



Evidence and Options for Improving the Input Subsidy Programs

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Promise of Input Subsidy Programs (ISPs)

☀️ Improve farmers' access to quality farm inputs



Picture source: various

☀️ Increase smallholder maize production and incomes



Picture source: icrisat.com

Achievements of ISPs (1)

☀ Increased utilisation of improved maize seed and chemical fertilizers



Picture source: various

☀ Improved household:

- Maize productivity (roughly doubled to 2MT/Ha)
- Maize production
- Food security



Picture source: icrisat.com

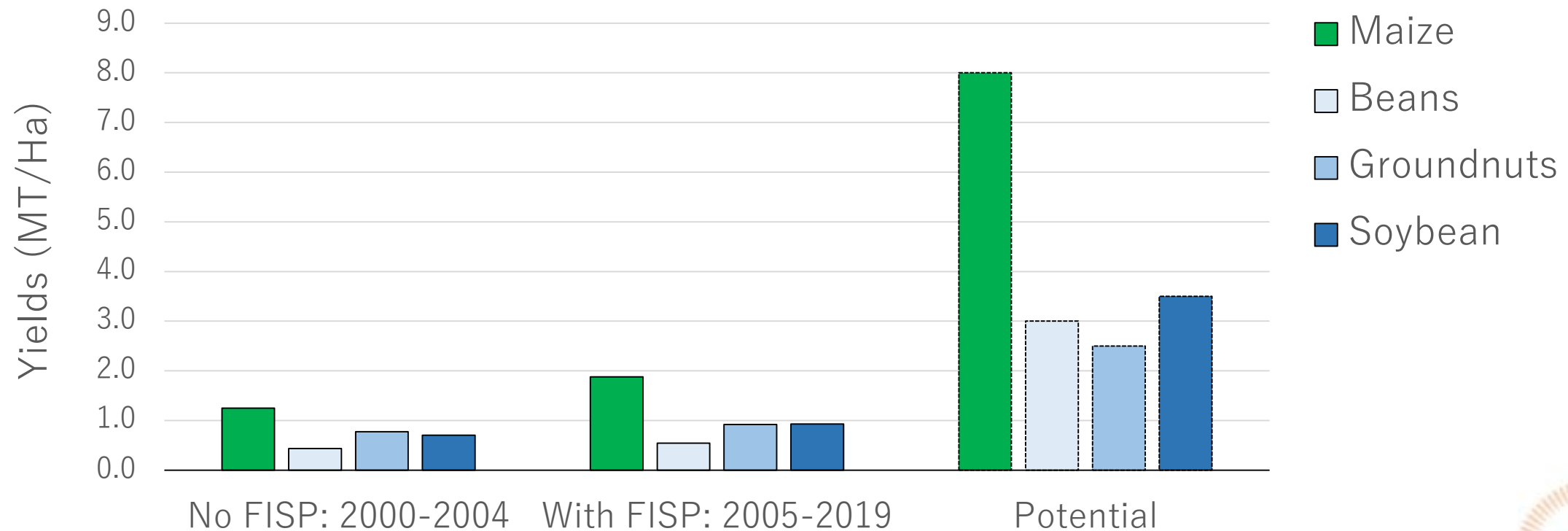
Achievements of ISPs (2)

☀ Greater use of improved seed for grain legumes:

- Increased production of grain legumes at household level
- Increased household nutrition, especially child nutrition
- Increased farm-level incomes
- Increased adoption of maize-legume intercropping

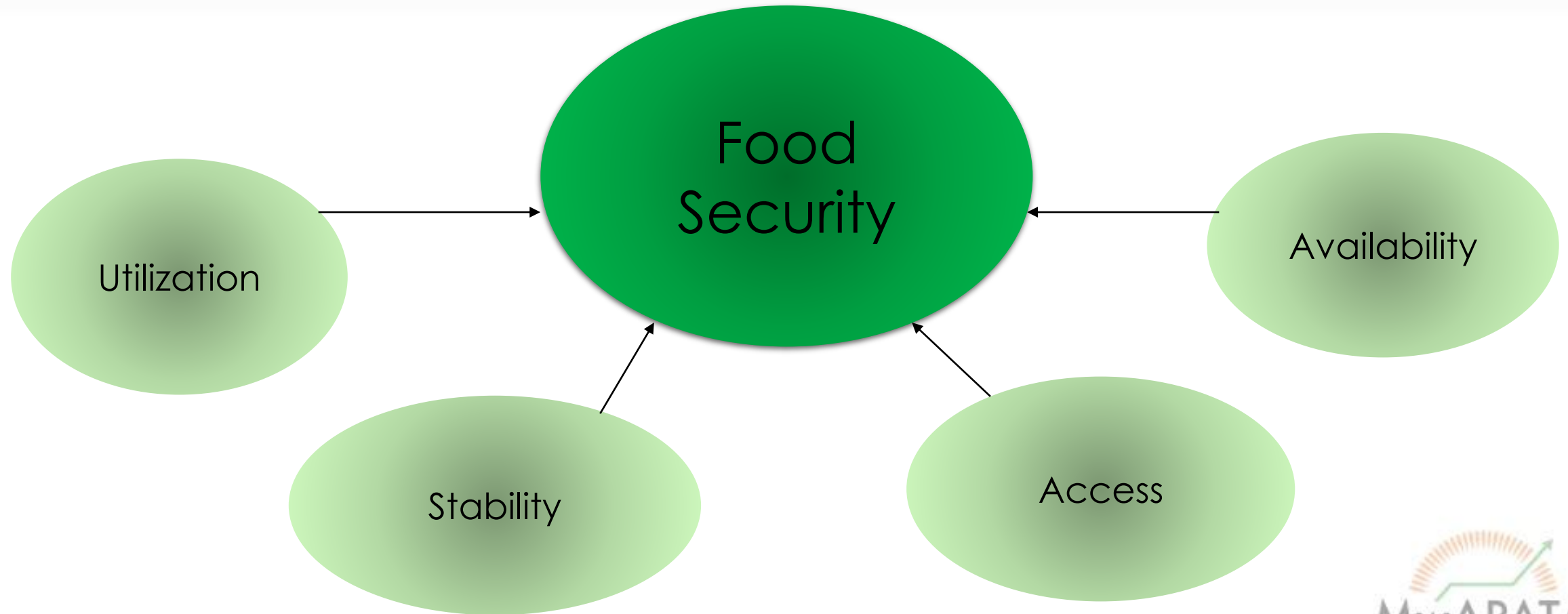
The Shortcomings of Previous ISPs (1)

☀ Productivity growth has remained stagnant and lower than projected

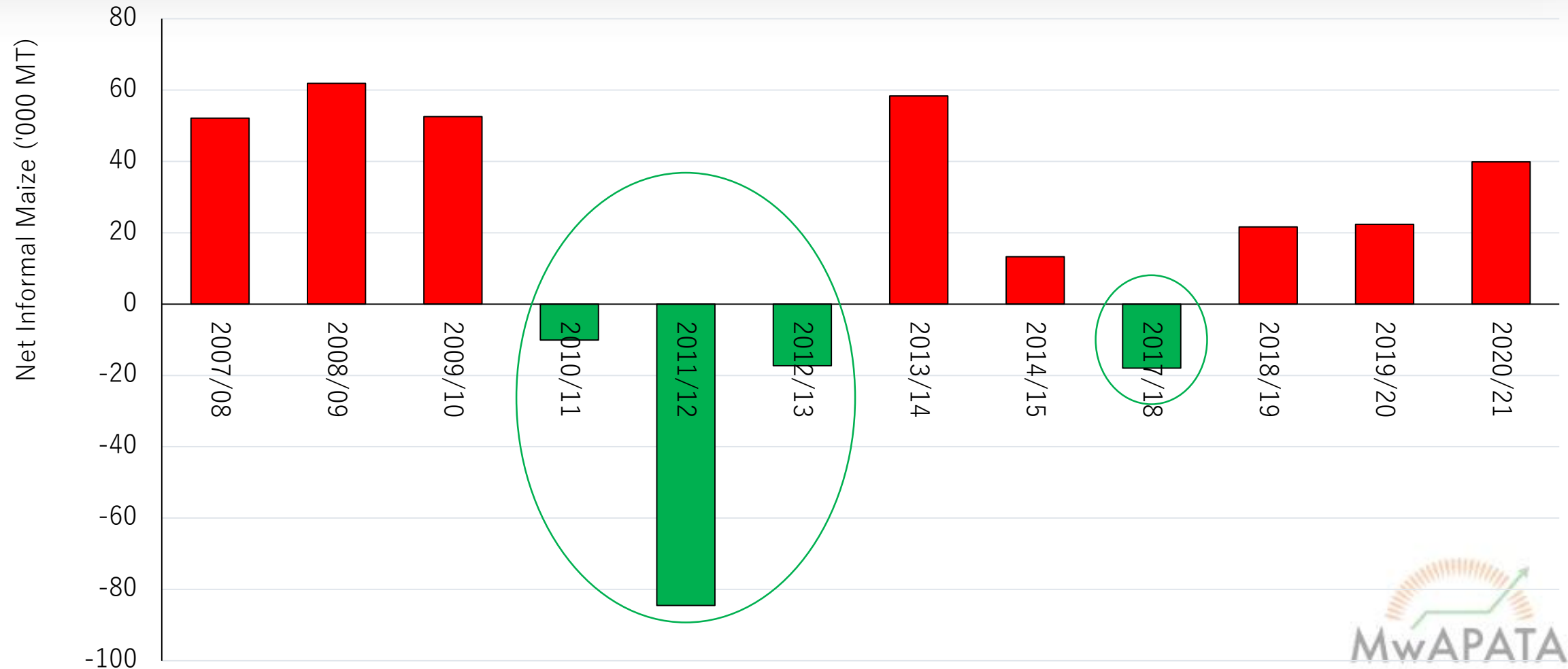


Source: MoA – DARS; FAOstat; <http://www.fao.org/faostat/en/#data/QC>

Household Food Security Has Generally Not Been Achieved

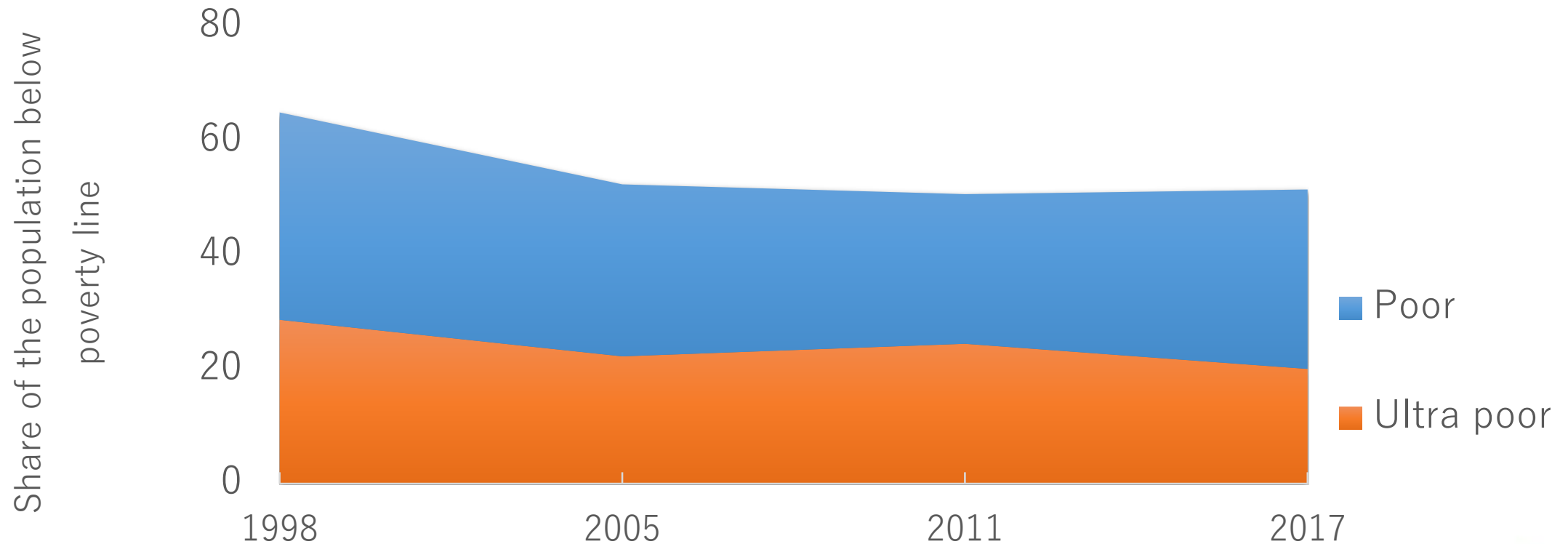


National Food Self-Sufficiency Has Not Been Fully Achieved



Source: FEWSNET Informal Cross-Border Trade Statistics

The Incidence of Poverty has Changed a Little Despite Extreme Poverty Slightly Falling



Source: NSO, IHS-1, 2,3, & 4 Reports

The Main Pitfalls of ISP (1)

☀️ Low crop response to fertilizer (<5 maize kg/kg N)

- Low pH (acidity)
- Low soil carbon
- Late weeding



The Main Pitfalls of ISP (2)

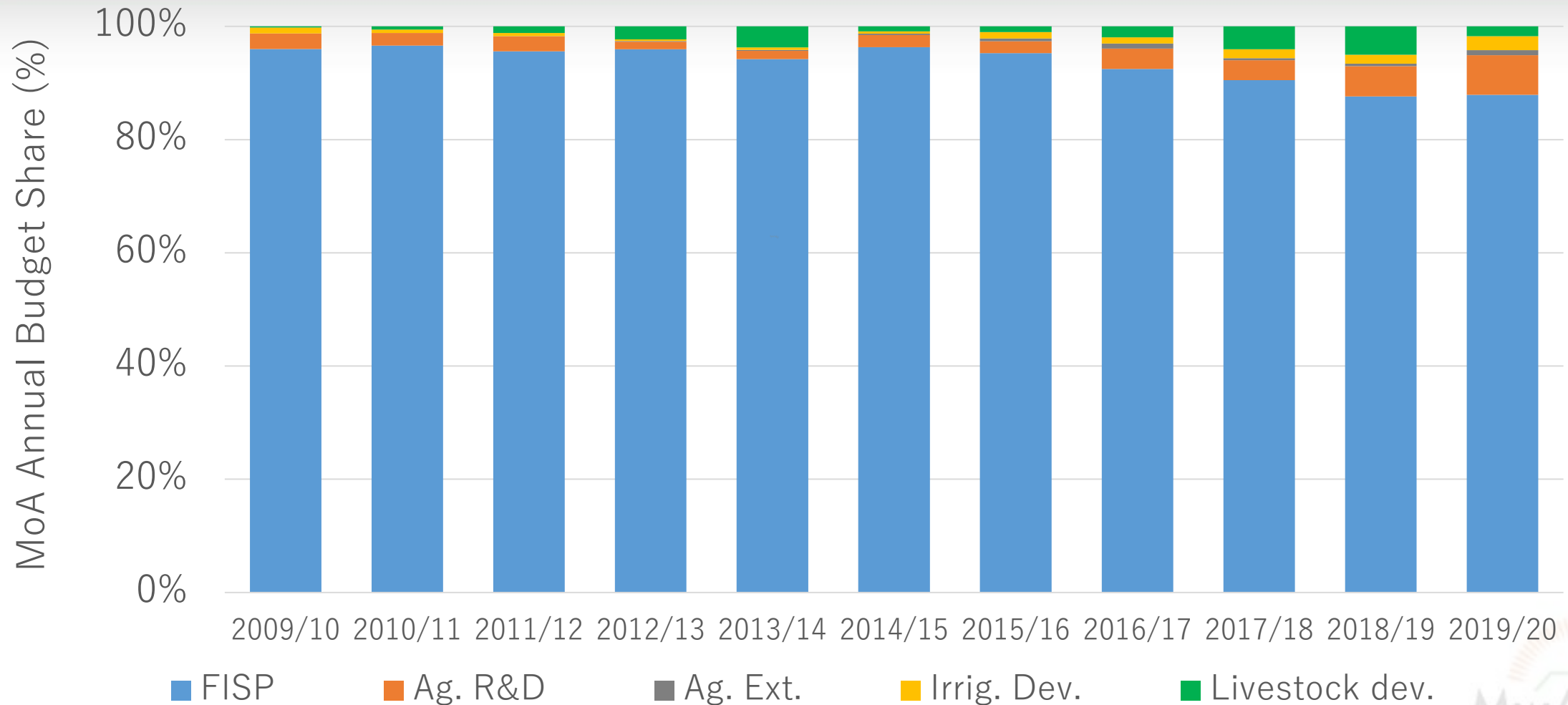
- ☀️ Poor targeting due to inexplicit program objectives may lead to:
 - Crowding out of commercial input sales by the FISP
 - Diversion and leakage of subsidized inputs
 - Reduction in actual additional fertilisers reaching the farmers' gardens

The Main Pitfalls of ISP (3)

High subsidy rates

- Averages 82% of the commercial price of a 50kg bag of fertilizer in the past 10 years
- The subsidy rate for the Affordable Inputs Program (AIP) is estimated at 77%

Crowding Out Other Agricultural Investments



Source: GoM Budget Records

Policy Recommendations (1)

- ☀️ Improve soil health to increase yields and crop response to fertilizer by:
 - Integrating complimentary soil fertility management into ISPs
 - Examples: organic fertilizers, conservation agriculture, lime, crop-livestock integration, etc.
- ☀️ Intensifying maize-legume production systems
- ☀️ Promoting doubled-up legume technologies

Policy Recommendations (2)

- 🌅 Unbundling “smallholders” to identify and tailor interventions to specific groups of farmers
- 🌅 Redefining and sticking to stated program objectives and targeting criteria
- 🌅 Improving the effectiveness and fiscal sustainability of ISPs (e.g., targeting & timing)
- 🌅 Explore innovative ways of making the fertiliser supply chain more effective and less risky



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