CHAPTER 7

COMPREHENSIVE POLICY FRAMEWORK FOR PROCUREMENT IN AGRICULTURE: AN INVISIBLE HAND FOR EFFECTIVE MAIZE PRODUCTION IN ZIMBABWE

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INTRODUCTION

According to Sowah (2015), procurement can be defined as the process of acquiring goods or services either through buying, leasing, renting, hire purchase or through any other legally acceptable means of acquisition that is allowed by the procuring entity's policy and the existing laws. In a similar view, Marian and Saruchera (2015) point out that procurement is the function that ensures that any inputs required for effective operations are acquired. Without inputs, there is neither production nor outputs. With reference to the public sector, Musanzikwa (2013) defines procurement as an economic tool or an invisible hand that is used by organisations including the government to distribute their national economic resources equitably among its citizens. Accordingly, a sound procurement system is essential as it ensures that there is Value for Money (VFM). According to the Asian Development Bank (2018), VFM is part of a holistic procurement structure with three support pillars: efficiency, quality, and flexibility. Realisation of VFM is dependent on procurement planning, which among other outcomes, results in identification of appropriate suppliers, avoiding of 'rush purchase decisions', and minimisation of costs (Mdemu, 2013).

The preceding paragraph highlights that procurement is a key function and largely determines institutional success by contributing towards the profitability of the organisation through value for money. Yet farmers engaging in maize production in Zimbabwe seem to neglect sound procurement practices and face challenges when accessing inputs. Arifin (2014) posits that adequate inputs, particularly high-yielding seed and chemical fertiliser, has an important role in the performance of agricultural development. Accordingly, this study examines the significance of a procurement policy (which enhances adequacy of inputs) in the Zimbabwean agricultural sector and unpacks the concept of strategic procurement and its utility in maize production. Attention is on maize because, while it is the staple food and a strategic crop for Zimbabwe, production is compromised by the inefficient and ineffective procurement processes of smallholder farmers, who are the major producers. Shortages of maize production inputs during farming seasons are common, for instance, there are inadequacies of seed, fertilisers, and other requirements.

More often, farmers' choices of inputs are constrained, and they buy what is available, at exorbitant costs, with value for money not realised. Against this backdrop, the key question in this chapter is what is a feasible policy framework for strengthening procurement policies in the maize crop sector so that productive efficiencies are realised? Focus was also on discussing the complexities in procurement planning in maize production and exploring the pathways for enhancing strategic procurement in the maize crop sector. The chapter concludes by presenting the proposed salient tenets of a policy framework for procurement in agriculture. A comprehensive policy framework for procurement in the maize production sector could prevent unscrupulous suppliers and intermediaries from abusing farmers. The deliberations in the study were based on both secondary and primary data. Interactions with agricultural and procurement experts were instrumental in the drafting of this chapter.

THE SIGNIFICANCE OF A SOUND PROCUREMENT POLICY FRAMEWORK IN THE AGRICULTURAL SECTOR

Musau (2015) points out that the procurement function is a crucial activity in any institution and must be conducted efficiently and effectively. Organisational effectiveness, including in the agricultural entities, is achieved through among other ways, an efficient procurement function. Belt et al. (2015) argue that for agriculture to prosper, farm inputs need to be available, affordable, accessible, and of good quality. According to the Food and Agriculture Organisation (2020), seed, fertilisers, and agro-chemicals are essential for improving the productivity and incomes of farmers in developing countries. The Alliance for Green Revolution in Africa (2021) points out that a sound procurement policy is necessary to ensure adequate supply of inputs to foster inclusive agricultural and rural development. In addition, the farmers ought to be capacitated so that they are able to plan for their input requirements.

Abdelhadi (2017) opines that it is paramount to make the procurement function effective in order to create business value. The smallholder farmers are expected to manage their enterprises as businesses and ought to apply the basic principles of procurement in their operations (Food and Agriculture Organisation, 2021). Appreciating the business concept and its principles, for example, procurement is critical to the success of smallholder farming as a business. Both farmers and development facilitators need to have this appreciation in order to drive the development of farming business. One of the basic principles in procurement is that of economy, which means being careful and using due diligence so that the prices paid for inputs are acceptable and represent real VFM. Mango et al. (2018) argue that a greater proportion of the crop production costs in maize production comprises input costs, mainly fertiliser and seed. Therefore, it is essential that the procurement function is managed appropriately in order to contain costs so that farmers may are able to realise profits (Government of Zimbabwe, 2020).