0%
Renting land	0.3%
Small commercial activity (tea room, restaurant, bike repair, phone kiosk)	5.8%
Formal employment	0.5%
Remittance	2.1%
Other	12.6%

79% said that crop production generates at least three quarters of their household income. 30% of those surveyed said that crop production is their only source of income.

The area of arable land that households have access to varied widely, but had a median of 8 hectares.

72% of respondents said that maize is their most important crop, and almost all households had cultivated maize in the past season. Only a minority had cultivated soya beans, and very small numbers sorghum, cassava or sunflowers.

Only 5% of respondents (mostly widows and single women) said that they carry out their farming alone. 7% of respondents said that they rely exclusively on hired labourers.

In the other 88% of cases, other household members also contribute to the farming activities.

56% of farmers interviewed said that their daughters and/or sons also contribute to their farming activities.



Lister Lwiindi, an agro-dealer, supervising construction of his new shop and grain storage facility.

## Households that cultivated the crop in the past season

Maize	98%
Groundnuts	63%
Soya beans	23%
Cotton	7%
Tomatoes	3%
Sweet potatoes	3%
Sorghum	2%
Sunflowers	2%
Tobacco	2%
Cassava	1%

## DIET

Most (69%) of respondents said that their households ate three meals on the day before the survey. Almost all the rest said that they ate two meals.

The average number of meals per day was lower among older respondents and among women.

The Household Dietary Diversity Score measures how many different types of food household members ate on the day before the survey.

On average, households of farmers surveyed consumed 5.1 of the 12 food types listed.

There was no age difference in dietary diversity, but there was a strong gender difference: women said that their household ate only 4.8 food types on average, against 5.3 food types among men.

### Households that consumed the food type yesterday

Cereals	96%
Vegetables	94%
Oils or fat	79%
Sugar or honey	47%
Pulses, legumes or nuts	46%
Fish	35%
Roots and tubers	34%
Milk or milk products	13%
Meat or poultry	12%
Fruits	9%
Eggs	9%
Other food types	33%

## POVERTY

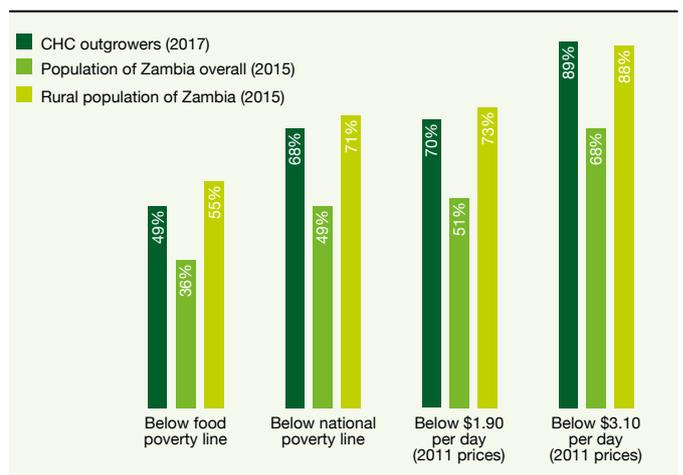
The Poverty Probability Index (PPI) gives a way to estimate the percentage of households that are below the poverty line, based on their response to 10 simple questions. In the case of Zambia, the PPI includes questions about the members of the household, their education, their housing conditions, and their possessions (including televisions, irons and mobile phones).

Approximately half (49%) of farmers surveyed were found to be living below the food poverty line, a level that enables a household to secure a basic minimum diet. (This line is set at 4.93 Zambian kwacha per adult equivalent person per day, in 2015 prices). 70% were below the international extreme poverty line of US\$1.90 per adult equivalent per day, and 89% were living below the more moderate line of US\$3.10 per adult equivalent per day.

The farmers surveyed are generally poorer than the population of Zambia as a whole, but they have similar levels of poverty to the rural population of the country.

The number of meals consumed and dietary diversity are strongly linked to poverty. Those living above the \$1.90 per day poverty line consumed 0.3 more meals per day, and 1.4 more food types than those below that poverty line.

### Poverty rates



## TO LEARN MORE ABOUT OUR WORK AND APPROACH

### AGDEVCO UK (HQ)

Peer House  
8-14 Verulam Street  
London  
WC1X 8LZ  
United Kingdom  
T + 44 (0) 20 7539 2650  
E info@agdevco.com

### AGDEVCO GHANA & SIERRA LEONE

235A Soula Loop, Labone  
PO Box CT 8889 Cantonments  
Accra, Ghana  
T +233 (0) 302 968980

### AGDEVCO MALAWI

PO Box 31590  
Capital City, Lilongwe  
Malawi  
T +265 1 794 857

### AGDEVCO MOZAMBIQUE

Maputo  
T +258 213 055 57  
E mozinfo@agdevco.com

### Chimoio

T +258 251 229 53  
E mozinfo@agdevco.com

### AGDEVCO TANZANIA

1481 Rufiji Street  
Masaki, Dar es Salaam  
PO Box 105350  
Tanzania  
T +255 22 2600759

### AGDEVCO UGANDA & RWANDA

Plot 7, Bandali Rise Bugolobi  
PO Box 40194, Redstone  
House, Kampala, Uganda  
T +256 (0)200 923 864  
E info.uganda@agdevco.com

### AGDEVCO ZAMBIA

5th floor, Mpile Office Park  
74 Independence Avenue  
Lusaka, Zambia  
T +260 211 255 963

