

BRIEF

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Agriculture and Poverty Reduction in Mozambique

The recently released results of the 2009/10 Agricultural Census underline the challenges Mozambique is facing in promoting agricultural production and productivity. With 69% of the population living in the rural areas, the majority of which are dependent on agriculture for their livelihood, the sector is closely linked to MDG 1 on poverty reduction and food security. While the Mozambican economy has continued to grow over the past 5 years, poverty has not been reduced and is particularly widespread in the rural areas. An estimated 56.9% of the rural population live below the national average poverty line of 18 metical a day.

According to the CAP 2009/10 the size of land under production in Mozambique increased by 45% between 1999/2000 and 2009/2010 to a total of 5.6 million hectares. Regardless this only constitutes some 15.7% of the estimated 36 million hectares of arable land available in the country. Small farms still dominate with a total of 99% of farms classified as small with 10 ha or less, and 72% of all farms have 2 ha or below. The growth in area under production has meant an increase the average farm size from 1.26 ha to 1.47 ha. The average farm size is influenced by the fact that while the total area under production has increased by 45%, the number of farms has increased by almost 25% in the same period. The significant increase in number of (small) farms is a clear indication of the failure of the economy to create employment. The absence of jobs or other alternatives forces new entrants into the labour market in the rural areas to engage in subsistence farming.

The use of inputs in the agricultural sector in Mozambique remains extremely low. Regardless of investments and efforts by the government and donor community over the past 10 years progress has been negligible, as illustrated in the table below. While the total number of farms which are using irrigation or inputs such as fertilizer have increased in absolute terms by 76% and 70% respectively the relative coverage is largely unchanged, part a result of the large increase in number of farms. Of particular concern is the fact that both the number of farms using pesticides, as well as those with access to credit have declined during the past 10 years. Overall pesticide use fell by 31.13% and is currently only used by 2.51% of farms. It is worth noting that the vast majority of farms which are using inputs and irrigation are found in Tete. The province accounts for a total of 35% of all farms using irrigation, 63% using fertiliser and 37% of those using pesticides.

Use of Agricultural Inputs and Services by Farms (in per cent)

Inputs	CAP 1999/2000	CAP 2009/10	Percentage point change
Pesticide use	4.54	2.51	-2.03
Fertilizer use	2.75	3.75	+1.00
Irrigation usage	3.75	5.27	+1.52
Access to Credit	3.99	2.30	-1.69
Total number of Farms	3,064,715	3,827,797	

Censo Agro-Pecuário 1999/2000 & 2009/10

Lack of access to credit is considered one of the main obstacles to promotion of investments in agriculture and facilitating the use of inputs. Regardless of the importance, the number of farms which have access to credit have decreased over the past 10 years, both absolute (28%) and relative (1.7%). Currently only 2.3% of all farms enjoy some access to credit either through financial institutions or through arrangements with suppliers. In this regard, Tete again stands out and accounts for 59% of all farms with access to credit. However, the majority of farms in Tete which have access to credit have so from their input supplier and not through a formal financial service provider. Another bottleneck in promoting agricultural production and productivity is the limited coverage of extension services. Only 8.3% of all farms had access to extension services in 2008 (PEDS 2010). In addition to the constraints in accessing inputs and services, the low education and skills levels among farmers is another significant factor. An estimated 43% of farmers are illiterate which makes adaptation of technology more difficult and requiring more instruction and support.

While Mozambique is fortunate to have sufficient land available to enable the creation of new farms, the continued high population growth of 2.8% a year will create a pressure which is likely to result in the continued expansion of subsistence farming unless employment is created both in the agricultural sector as well as the agro processing sector. In that regard, increasing agricultural productivity and production is paramount not only in facilitating the creation of an agro-processing industry but also in supporting the growth of the MSE sector in general.

In addition to constituting a bottleneck in reducing poverty the failure to improve agricultural productivity is also a contributing factor which keeps some 42% of all farms unable to ensure food security for the household throughout the year. Gaza and Inhambane are the two most affected provinces with 66% and 52% respectively of small farms experiencing food insecurity (though they are not the provinces with the highest number of small farms). Regardless of the high level of access to services in Tete, some 42% of small farms in that province are still affected by food insecurity. This is an area where further research would be useful to explore this apparent contradiction. Generally on food security, some 51% of farms which are experiencing food insecurity blame lack of rain, suggesting that the introduction of irrigation systems could be a key issue.

The CAP 2009/2010 has highlighted some of the challenges the Government of Mozambique and its development partners are facing. In particular the decreasing trend over the past ten years in the use of pesticides and access to credit together with the only marginal increase in fertiliser use and irrigation is a serious concern. While agricultural production and productivity has been identified as a priority in the 2011-2014 PARP the results of the CAP survey clearly underscore the need for a strengthening of policies and their implementation if the government is to achieve its goal of promoting agricultural productivity and production.

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