Agriculture is one of the most important economic activities in Southern Africa. The sector provides employment for about two-thirds of the region’s working population, and contributes an average of 30 to 60% of the gross domestic product (GDP) and about 30% of the value of exports (African Development Bank 2018).

Smallholder farmers in Southern Africa produce over 70% of food, yet they constitute the highest proportion of the population living in poverty. Smallholder farmers derive low returns on investments because of lack of access to profitable, value-added markets.

Levels of poverty in Sub-Saharan African countries are alarmingly high, worsened by changing climate, pandemics and epidemics. If recent trends persist, the distribution of hunger in the world would change substantially, making Africa the region with the highest number of undernourished in 2030 (FAO 2020, The State of Food Security and Nutrition in the World).

Oxfam in Southern Africa (Oxfam SAF) in partnership with the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) implemented a project that focused on how smallholder agricultural producers, especially women and youth, in four Oxfam focus countries - Malawi, Mozambique, Zambia and Zimbabwe, were interacting with markets.

The study revealed that, although women smallholder farmers (WSHFs) constitute the majority of agricultural producers, these farmers derive the least income/value from their produce. In marketing and sales, WSHFs were under-represented, playing limited roles that keep them from enjoying the most profitable portions of the value chain. Access to finance and credit also limited the growth of WSHFs in the agricultural sector.

The ongoing COVID-19 pandemic has exposed critical market gaps that continue to limit SHFs’ access to markets. Social distancing measures, country lockdowns and travel restrictions have adversely limited access to farm inputs including seeds, fertilizer and labour, hence reducing productivity.

While climate change continues to be a global concern, smallholder farmers remain the most vulnerable to shocks such as erratic weather patterns, the emergence of pests and diseases and declining soil fertility. Despite the advocacy for climate smart practices, smallholder farmers require timely knowledge and information to adapt and adopt such measures.
There are approximately 4.3 million farmers in Mozambique; 98.7% are smallholder farmers, with less than a hectare of cultivated land. About 52,000 are medium-size farmers and less than 730 are large-scale commercial farmers. (Ministry of Agriculture and Food Security, 2015).

Primary production agriculture provides employment to over 6 million people in Mozambique.

High levels of rural poverty, low household purchasing power, limited access to markets, high post-harvest losses and weather-related hazards (droughts and cyclone-induced floods) continue to exert significant pressure on food and nutrition security.

The country’s agricultural land potential is estimated at 64% of the total land area, yet only 7% of the land area is currently cultivated.

**Jobs in agriculture**

79% (6 million) people are employed in primary production agriculture

**Land holding**

32% of agricultural landholders are women

**Literacy levels in Mozambique.**

- Men: 35.8%
- Women: 64.2%
MARKET GAPS

1. Access to knowledge and information
   Agricultural productivity in Mozambique is lower than the regional average because of limited access to market knowledge and information.
   Knowledge of improved inputs (seed, fertilizer and irrigation), climate smart farming practices and markets limit the participation of WSHFs in market and value chain systems.

2. Access to effective ICT
   The use of ICT is incipient in Mozambique, but lacks the participation and effective channels to reach smallholder farmers. Mozambique has an Agricultural Commodity Exchange known as the Bolsa de Mercadorias de Moçambique (BMM) that aims to promote agricultural trade by linking producers to existing markets. This innovation is, however, limited to the use of emails and telephone numbers inaccessible to smallholder farmers who do not have access to smartphones or email addresses.

3. Access to credit
   Access to formal agricultural credit is a daunting challenge for smallholder farmers in Mozambique. Less than 3% of smallholder farmers, especially women and youth, had access to formal credit during the period 2008 to 2015 (FAO, 2017. The future of food and agriculture – trends and challenges). It is almost impossible to access credit from commercial banks due to collateral and high interest rates. Smallholder farmers are also considered high-risk, low-return candidates for finance and credit, disqualifying them from accessing loans.

4. Women Participation
   The participation of women in the agricultural value chain, especially in marketing is substantially constrained. The barriers to market participation are attributed to: (i) limited educational levels - the majority (64.2%) of the illiterate population are women (UNICEF 2018); (ii) limited access to wage employment; and (iii) lack of organised farmers groups

   **Reasons for low women participation**
   i) Limited educational levels
   ii) Inadequate knowledge and resources;
   (iii) Limited access to wage employment;
   (iv) Limited access to credit.
RECOMMENDATIONS

Promote ICT and access to knowledge and market information:
1. The Mozambique Commodity Exchange should consider the use of existing ICT, especially mobile phones and community radio to ease access to more smallholder farmers;
2. The government of Mozambique should promote cross-sectoral collaboration and partnerships between the private sector, agriculture and information ministries and farmers groups to create an E-Knowledge Hub to enable farmers access to gain market knowledge and information.

Facilitate participation in market systems
3. Smallholder farmers need to be empowered to create/establish organised farmers groups to leverage better market prices and other opportunities.
4. Development partners and the government could provide training and extension services to smallholder farmers to improve their participation in agricultural value chains.

Increase access to finance, credit and financial stability, all key stakeholders should work together to:
5. Increase access and improve reliability of inputs (seeds and fertilizers) accompanied by the establishment of village-based agro-dealers networks;
6. Adopt a system with financial and insurance providers to enable smallholder farmers, especially women and youth, to gain access to finance and credit.

Policy makers should consider:
7. Promoting the domestic production of fertilizer through the development and implementation of the fertilizer law and policy to encourage private sector investment;
8. Enhancing the effectiveness of agricultural policies through establishing a functional agricultural policy implementation coordination mechanism to improve ownership and accountability; and
9. Promoting the assessment of the effect and impact of agricultural policies.

THE MARKETS CAMPAIGN INTERVENTION

FANRPAN in partnership with Oxfam SAF and the Southern Africa People’s Solidarity Network (SAPSN) are implementing a Markets Campaign to increase the awareness of the market access constraints faced by smallholder farmers, especially women and youth, and provide evidence-based solutions to create an enabling and fair environment for farmers to access profitable markets. The focus is on collective action at regional and national levels, building on ongoing work (programmatic) and campaigns in Southern Africa. For more details and on how to participate in this campaign, please visit the FANRPAN website.

About FANRPAN
The Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) is an autonomous regional stakeholder driven policy research, analysis and implementation network that was formally established by Ministers of Agriculture from Eastern and Southern Africa in 1997. FANRPAN was borne out of the need for comprehensive policies and strategies required to resuscitate agriculture. FANRPAN is mandated to work in all African countries and currently has activities in 17 countries namely Angola, Benin, Botswana, Democratic Republic of Congo, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

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FANRPAN, Oxfam SAF and SAPSN would like to express their gratitude for the contributions of numerous stakeholders, without whom this project would not have been possible.