

**Concept Note 5****Project Title: Enhancing Access to Domestic and Regional Rice Markets for Zambia****Total Budget:** 1,600,000 USD**Duration:** 3 Years**Implementing Partners:** Ministry of Agriculture, Zambia Rice Federation, Farmers' Cooperatives, Regional Trade Organizations, Private Sector Actors (processors, buyers, and retailers), Development Partners**Location:** Rice-producing regions of Zambia (e.g., Western, Northern, Luapula, Eastern Provinces)

---

**1. Background**

Rice has the potential to become a key agricultural commodity in Zambia, with increasing domestic and regional demand. Zambia's rice sector is characterized by smallholder farmers, who produce the majority of rice on small-scale farms. Despite favourable conditions for rice production, the country's rice sector faces several challenges, including limited access to improved production technologies, inadequate infrastructure, weak market linkages, and a lack of value addition. These constraints hinder the ability of smallholder farmers to compete effectively in domestic and regional markets.

On the other hand, regional markets in the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) offer significant opportunities for Zambia's rice producers. By enhancing the rice value chain and improving access to markets, Zambia could reduce its reliance on rice imports, increase the incomes of smallholder farmers, and contribute to food security in the region.

---

**2. Project Objectives**

The project's overall goal is to enhance Zambian producers' access to domestic and regional rice markets by strengthening the entire rice value chain, from production to marketing and trade. The specific objectives are as follows:

1. **Improve Rice Production and Quality:** Increase rice productivity and quality by providing modern farming inputs, capacity-building initiatives for farmers, and introducing climate-smart agricultural practices.
  2. **Strengthen Market Linkages:** Establish and strengthen market linkages between smallholder rice farmers, processors, traders, and regional markets.
  3. **Promote Value Addition:** Support value addition and processing of rice to increase competitiveness and reduce post-harvest losses.
  4. **Enhance Infrastructure and Logistics:** Improve rice storage, transportation, and distribution infrastructure within Zambia and across regional borders.
  5. **Facilitate Access to Finance:** Develop financial products tailored to the needs of smallholder rice farmers, cooperatives, and agro-businesses in the rice value chain.
-

### 3. Key Project Components

#### Component 1: Improving Rice Production and Quality (USD 500,000)

- **Objective:** Increase the quantity and quality of rice produced by smallholder farmers.
- **Activities:**
  - Distribute improved rice seed varieties and climate-resilient inputs (fertilizers, pest control).
  - Conduct training programs for farmers on best agricultural practices, focusing on soil fertility management, water conservation, and integrated pest management.
  - Promote mechanization by providing affordable equipment such as rice harvesters and threshers.
  - Strengthen farmer cooperatives and provide extension services to enhance technical know-how.

#### Component 2: Strengthening Market Linkages (USD 350,000)

- **Objective:** Foster connections between farmers and domestic/regional buyers.
- **Activities:**
  - Establish farmer-buyer platforms for transparent and efficient market transactions.
  - Strengthen rice farmer cooperatives to negotiate better market deals.
  - Support the development of an online market information system for price discovery, demand forecasts, and real-time trading.
  - Facilitate market linkages with regional buyers through trade fairs and business forums.

#### Component 3: Promoting Value Addition (USD 250,000)

- **Objective:** Increase value addition to improve the competitiveness of Zambian rice.
- **Activities:**
  - Establish community-based rice processing centers equipped with modern milling, packaging, and branding facilities.
  - Provide training on value addition, including packaging and labelling for local and export markets.
  - Support business development services to improve the capacity of small and medium-sized rice processors.

#### Component 4: Enhancing Infrastructure and Logistics (USD 300,000)

- **Objective:** Improve rice storage, transportation, and cross-border trade infrastructure.
- **Activities:**
  - Build and upgrade storage facilities to minimize post-harvest losses.
  - Improve road infrastructure in key rice-producing areas to facilitate efficient transportation.
  - Simplified cross-border trade processes and improved customs services at key trade points within SADC and COMESA regions.

### Component 5: Facilitating Access to Finance (USD 200,000)

- **Objective:** Provide farmers and cooperatives access to affordable financial services.
- **Activities:**
  - Partner with financial institutions to offer credit schemes for smallholder farmers.
  - Facilitate farmer access to crop insurance schemes to mitigate risks.
  - Promote digital finance solutions, such as mobile banking and digital wallets, for seamless transactions between farmers and buyers.

---

### 4. Expected Outcomes

- **Increased Rice Production:** 20% increase in rice yields per hectare among participating smallholder farmers.
- **Enhanced Market Access:** At least 70% of smallholder rice farmers are linked to domestic and regional buyers.
- **Improved Rice Processing:** At least 30% of Zambia's rice is processed locally, with increased value addition for export markets.
- **Infrastructure Development:** Reduction in post-harvest losses by 15% and improved road networks in key rice-producing regions.
- **Financial Inclusion:** 50% increase in the number of rice farmers accessing formal financial products and services.

---

### 5. Budget Summary

Component	Estimated Budget (USD)
Component 1: Improving Production	500,000
Component 2: Strengthening Linkages	350,000
Component 3: Value Addition	250,000
Component 4: Infrastructure	300,000
Component 5: Access to Finance	200,000
<b>Total</b>	<b>1,600,000</b>

### 6. Conclusion

This project will contribute to Zambia's rice sector development by addressing the main constraints that limit market access and value addition. It will also create opportunities for smallholder farmers to benefit from the growing domestic and regional demand for rice. Through improved production, strengthened market linkages, value addition, and better access to finance, this project is expected to significantly enhance the competitiveness of Zambia's rice sector in regional markets, contributing to national food security and economic growth.