

EVALUATION OF THE 2010/11 FARM INPUT SUBSIDY PROGRAMME, MALAWI

Challenges of Access to Farm Input Subsidy by Most Vulnerable Groups in Malawi

Peter M. Mvula, Ephraim W. Chirwa, Mirriam M. Matita, and Andrew Dorward

October 2011

Table of Contents

1.0	Introduction	1
2.0	Vulnerable Groups and Coupon Allocation in FISP	2
3.0	Characteristics of Most Vulnerable Groups and their Access to Coupons	4
4.0	Challenges in Access to Subsidy Coupons.....	5
4.1	Shortages of Coupons.....	5
4.2	Missing Beneficiary Names	6
4.3	Sharing of Coupons.....	6
4.4	Malpractices by Officials	8
4.5	Beneficiary Identification Processes	9
5.0	Challenges in Access to Subsidized Fertilizers.....	10
5.1	Long Queues	10
5.2	Payment of Tips.....	11
5.3	Stock Outs	12
5.4	Other Problems.....	12
6.0	Conclusions	13
	References	16

List of Tables

Table 1	Characteristics of most vulnerable households & access to subsidy in 2010/11	4
---------	--	---

Challenges of Access to Farm Input Subsidy by Most Vulnerable Groups in Malawi

Peter M. Mvula, Ephraim W. Chirwa, Mirriam Matita and Andrew Dorward

October 2011

Abstract: The targeting guidelines of the Farm Input Subsidy Programme (FISP) in Malawi identify special target groups as guardians looking after physically challenged persons and vulnerable groups such as child headed, female-headed or orphan headed or physically challenged-headed households and those households with infected or affected with HIV and AIDS. This paper documents experiences of communities and most vulnerable households in accessing coupons and subsidized farm inputs. The most vulnerable groups captured in the study include female-headed, child headed and elderly headed households. We find that the problems in accessing coupons were isolated while the difficulties in redeeming coupons were most severe for most households, particularly the most vulnerable groups. With respect to access to coupons the main challenges were sharing of coupons, fewer numbers of coupons relative to the number of qualifying beneficiaries, malpractices by officials and the process of identification, particularly use of identification cards. Access to subsidized inputs was more problematic due to long queues, frequent stock outs, long distances to markets and payment of tips and bribes. These raised the transaction costs and opportunity costs which most vulnerable groups could not afford. The most vulnerable households had particular challenges in finding money to redeem the coupons let alone payment of tips to purchase subsidized inputs.

1.0 Introduction

Since the introduction of the Farm Input Subsidy Programme (FISP) in Malawi in 2005/06, the targeting guidelines have recognized vulnerable households as target groups that should be given special consideration in the allocation and distribution of agricultural input vouchers. The target groups for the subsidy programme are defined as resource-poor Malawians who own a piece of land, resident in the village with special consideration to guardians looking after physically challenged persons and most vulnerable groups such as child headed, female-headed or orphan headed households and those households with infected or affected with HIV and AIDS (GOM, 2008). However, there is lack of detailed analysis of how some of the most vulnerable households (female-headed, child-headed and elderly-headed) have participated in the subsidy programme. One exception is the analysis of gender issues in access to subsidy and in the use of subsidized fertilizers (Chirwa et al., 2010 and 2011b).

This paper addresses this gap by focusing on how female-headed, child-headed and elderly headed households are affected by the programme in terms of direct participation and indirect effects. Data for this analysis is from the third round of the Farm Input Subsidy Survey (FISS3) that was conducted between March and April 2011. This study used both quantitative and qualitative approaches. This paper draws mainly on qualitative data and triangulates this with the household questionnaire data. It is important to be cautious in the interpretation of this qualitative analysis as it is likely to overstate the experiences - it captures events that key informants have experienced directly and what they have also heard from others in the community whether through their own experiences or not. A total of eight districts were covered in this study and in

each of the eight districts the following qualitative data was collected: 3 key informant interviews, 2 Focus Group Discussions and 8 Life Stories relating to peoples' livelihoods and their experiences with the farm inputs subsidy programme. In total therefore, there were 24 Key Informant transcripts, 16 Focus Group Discussion transcripts (female, male and youth groups) and 64 Life Story transcripts. Life stories were divided into three categories: female headed households, elderly-headed household and child-headed household focusing on beneficiary and non-beneficiary households). Within these groups we interviewed households that have received coupons for 3 or more years but are still struggling with life such as not being able to buy commercial fertilizers before and after receipt of subsidy; and households that have received coupons for 3 or more years and are doing well – they did not buy commercial fertilizers before access to the subsidy but they are able to buy commercially after access to the subsidy. In addition, we use data from the household survey with 760 households from eight sample districts. One of the challenges in the survey was the limited number of child-headed households that were identified in the communities both for the qualitative interviews and household survey. In the household survey it was particularly problematic, we do not have child-headed households due to the design of the sample which was attempting to maximize the number of panel households, although the replacement rule favoured young households.

The paper is organized into five sections. In the next section, we outline the criteria for targeting the subsidy and how these are applied at community level. Section 3 focuses on the characteristics of most vulnerable households and their relative access to subsidized farm inputs in the 2010/11 season. In section 4, we highlight some of the challenges experienced in accessing subsidized input coupons with particular reflections on most vulnerable groups. Section 5 provides tales from households and communities on the challenges of redeeming subsidized coupons – particularly fertilizers whose supply was restricted to markets served by government agencies. Finally, we offer concluding remarks.

2.0 Most Vulnerable Groups and Coupon Allocation in FISP

The targeting criteria of the farm input subsidies have not changed significantly since 2005/06. However, Dorward et al. (2010) noted that although the targeting criteria have explicitly placed more emphasis on vulnerable groups, in practice, there are difficulties in the application of these criteria, particularly due to the fact that the targeting criteria remained wide and that the criteria fitted large numbers of households against the available number of coupons allocated for the area. The implementation guidelines for targeting for the 2010/2011 farm inputs subsidy programme remained wide but with emphasis on vulnerable groups. According to FUM (2011), the criteria for identification of beneficiaries in 2010/11 season included:

- A resource poor Malawian that owns a piece of land - the household should own land during the growing season in which the subsidized inputs are given out.
- People belonging to the following vulnerable groups:
 - Elderly poor household heads
 - Resource poor female-headed households
 - Resource poor orphan-headed households
 - HIV positive resource poor household head with proof of status
 - Resource poor physically challenged-headed household
 - Resource poor household heads looking after elderly and/or physically challenged persons

Key informants from the Ministry of Agriculture and Food Security (MoAFS) in all the districts confirmed these targeting criteria for the 2010/11 farm input subsidy programme. The criteria remain wide and the definition of resource poor Malawians covers a high proportion of the rural population and remains subject to various interpretations at community level. These criteria were generally known to communities albeit with variations across the study districts. Some of the quotes from the FGDs and key informants below show that people were aware of the criteria and the different emphasis on vulnerable households:

“Preference was given to the elderly, households with orphans, very poor households as well as those households headed by people that are disabled”. *[Men FGD – Mzimba]*

“The first priority was people who were very old, chronically sick and those who kept orphans. These people did not share their coupons but got complete sets of coupons; 50kgs of Urea and 50kgs of NPK and 5kgs of Maize seed. The rest of the people shared”. *[Women FGD – Blantyre]*

“In this year’s programme agricultural officials told us to include the following people in the list of beneficiaries: very poor farmers, the elderly, those keeping orphans, female-headed households and the chronically ill”. *[Group Village Head – Thyolo]*

“Preference to get the vouchers was given to poor households, especially if these households had orphans or the aged” *[Women FGD– Kasungu]*

“Chiefs were advised to give priority to female-headed households, elderly-headed households and households with orphans so long as they were actively involved in farming”. *[Group Village Head – Lilongwe]*

“Those that were supposed to benefit from the farm input subsidy programme were supposed to be the poor but they needed to have a voter registration identity card. Beneficiaries were supposed to be those that could not afford to buy commercial fertiliser such as aged, the chronically ill, widows and orphans. The conditions were not different from those that were used in 2009/10 season”. *[Youth FGD – Mzimba]*

“Qualifications for one to receive coupons were that a household should have orphans or HIV/AIDS patients or a household should be headed by an aged person”. *[Youth FGD – Ntcheu]*

“People to receive coupons were poor households, households keeping orphans, households that had elderly people,.... also households that had disabled and chronically-ill people and also child-headed households” *[Women FGD – Zomba]*

Nonetheless, there were some village heads that were not too clear on the criteria and they often added their own criteria to the list which resulted in them forcing genuine beneficiaries either to miss out on the beneficiary list or to share the coupon with people that should never have benefited at all. For example, in Mzimba, one Group Village Head while emphasizing on vulnerable groups, included as other categories those who were following new farming techniques, farmers that are likely to work hard in their gardens but just need a little help to increase their production and those that are unable to buy commercial fertilizers. In Zomba, in the focus group discussions with men, it was reported that there is emphasis on vulnerable groups during identification of coupons, but this changes during the distribution of coupons, and the focus turns to those that are hard working but cannot afford commercial fertilizers. In a couple of instances, people

reported that participation in development activities was a yard stick regarding who would get the coupons. Receipt of coupons was an incentive for people to participate in development activities in the village. Application of some of these criteria in such villages increased the incidence of targeting errors and potentially excluded vulnerable groups.

3.0 Characteristics of Most Vulnerable Groups and their Access to Coupons

Although the household survey did not capture child-headed households, the characteristics of most vulnerable groups in this section focus on female-headed and elderly headed households. Table 1 presents characteristics of most vulnerable households and their access to the subsidy in 2010/11 season. In terms of vulnerability defined by headship of households, female heads are 10 years older than male heads, but female-headed households have 3.7 adult equivalent members compared to 4.7 among male-headed households. However, female-headed households have statistically significant higher dependency ratio than male-headed households. There are also major differences in land sizes with biases against female-headed households but equal opportunities of access to other safety nets and ownership of durable assets. In terms of access to subsidies, 68.5 percent of female-headed households compared to 75.6 percent of male-headed households had access to subsidized fertilizers in the 2010/11 season, and male-headed households tend to receive 9 kilograms more subsidized fertilizers than their female counterparts. This bias of access to subsidies is also evident with respect to number of seed coupons received by households. However, in terms of the history of access to fertilizer subsidies, female-headed households are slightly more likely to be repeat recipients than male-headed households.

Table 1 Characteristics of most vulnerable households & access to subsidy in 2010/11

Variable	Headship		Age		Headship of Elderly-Headed	
	Female	Male	Younger	Elderly	Female	Male
Age of household head (years)	55.23	45.29 ^a	42.51	75.39 ^a	75.06	75.60
Number of adult equivalents (n)	3.66	4.74 ^a	4.64	3.57 ^a	2.55	4.20 ^a
Dependency ratio	1.28	1.18 ^b	1.15	1.59 ^a	1.57	1.61
Land holding (hectare)	1.14	1.55 ^a	1.45	1.43	1.24	1.55
Value of assets ('000 MK)	4.34	17.16	14.41	11.18	3.88	15.67
Dummy – access other safety nets	0.247	0.231	0.231	0.255	0.257	0.253
Dummy - receipt of fertilizer coupons	0.6850	0.7560 ^b	0.7348	0.7539	0.6544	0.8151 ^b
Quantity of subsidized fertilizers (kg)	45.91	54.91 ^b	51.80	56.89	47.39	62.73 ^b
Number of fertilizer coupons (n)	1.04	1.21 ^c	1.15	1.22	1.08	1.31 ^b
Number of seed coupons	0.96	1.12 ^b	1.09	1.02	0.85	1.13 ^b
# of seasons received fertilizer coupons	4.55	4.12 ^a	4.11	4.85 ^a	4.84	4.86
Number of observations	193	567	637	123	47	76

Source: Computed by authors based on FISS3 household data.

Notes: Superscript a, b and c denotes statistically significant differences at 1%, 5% and 10% level, respectively. Younger headed households are those headed by members aged 18 – 64 years old.

With respect to the evidence on vulnerability in terms of age of household heads, we find that the elderly-headed households have fewer adult equivalent members but with a higher dependency ratio than younger (18 – 64 years) headed households. Similar biases against elderly headed households are evident in land holdings and value of assets; however, these differences are not statistically significant. Although in terms of access to

subsidized inputs, 75.4 percent of elderly-headed households compared with 73.5 percent of younger headed households received fertilizer subsidy in the 2010/11 season these differences are not statistically significant. The same applies to the result that elderly headed tend to receive about 5 kilograms of subsidized fertilizer more than younger headed households. Elderly-headed households, on average have received subsidized fertilizers more times than younger households in the past 6 agricultural seasons.

The last two columns of table 1 focus on the headship of elderly headed households and show that female-headed in elderly households have fewer adult equivalent members and slightly lower dependency burden than male heads in elderly headed households. Major differences also exist in land size and durable assets, which are biased against female heads of elderly headed households, though this is not statistically significant. We find significant differences with respect to access to subsidized farm inputs, 81.5 percent of male heads and 65.4 percent of female heads of elderly headed households had access to subsidized fertilizers and female heads got 15 kilogram less fertilizers than male heads. The bias is also evident in number of seed coupons, but there are no differences in terms of the number of times they have received subsidized fertilizers in the past 6 agricultural seasons.

4.0 Challenges in Access to Subsidy Coupons

In general, coupon distribution and access to coupons by the beneficiaries in the 2010/11 season was reported to have been fairly trouble free compared to earlier seasons. Most life stories revealed fewer difficulties in accessing subsidy coupons. Much as life stories point to some ease in accessing coupons, both key informants and community members taking part in focus group discussions indicated that there were some isolated problems in accessing the coupons. These problems can be summarised in four categories: (1) shortages of coupons earmarked for particular villages; (2) missing of beneficiary names that were identified and verified; (3) sharing of coupons; (4) alleged selling of coupons by government agents or the traditional leadership; and (5) the process of beneficiary identification and distribution.

4.1 Shortages of Coupons

There were widespread complaints about the number of coupons available relative to the number of registered beneficiaries. In most FGDs and key informant interviews, especially with the traditional leadership, it was indicated that often times at the point of giving out coupons, there would be fewer coupons than the number of registered beneficiaries. Such stories were typical in all the 8 sample districts, for instance:

“The number of coupons that were allocated to our villages was not enough. As such some households that deserved to benefit from the subsidy programme did not benefit. Whenever village leaders are told to list down names of households that are supposed to receive coupons, they list down all households that qualify to benefit but when the time to receive the coupons comes, the Village Development Committees (VDCs) and the village headmen are forced to identify households that have to benefit to correspond with the number of coupons allocated to their villages. This has resulted in enmity between people and their leaders. This has also led to many people not participating in community development activities leaving the activities to be done by those people that benefit from the subsidy programme.” *[Youth FGD – Mzimba]*

I am a girl, 17 years old. I dropped out of school in Standard 5 after the death of my father in 2008 and started staying with my younger sister who is 12 years old. My mother passed away when we were very young. I grow local maize as the main crop and some crops like sweet potatoes, pumpkins and pigeon peas. I practice subsistence farming and I have 1 acre of land. My main source of getting money is *ganyu*. I have never received any coupons since the 2005/06 growing season. I do not know the criteria used in coupon allocation. But there is too much favour to those who are related to the members of the Village Development Committee (VDC) and the village headman. [*Female Child Head, Blantyre*]

4.2 Missing Beneficiary Names

Another common problem cited by the community is the missing of beneficiary names of people that had been indicated to be beneficiaries at the verification stage, but were not included when it came to the distribution of coupons. This was one of the most frustrating problems because in most cases officials could not provide convincing responses. The answers given were that the computer had deleted their names or that they just did not know what had happened as some of these sentiments reveal.

“In the 2010/11 growing season there was an open meeting and the plan was to give first priority to households that are affected by HIV and AIDS, but it did not work. The things that were said in the open meeting did not happen because names that were selected in the open allocation meeting did not come out on the day of coupon distribution. Those that got the coupons were not the ones that were selected by the people. Even if you saw your name being written down on the day of allocating the coupon, that was not a guarantee that you are going to get a coupon. Come the day of giving coupons you are told that your name was skipped by the computer, and that was it, there was nothing else that you could do about it. The system is complicated, there are many tricks involved and it is poor people that suffer.” [*Men FGD – Zomba*]

“Some people’s names could miss and they said it was the computer that skipped some names but we got these coupons later and in some cases people’s names were misspelled such that we couldn’t know whom the name belonged to but all these were sorted out by using the original list.” [*Group Village Head – Thyolo*]

“There were a lot of problems like some names of households went missing. The village headman said that the computer jumped the names. The headman was replacing some of the names of households although the households did exist in the village, because of the hatred between that particular households and village head. Some names that were appearing on the list when distributing coupons were for people who died long time ago. Some village heads did not have the courage to ask agricultural officials about missing names when receiving coupons from them.” [*Women FGD – Lilongwe*]

4.3 Sharing of Coupons

Sharing of coupons was the most typical story in all the communities visited in 8 districts. Each beneficiary is entitled to two fertilizer coupons, but in a number of cases people were asked to share. The justification for sharing in some cases was that ‘everybody was poor’ and so it was only proper that everybody in the village get some cheap inputs. Others argued that beneficiaries by nature are very poor people who to them seem not to be development minded. As a result, leaving 2 coupons to them would be a waste since they do not work hard and they do not know, let alone follow modern methods of farming. Dorward and Chirwa (2011) and Chirwa et al. (2011) both note that sharing of coupons has become a widespread phenomenon with increasing number of

villages confirming such cases, particularly in light of the perceptions that the number of coupons have declined. The following sentiments show this type of attitude:

“When chiefs get their coupons, they gather their people and allocate them to those whose names were on the list. After giving them, the chiefs now start giving directives of who is to share with whom. The chief decided that people should share because they all belong to him/her and they do take part in development projects and therefore they also had to benefit”. *[Men FGD – Lilongwe]*

“As required by the agriculture officials, we identified the beneficiaries after knowing the number of beneficiaries per village. The identification was done at an open place having in mind the types of households that were intended beneficiaries. However, when the coupons came, the person whose name was on the list was given a choice to choose whether they wanted top or basal fertiliser type. After they had made their choice, a second person was identified right there and then to get the other type of fertiliser and these two were advised to share the 50kg bag of fertiliser with another household sharing the cost as well. The seed coupons in some cases were then also distributed to two people. When the persons whose names were on the list went to redeem the inputs, they went together with the other people who had also been identified to benefit from the subsidy programme....This was all done so as to ensure that everybody in the village gets something from the fertiliser subsidy programme and to ensure that all village members do not shun development work in the future by citing non receipt of coupon fertiliser as the reason”. *[Group Village Head – Lilongwe]*

“The number of coupons allocated to the village was very small compared to the number of households that cannot afford to buy commercial fertilizer. This prompted the village headman to allocate each coupon to a number of people so that at least more people can benefit from the programme. This defeats the whole purpose of the subsidy programme because people’s situations cannot improve if the inputs are shared”. *[Men FGD – Kasungu]*

“We have always benefited from the subsidy, but in all the years we share the inputs with another household except last season we did not share with anybody”. *[Elderly Head (67 years), Kasungu]*

The problem of sharing of coupons was also evident from the life stories of some vulnerable households. In 5 percent of life stories, respondents cited the problem of being forced to share a coupon and in some FGDs it was reported that 2 to 6 people were reported to have shared a coupon. The practice of sharing coupons has benefits and disadvantages for vulnerable households. Sharing of coupons in some cases has benefited the vulnerable households but as Dorward and Chirwa (2011) note, the sharing tends to happen among poor households (the powerless) while the less poor households tend to retain their 2 coupons or get a share from the poor. The case of this child-headed and elderly-headed households show how vulnerable groups benefit from sharing:

I am a girl aged 15 years old. I look after 5 of my siblings since our mother’s death in 2006. Our father died only last year but had left us in 2007 for another marriage. We survive through farming which is financed through doing casual labour or depleting assets. Our experience with the programme is as follows: In the 2007/08 season we benefited 2.5 kg hybrid maize seed, 25 kg NPK fertilizer and 25 kg Urea fertilizer. My name did not appear on the beneficiary list but I shared a coupon half way with a beneficiary. In the 2008/09 season, I was not registered as well but I was also considered and benefited with 25 kg of hybrid maize seeds, 25 kg NPK fertilizer and 25 kg Urea Fertilizer by sharing with a registered beneficiary. In the 2009/10 season we did not benefit from the input subsidy programme but we managed to buy a combination of NPK and Urea fertilizers worth 25 kg at MK5000. The money was earned from sweet potatoes sales and *ganyu*. In the 2010/11 season, we have not benefited from the subsidy

programme. We managed to buy a combination of NPK and Urea fertilizers weighing 25 kg at MK2500 using money from the sale of goat". [*Female Child Head, Phalombe*]

"So the Village Headman discovered that some names were missing and then he took the coupons to the village and distributed them to the beneficiaries - poor households and the Village Headman told everyone else who received the coupons to share one coupon with another household except for the elderly households like mine I received one coupon to buy a bag of fertilizer". [*Female Elderly head (82 years), Lilongwe*]

4.4 Malpractices by Officials

The issue of a shortage of coupons and the missing of names in some cases was attributed to what the communities called corruption by government and the traditional leadership. It was indicated that these people sold some of the coupons in their custody and deliberately deleted names of some genuine beneficiaries that the communities had chosen and were on the list during the verification process. Below are examples of such sentiments:

"We had shortages and what could happen was that the officials could tell us to go to their offices in order to collect the shortfall. At the appointed time we could go there with the beneficiaries who did not receive and did not sign or thumb print against their name. Unfortunately, when people got to the district office, they were being sent back and told that everything for their village was completed, meaning that everyone had received coupons and that there were no shortfalls. When we pressed them for the list we used to sign during the time of distribution, we saw that the list had already been signed in full by unknown people. These cases happened several times in many villages. People there at the district office signed on our names fraudulently and got our coupons before we went there to collect ourselves." [*Assistant Group Village Head – Phalombe*]

"The biggest problem was corruption by the agriculture personnel and people from well to do households. Some people were buying coupons from one of the agriculture personnel and these people were coming to the village to sell those coupons. It was like a business, so they were selling to the slightly above average households". [*Women FGD – Ntcheu*]

"What happened was that two people who were part of the distribution team here swindled some coupons and later were selling them in the village. We know them because they are drunkards. We reported to the Police who apprehended them but later they were released and I don't know on what grounds. Now that one of them is an agricultural official for this area we are worried and we do not know what will become of our coupons! Agricultural officials took advantage of typing errors of names. If a name was misspelt a little then they could say no this coupon is not yours although the ID serial number could be the same. For example, if an individual was Clement Phiri and the name comes out as Glement Phiri, they would say that the coupon did not belong to the individual even if the serial number was the same with their ID number because these were printed on the coupon. In this way, they had a lot of coupons remaining they were selling later." [*Group Village Head – Phalombe*]

"The figure allocated to the village was very small which led to a mass redistribution process in the village. Over 90 percent of the coupons received were redistributed. The agriculture field worker was very corrupt and sold a lot of coupons to vendors, a development which reduced the number of beneficiaries". [*Youth FGD – Phalombe*]

"Being a Village Headman I cannot distribute the coupons to people in this village of mine without my household benefiting". [*Elderly Head male (69 years), married and Village Head, Kasungu*]

4.5 Beneficiary Identification Processes

The other problems that were cited by households were the long process of identifying beneficiaries and the use of identification documents during the distribution of coupons. The long process of identification was taxing as they had to attend every meeting from identification, verification and the distribution of the coupons. This process is not conducive for the most vulnerable groups such as the elderly and disabled. The use of identification documents such as voter IDs during the distribution of coupons created particular difficulties for child-headed households and elderly headed households as these cases illustrate:

I am a boy, 16 years old and live with three of my siblings. Our father died 8 years ago and our mother died 3 years ago. We used to live with our grandparent who used to care for them. Our grandparent later left the village and we followed him. Unfortunately, life at the new place was not easy for us and we decided to go back to our original home where I took up the headship. We have been having problems accessing coupons because of identification documents. "They want someone with an ID so that he/she should benefit which I don't have because I haven't reached the voting age. The chief did not help me to receive coupons in some other ways and over the past two seasons I have been farming depending on inputs which my neighbours give me. For instance, last year I was given maize seed by my neighbour and my grandfather gave me some fertilizer and in 2009 it was my neighbour who gave me the fertilizer." *[Male Child Head, Phalombe]*

In my view, the coupon allocation process went on fairly such that the majority of the poor received coupons in the village. However, people still complain because the coupons were few, but the Group Village Headman tried so hard that people should split the coupon with the aim of increasing the number of beneficiaries. *[Female beneficiary in male-headed household, Blantyre]*

There was also a case of a male physically challenged child-head who experienced difficulties in accessing coupons due to disability. The following is his story:

I am 18 years old and physically challenged. My last parent died in 1996 and since that time I was living with my grandmother who died in 2001. I have not benefited from the subsidy programme since 2005/06 because the chiefs, agricultural extension staff and the Village Development Committee members were selling the coupons to the rich people and traders in the village and took advantage of my disability saying 'what can you do with coupons a person like you and how can you manage to find money for buying the inputs and how can you grow crops a disabled person like you?'. I continued to register my name but nothing was happening and the chief went to the extent of telling people that had received coupons not to share me fertilizer because I was disabled. Here, the criteria to receive coupons was to be a productive farmer, better off households, Village Development Committee members and even chiefs themselves. The system of giving coupons should just come to an end. They should just put a fair price for fertilizer which we can afford because people who are benefiting should really not be benefitting. Or they should just be giving the inputs for free. The problem that I face in accessing coupons is that since this programme started I register each and every year but my name does not appear because I am disabled and yet we are told that the disabled are one of the priority groups". *[Male Physically Challenged Head, Zomba]*

The other difficulties in access to subsidy coupons reported in isolated instances in the communities were poor timing of coupons and local level politics in the allocation and distribution of coupons and issue of exchanging real coupons with fake ones such as in Lilongwe.

5.0 Challenges in Access to Subsidized Fertilizers

Relative to coupon allocation and distribution, most of the difficulties were experienced in access to subsidized fertilizers due to factors that have been well documented in previous studies (SOAS et al, 2008; Dorward et al, 2010). For instance, only 15.6 percent of life stories asserted limited problems experienced in accessing subsidized inputs. Otherwise, beneficiaries faced a lot of problems and the three predominant problems in order of numbers of people citing them were: the long queues that people faced; input selling clerks and some unscrupulous individuals demanding tips for beneficiaries to be served quickly; and frequent input stock outs at selling points. Others cited presence of thieves at selling points; vendors buying more inputs than beneficiaries; lack of money to redeem the coupons; distances to input selling points; lack of money to pay for the transport to and from input selling points and rudeness of some input selling clerks as challenges in accessing subsidized fertilizers.

5.1 Long Queues

Out of the 64 life stories that were recorded, 47 percent indicated having to endure long hours on the queue to redeem the coupon. These long queues created a conducive environment for one form of tipping - those who had the money either paid the selling clerks to be served quickly or paid people who made it a business to stand on the line or even to just put bricks on the line symbolising the presence of a person. These claims came from the life stories and FGDs as the selected extracts show:

“The queues were unheard of because this area is vast and has a lot of farming families. This has always been the case since 2005. A good example is this year; my wife had to be on the queue for three days in order to get the inputs. My wife got wet one of the days but still she could not get the inputs”. *[Male elderly head (82 years) beneficiary in Mzimba]*

“Some people had to sleep at selling places for 3 days in order to buy fertilizer. Preference was being given to those people staying close to selling places who were known to the workers”. *[Women FGD – Kasungu]*

“The greatest problem we could meet was about long queues. We could start off from our homes as early as 2:00 am but still find long lines. Some could even sleep there waiting to buy”. *[Men FGD – Lilongwe]*

“... don't even talk about queues, some people slept on the queue for the fear of being placed at the back of the queue the next day...” *[Key Informant – Ntcheu]*

“During the 2010/11 season we had problems to access/buy fertilizer because we were travelling for 2 or 3 days to access fertilizer and some were even sleeping at the Admarc on the queue for some days so that they would be able to buy fertilizer without much problems, and you were not taking many hours to buy if you sleep there... for example if the Admarc was opened 7:30 by 9:00 you would find yourself buying fertilizer”. *[Men FGD – Phalombel]*

“Problems arose when accessing the fertilizer as there were very long queues at ADMARC depots, and people spent nights waiting on the line. Since many people were spending nights on the line, they were eating food that they had brought from home. Some bought the food from food vendors. In general, people were facing many challenges while waiting on the line some of which were fights and being chased from ADMARC premises by ADMARC guards at night”. *[Women FGD – Blantyre]*

“I am thankful that I got the coupons safely but I fainted when I went to buy fertilizer as the selling point was fully-packed with people.” *[Female Head, 55 years old and widow, Blantyre]*

“As for me I left home at 2 am in the dark. I stood on the queue up to 4 pm, but I didn’t manage to buy the fertilizer. I left the place and went to eat. I went back, this time to sleep at the selling point. I bought the fertilizer at 4 pm the next day just before closing the sales”. “That means that she got the fertilizer after two days.” *[Woman in a FGD in Zomba re-counting her experience]*

The women indicated that when people got to the selling point say at 2am, they would get onto and stay on the queue waiting for the time of opening the market. Women complained that after being on the queue that early, some people would just come during the day and go straight inside and come out with bags of fertilizers. It was argued that most of these were ordinary people, but they had some money to tip the ones who were selling the fertilizers. However, in some places some women reported getting the inputs the same day but on average the women indicated that they spent 7 hours or less on the queue. These long queues undermine the productivity of households and waiting time is costly in terms of the lost opportunities households could have used their valuable time.

5.2 Payment of Tips

The long queues created opportunities for corrupt practices. In 25 percent of the life stories, respondents indicated that the problem of tips was common. The well-to-do often paid the input selling clerks to avoid standing on the queues. In both life stories and FGDs, it was noted that in some selling points beneficiaries were openly asked to pay anything between MK500 – MK1500 over and above the official price for redeeming coupons. This put off the very poor and defeated the very essence of the programme because one could access the coupon but could not afford to redeem it because of the added on money. The following were sentiments to that effect.

“The problems included long queues and most of those that were being attended first had been asked to pay and paid MK500 as a tip so that they can buy the fertiliser without standing on the queues. I was one of the people who were asked to pay MK500 on top of the purchasing price so as to be served first before others. I spent 3 days travelling from here to the selling point because I did not want to pay the tip. I bought the fertiliser when most people had already bought and that time the queues were not very long hence no tips. I bought the fertiliser at MK500 per bag”. *[27 year old well-to-do farmer in Mzimba]*

“Commodities were always available but officials could opt for some cash from people to fasten the process, for those who did not have money, it was bad”. *[Men FGD – Lilongwe]*

“People could spend a week waiting to buy fertiliser not because the commodity was not available but preference was given to those who could pay a tip of MK250 to officials for a fast process. The rich and the well-to-do could employ some poor people to buy on their behalf hence creating long queues and those employed could get MK250. Sometimes people who have been on the line for days could offer their position to those employed by the rich and well to do and get MK250 in the process increasing their days of waiting to buy their inputs. The well-to-do and the rich had their special entry and once they were present, the rest of the lines could come to a halt waiting for them to fill their lorries and finish all the payments. *[Youth FGD – Ntcheu]*

“Fertilizer cost MK500 per 50kg bag but many people paid tips. At the beginning the tip

was MK400 but it later increased to K2000". *[Key Informant – Zomba]*

5.3 Stock Outs

In some instances inputs were not always available and in some selling points they often run out of stocks. Since in some cases the selling points were far apart, the result was that those who were not able to go to other selling points, especially the elderly and disabled, they had no choice but to keep going to the selling point until they chanced upon the inputs. Then they would be faced with the problem of queues and tips because everyone was now scrambling for inputs. For instance, some of the beneficiaries noted that

“Sometimes ADMARC and other suppliers would have no fertilizer and the seed for about a week. You could have the coupon but then you had to wait until inputs were available”. *[38 year old male head in Kasungu]*

“Frequent running out of fertilizers and SC 403 maize seed stocks especially at Nkhota ADMARC were a big problem”. *[Women GGD– Kasungu]*

5.4 Other Problems

The other problems as indicated above included: presence of thieves at selling points; vendors buying more inputs than beneficiaries; lack of money to redeem the coupons; distances to input selling points; lack of money to pay for the transport to and from input selling points and rudeness of some input selling clerks.

It was reported that at some selling points thieves took advantage of the large crowds to pick pocket people or even trick unsuspecting beneficiaries in giving them their coupons under the pretext of helping them get inputs faster. Other people went to the selling points with no intention of buying inputs and put bricks on the queue. Each brick represented a person and for people that wanted to beat the queue they had to redeem a brick for MK200. This was a problem to the poor and vulnerable groups that did not have extra money to be able to pay tips. Those who could not afford to pay tips could at times stay on the queue for two to three days. This problem was exacerbated by vendors who it was alleged bought coupons either from the traditional leadership or agricultural officials. These people bought a lot of inputs and deprived the genuine beneficiaries who had to keep coming back since the stocks were depleted by vendors.

Other people just could not raise the money to redeem the coupons. Others complained of long distances to the selling points. As a result they had to spend extra on transportation i.e. to get to the selling point and back home after buying the inputs. The costs were even higher where the person had to make several trips either because the queues were too long, or stocks run out. Last but not least, some people indicated getting rude remarks from the attendants at the selling points. Below are testimonies to some of these issues.

“Another problem was that some thieves could take as advantage to rob people by telling them to hand over coupons and cash to fasten the process but ended up disappearing”. *[Men FGD – Lilongwe]*

“At ADMARC because of too many people wanting to buy fertilizer, thieves could take advantages of that and steal from farmers. A person could just walk straight to a farmer and tell him/her that he is a worker there and that he will assist him/her to buy fertilizer

and when a farmer gives him the coupon he could just vanish in the thin air”. [Women FGD – Kasungu]

“If you happen to be lucky by receiving the fertilizer voucher do not think all is well with you. In my case for the years that I got coupons and I decided to go myself to buy fertilizer at the ADMARC, I could not make it. I had just to come back home and give the coupon to my son to buy fertilizer on my behalf. There were very long queues that people could go there days on end without success. Thieves were all over stealing coupons and even already bought fertilizer in broad day light while the policeman was looking. Some thieves were putting a line of bricks on the queue saying each brick stood for a person. They would tell you to buy a brick at K500 if you wanted to occupy a position on the queue occupied by a brick”. [Female elderly head (57 years) in Kasungu].

“One of the problems was the long distances to places where inputs were being sold e.g. 32 km away at Kamphulu”. [Women FGD – Kasungu]

“People had to travel a distance of about 40 km to get subsidized inputs. They travelled either to Chonde, Luchenza or Bvumbwe where they spent about K300 for transport to and from on average. Due to congestion, people spent about 3 days at the ADMARC depot to get fertilizer”. [Women FGD – Thyolo]

“Many people used their bicycles for transport but those who did not have bicycles, hired one for K300. Many people had to pay tips as well, which were very high in order to buy inputs”. [Key Informant – Zomba]

The various challenges experienced by farmers in accessing subsidized inputs, particularly fertilizers have also been found in previous studies. The issue of paying tips at selling points has been predominant and cited in almost all the sites where data was collected for this study. One reason is that, with the exclusion of the private sector in the retail of subsidized fertilizers, farmers have very little choice other than access to ADMARC and SFFRFM markets. FUM (2011) also noted similar complaints and find that of the 27 percent who reported problems at input distribution centres, 55 percent indicated that they had to visit the market several times before they could buy the inputs; 32 percent complained of long queues and 17 percent complained of bribery at the selling points (these respectively represent 30 percent, 18 percent and 9 percent of all respondents). Similarly the FISS household survey reported a mean time of 22 hours waiting to redeem fertiliser coupons, and that ‘tips’ were paid on 9 percent of all fertiliser coupons (Dorward and Chirwa, 2011). Community survey respondents reported inputs affected by ‘some stockouts’ as the mean and most common scoring on input availability (as compared with inputs being ‘mostly available’ on the one hand and suffering from ‘frequent stockouts’ on the other), with tips ‘often’ being required in 51 percent of communities ‘seldom’ being required in 6 percent of communities, and ‘never’ being required in 43 percent of communities (Dorward and Chirwa, 2011).

6.0 Conclusions

The targeting criteria for subsidized farm inputs in Malawi have increasingly placed emphasis on reaching out to the most vulnerable households. This is reflected both in the implementation guidelines and the articulation of the criteria by households at community level. The analysis of the household survey data suggests mixed fortunes for different vulnerable groups, although the differences in most instances are not substantial. Female-headed households are less likely to get coupons and they also tend to get less fertilizer than their male counterparts. This bias against female-headed

households is more pronounced among elderly-headed households. However, elderly headed and younger-headed households are equally likely to get subsidy coupons. These biases, though to a lesser extent, are consistent with life stories, focus group discussions and key informants in which it is clear that access to agricultural input coupons in the 2010/2011 season was for most beneficiaries a relatively trouble free exercise regardless of vulnerability. In most cases the criteria was well known with the exception of few instances where the village leadership twisted the official criteria and added their own items to suite their own agenda. Some of the leadership forced people to share the coupons with the non-beneficiaries because they genuinely felt that it was difficult to differentiate the levels of poverty in the village. By doing so therefore, they were only being fair to everybody. Others attached the receipt of coupons to development work. This was unfortunate because in that way they were punishing the very people that the programme was supposed to serve, the most vulnerable.

In spite of the positive stories in access to farm input subsidy coupons, there are challenges highlighted by beneficiaries that require action. These findings are consistent with assessment by FUM (2011) where they found that among the 30 percent of respondents reporting problems of coupon distribution, the main problems were: not enough coupons (34 percent, 10 percent of all respondents); not receiving coupons though eligible (23 percent, 7 percent, 10 percent of all respondents) and being forced to share a coupon with those who did not register (17 percent, 5 percent, 10 percent of all respondents). These challenges include:

- The limited number of coupons available for the village against the number of resource poor households and vulnerable households. Given the broadness in the targeting criteria, this imbalance creates environments for variable applications of the targeting criteria at village level.
- Reported instances of missing beneficiary names and incorrectly written beneficiary names, which results from poor quality information on the number of beneficiaries targeted in the villages.
- The widespread reported practice of sharing of coupons, which on average favours less poor beneficiaries and makes vulnerable groups to benefit less than the official entitlement. The poor tend to share among the poor or share with the less poor not in the beneficiary list. Less poor beneficiaries, tend to be less affected by the village level politics of sharing and usually retain their normal share of the coupons.
- Increased reported incidences of malpractices of those entrusted to allocate and distribute coupons to beneficiary households.
- The requirements for identification documents made some of the most vulnerable groups to be excluded from access to the subsidy. In the rural setting, the most available identification document is the voter ID for those that had registered in the last general elections. This proved particularly difficult for child-headed and elderly-headed households that are either under age to vote or too old to participate in the general elections.

However, major challenges are evident in access to subsidized fertilizers with major implications for the most vulnerable groups, consistent with the findings from previous evaluations of farm input subsidies in Malawi. The major challenges in procurement of subsidized inputs include:

- Long queuing at input suppliers requiring some households to spend days and nights in order to buy inputs.
- Long distances to selling points, a major challenge for the most vulnerable groups such as female-headed, physically challenged and elderly headed households.
- Stocks running out at many of the markets leading to scramble of farm inputs whenever they were in stock. This highly disadvantaged female-headed households and the elderly, particularly where there were no provisions for special queues for the most vulnerable groups.
- The many reported incidence of bribery and tips to sellers of subsidized inputs. Most of these tips and bribes were not affordable to the most vulnerable groups.
- There were also incidents of theft, difficulties in transportation of inputs and the lack of money to buy the inputs. The problems mentioned to a much larger extent affected women and the elderly.
- Long distances often meant that people had to pay something for transportation to and from selling points. The exclusion of the private sector in the retailing of subsidized fertilizers has exacerbated accessibility to markets. The long distances combined with stocks out increased the transaction cost to farmers and were quite severe for vulnerable groups that are already struggling to sustain their livelihoods.

It is evident that child-headed households, the elderly and female-headed households were the ones who were affected most by these problems. For households that were struggling to sustain their livelihoods like most vulnerable groups, the transaction costs and opportunity costs were high – they usually struggle to raise money with which to redeem the coupons, and had to raise a bit more for transport and tips. People were then faced with a situation of having to pay a little more if they were to be served faster and some unscrupulous people took advantage of this to rob the unsuspecting vulnerable people of their coupons by pretending to be officials at the market that would assist them. The less poor or well-to-do households had the money to bribe and hire people queue on their behalf. The evidence in this study suggests that most vulnerable households will increasingly benefit less from FISP without renewed attention to the challenges that they face in accessing coupons and procurement of subsidized farm inputs.

References

- Chirwa, E.W, Matita, M.M., Mvula, P.M. and Dorward, A. (2011a) *Impacts of the Farm Input Subsidy Programme in Malawi*. Evaluation of the 2010/11 Farm Input Subsidy Programme, Malawi. Paper prepared for Malawi Government and DFID (Malawi).
- Chirwa, E.W, Matita, and Dorward, A. (2011b) *Factors Influencing Access to Agricultural Input Subsidy Coupons in Malawi*. FAC Working Paper, Brighton: Future Agricultures Consortium.
- Chirwa, E.W, Mvula, P.M., Dorward, A. and Matita, M.M. (2010) *Gender and Intra-Household Use of Commercial and Subsidized Fertilizers in the Malawi Farm Input Subsidy Programme*. Evaluation of the 2010/11 Farm Input Subsidy Programme, Malawi. Paper prepared for Malawi Government and DFID (Malawi).
- Dorward, A. and Chirwa, E. (2011) *Evaluation of the 2010/11 Farm Input Subsidy Programme, Malawi: Report on Programme Implementation*. Paper prepared for Malawi Government and DFID (Malawi).
- Farmers Union of Malawi (FUM) (2011) *Promoting the Participation of Civil Society in the Management of the Farm Input Subsidy Programme (FISP)*, Lilongwe: Farmers Union of Malawi.
- Government of Malawi (GOM) (2008) *The 2008/2009 Farm Inputs Subsidy Programme: Implementation Guidelines*, Lilongwe: Ministry of Agriculture and Food Security.
- School of Oriental and African Studies (SOAS), Wadonda Consult, Michigan State University and Overseas Development Institute (2008) *Evaluation of the 2006/7 Agricultural Input Supply Program, Malawi*. Final Report prepared for Malawi Government and DFID (Malawi).