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FOOD SECURITY RESEARCH PROJECT

**LEVIES ON AGRICULTURAL
COMMODITIES: WHO BENEFITS?**

A RAPID ASSESSMENT

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Levies on Agricultural Commodities: Who Benefits?

A Rapid Assessment

1. BACKGROUND

There is widespread consensus that agricultural development is the main pathway for alleviating poverty and promoting rural livelihoods in Zambia. Agriculture provides livelihoods for about 50% of the population and 67% of the formal labor force; it remains by far the main opportunity for income and employment generation for women, who comprise 65% of the rural population. The role of public policy is to balance the competing interests of private stakeholders and state interests in a way that contributes to national objectives such as food security, poverty alleviation, and economic growth.

Government investments to promote agricultural development require resources, which must be raised through taxation. A general principle of fiscal policy is to raise needed public revenues in ways that impose the lowest burden on the poor and do not disrupt the achievement of important national objectives. This report provides an initial assessment of the impact of agricultural commodity taxes levied by local district authorities on the national objectives of food security, poverty alleviation and economic growth.

Starting in 1972 and up to 1992, local authorities were by law mandated to collect on behalf of the government, taxes such as motor vehicle licensing, beer surcharge tax; and sales tax. These local authorities then retained 34% of the tax collected to finance their activities. This was the main source for financing district government activities and salaries. However, following the establishment of the Zambia Revenue Authority in 1994, and the revision of the Local Government Act of 1992, these local authorities were relieved of their role as tax collectors on behalf of central government. The provision of services such as water, which were then provided by the local authorities, were privatized. As a result of this, the revenue base of these local authorities contracted drastically, with most of them not even able to meet salary payments for their employees. Service delivery became non-existent as most of them focused on raising the revenue only to meet the wage bill. A number of these local authorities commenced some reform initiatives but all these efforts fell short in meeting their financial needs.

Therefore, with the revision of the Local Government Act of 1992, government delegated to local councils the power to introduce local taxes so as to generate revenue to pay for the social service needs of people in their localities, as well as raise revenue to meet the public wage bill, rather than waiting for Central Government to provide the financial resources for each local authority. These taxes/levies have now been introduced by most of the local authorities. They have ranged from bicycle taxes to dog taxes in some local authorities. Almost all of the local authorities have instituted levies on grain commodities passing across district boundaries.

Very little applied research to date has considered the effects of the agricultural levies on farmer and trader behavior, farmer incentives to produce a surplus for the market, and food price levels. While it is sometimes argued that grain levies are an important source of

revenue generation to pay for social services such as water, sanitation, and improved roads in the municipalities, there has been little analysis to date of the incidence of the grain levies, i.e., who ultimately is incurring the costs of this tax. It is likely that the traders who pay the taxes as they transport grain across border crossings at least partially pass it along to farmers and/or consumers in the form of lower producer prices and/or higher consumer prices. Depending on the magnitude of the levies, it is possible that the tax may discourage farmers and traders, thus having potentially adverse effects over time on farm production and food price levels. Moreover, there has been little analysis to understand the actual usage of revenue collected from grain levies. This study was undertaken to provide government with a better understanding of the effects of the grain levy on the national policy objectives of promoting food security, poverty alleviation, and economic growth in Zambia.

1.1. Objectives of the Study and Specific Research Questions

The commodity levies have attracted increasing attention particularly among traders. Currently the Zambia Business Forum, comprising mainly traders and large-scale farmers, is engaged in discussions with the Ministry of Local Government over the levy issue. To inform this process, a study funded by ZAMTIE was undertaken to provide information on current practices and specific examples of the effects of council levies on the business sector. However, this study was unable to estimate the extent to which traders shifted the burden of the tax to farmers and consumers and hence affected their incomes and food security status. This study therefore adds to the already existing body of knowledge, but specifically aims to inform policy makers about the size of these levies, the extent to which they may be affecting producer and consumer food prices, and the manner by which these levies may be indirectly affecting small farm production. Because the tax is directly collected from traders, there is little attention being paid to the potential indirect effects of the tax on commodity price levels being received by farmers or paid by consumers, and hence on farm production.

Specifically, the study addressed the following concerns:

- *Design:* When were levies introduced by the local authorities? How is the amount of the levy determined on each crop? What is the size of these taxes in the selected districts? Is there a consultative process to determine the level of the taxes? Are farmers, traders, or other stakeholders involved?
- *Implementation:* Who and what is taxed? How is the levy collection implemented?
- *Use of funds collected:* How is the tax revenue spent within the districts and who determines this? How transparent is the use of the levy funds? Is there a system for auditing and reconciling revenues?
- *Net distributional effects on different groups:* What public services are being provided based on the district levy revenue, and who is benefiting from them? Who is being adversely affected by the levy?

1.2. Methodology and Scope of Work Undertaken

Four districts were selected purposively for detailed study of the levy system: Chipata, Chibombo, Kabwe and Sinazongwe. The first two districts are considered maize surplus areas, while the last two districts normally experience a net inflow of grain.

Although taxes are often levied on crops such as cotton, groundnut, and oilseeds, as well as maize, this study focuses primarily on grain products such as maize. Our approach was to randomly select a set of interviewees from each of three key informal categories: crop traders, small-scale farmers, and district authorities. The sample of traders was selected based on who was trading at the time of the survey at the main markets in each district centre. Samples of small and emergent farmers were randomly selected from a list of households already compiled by the Ministry of Agriculture and Cooperatives after excluding those over 90 kms from the main district centre. Interviews were held individually with the representatives from the local authority, small-scale farmers, and traders. The data was collected through the administration of a questionnaire, which was supplemented by unstructured interviews. The review of current legislation was also done to complement current understanding in the administration of Council levies. A total of 71 respondents were interviewed in the four survey districts. The survey instruments for each type of key informant are contained in Annex 1.

Table 1. Number of Respondents by Category

	Districts				Total
	Chipata	Chibombo	Kabwe	Sinazongwe	
Council Authorities	1	1	1	1	4
Check Point Attendant	1	1	1	1	4
Small Scale Farmer	9	8	10	4	31
Trader/transporter	9	10	10	3	32

Source: FSRP Agricultural Levy Study, 2004.

The remainder of the paper discusses the results from these surveys.

2. HOW ARE AGRICULTURAL COMMODITY LEVIES DESIGNED AND IMPLEMENTED?

Levies/taxes are enforced through council by-laws introduced at the discretion of the councilors. Councilors are elected representatives of different areas in a municipality whose role is to regulate the operations of the local council including passing of any by-laws by which the local council would be governed. Being elected by the people, the local authorities have argued that any decision that is passed by the full council reflects the will of the people represented by that local authority. The role of the Ministry of Local Government and Housing therefore has been reduced to ratifying the recommendations of the full council. The local authorities, through the Directorate of Planning, identify taxable commodities and propose the rates at which commodities would be taxed. The proposed rates are then tabled before the full Council, which ostensibly represents all the key stakeholders in the district. Once the full council approves these rates, they are sent to the Ministry of Local Government and Housing for approval.

To implement these levies, it is mandatory that a period is given during which other interested party would have the opportunity to raise any concerns about the proposed taxes. The local authority therefore, in most cases displays the proposed by-law on the Notice Boards within the premises of the Council for a period of fourteen days. If there is no objection to the proposed by-law, after the expiry of the period, then the levies become a by-law of the council and are ready to be implemented. The period between the passing of the by-law and levy implementation varies, based on the arrangements that need to be put in place before actual collection commences. In some localities such as Kabwe Municipal Council, actual collection of the levies commenced more than 12 months after the council by-law was passed.

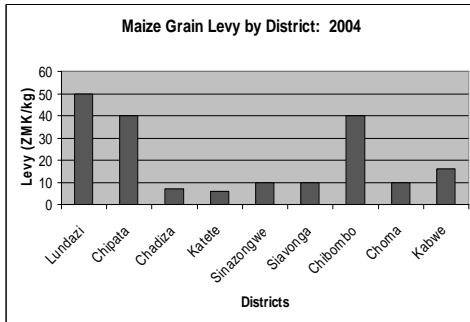
The most common form of these taxes has been levies on agricultural produce. The main targeted commodities affected have been maize, cotton, tobacco, kapenta, cattle and other livestock, fish, and rice. Broadly, all tradable agricultural commodities are being taxed. The amount levied on each commodity varies by local authority.

Levies on agricultural commodities are collected through two main approaches: firstly, through collection points that have physically been erected in most cases at the periphery of the district, and on roads where the bulk of that commodity comes from; secondly, these levies have also been collected at source, especially when dealing with commercial farmers and big commodity producing companies such as the Mpongwe Development Company, where the levies are a percentage of the expected sales. However, only a few local authorities use the second method. Most of them have relied on the first method, contracting people to work the collection points on a commission basis, in some cases supported by the local police service. For either traders or farmers, the payment of these levies is made at the checkpoints. Receipt books have been provided by the local authority so that once the levy has been paid, and an official receipt has been issued, the farmer or trader is free to move the commodity across the district and to any other district. Given that nearly all the districts in the country have check/collection points, any trader with evidence of having paid the levy from the source district, will not be charged at any other collection point. This has eliminated problems of double payment.

3. FARMERS' REPORTED VARIATIONS IN PAYMENT OF LEVIES

A comparison of the amount levied on various commodities in selected districts is shown in Figures 1a, 1b and 1c. Levies on maize fluctuated from 7 to 50 kwacha per kg.

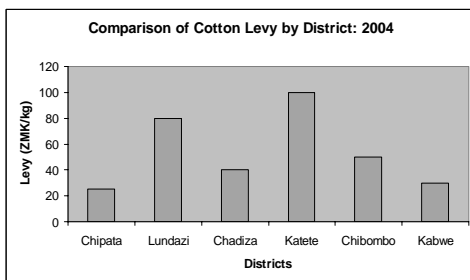
Figure 1a. Levy Rates on Maize Grain, 2004



The application of levies to farmers has not been uniform, in the sense that not all farmers in the district have been subjected to the levy. Data obtained in Chipata revealed that 5% of the small-scale farmers who took maize to the market did not actually pay any levy. In Katete the percentage is even higher (15%). In Sinazongwe district no small-scale farmer interviewed paid any levy, as there were no checkpoints in the vicinity, except on the main inter-district route. Farmers interviewed

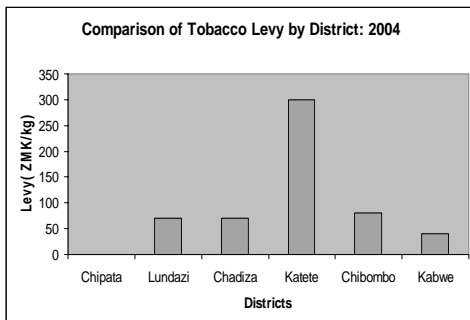
in this district indicated that they were able to use alternative routes to avoid the checkpoints. Therefore on the basis of this, some farmers who have been paying the levy have regarded it as discriminatory. The same conclusions emerged during interviews with the large-scale farmers, who have been paying the levy as a percentage of expected sales. In Kabwe, large-scale farmers pay 2% of the expected sales as a levy to the council. Farmers have not been involved in the process of setting up the tax, and most feel that the rates applied are too high and discouraging the farmers to produce those commodities that are taxable.

Figure 1b. Levy Rates on Cotton, 2004



It is quite evident from the results of the survey that farmers have been affected directly or indirectly by the grain levies imposed by the local authorities. For example in Kabwe districts, check points have been set up on routes from Musuwishi as well as Mpima farming blocks. These are the most productive areas near Kabwe town where most of the retired workers have settled, with agriculture as their main source of income.

Figure 1c. Levy Rates on Tobacco, 2004



In most cases, farmers have been charged on the basis of the number of bags being transported to the market. Whilst the local authorities have argued that these check points are targeted at traders, any farmer who decided to take the crop to the market himself ends up paying the levy as well. Before a farmer gets any revenue from sales of the commodity, he is expected to pay the levy, regardless of the price at which the commodity will be sold on the market. Moreover, traders indicated

that they generally do attempt to offset the payment of the levy by reducing the price they offer to farmers. As a result of the difference in the levels of levies in different districts, the impact of these levies have also varied taking into account the different prices faced by either producers or consumers in each of these districts. Table 2 shows the proportion of grain levies in the wholesale price of maize in selected districts for the year 2004.

Given that farm-gate maize prices were in the range of 280 to 484 kwacha per kg during the 2003/04-crop season, the tax amounts to between 2 percent and 13 percent of the wholesale price for maize. Since prices received by farmers were undoubtedly lower than the wholesale price, after deducting costs of transport, the levy clearly cuts into the profitability of growing maize for the market in some districts, such as Lundazi, Chipata, and Chibombo, at least for those farmers that paid the levy.

Table 2. Maize Levy as Proportion of Wholesale Price, 2004

District	Levy	Mean wholesale price per kg	Levy as % of wholesale price
Lundazi	50	386.4	12.94
Chipata	40	438.63	9.12
Chadiza	7 -		
Katete	6	290	2.07
Sinazongwe	10	329.4	3.04
Siavonga	10	280	3.57
Chibombo	40	360.4	11.10
Choma	10	387.91	2.58
Kabwe	16	484.12	3.30

4. EFFECT OF LEVIES ON THE TRADING SECTOR

The effects of levies on the trading sector is important to assess because, since 1991, the government has attempted to reform the sector with a view to making private traders the main link between consumers and the farmer in rural areas. The introduction of levies on agricultural commodities became a source of concern with most traders stating that they initially absorbed the cost, but later starting passing it on to the consumer and farmers. Most commodity traders have been subjected to this tax because they tend to use the roads on which levy checkpoints have been erected. Most traders interviewed indicated that they were not consulted in the process of determining acceptable levy thresholds, and thus in some cases it has become unprofitable for them to operate on particular routes without passing on the tax to farmers. This has contributed to farmers' perceptions that the traders are exploiting them, and in some cases has made it difficult for farmers to find outlets for their crops. At the same time, most traders indicated that the levies have reduced their profit margins, suggesting that they absorb part of the tax themselves.

Levies on commodities such as cotton and tobacco have largely been paid by the companies such as Dunavant and Clark (in the case of cotton) and Dimon (in the case of tobacco). The transport sector has also been affected by the levies imposed by local authorities. Though transporters themselves do not pay the levy *per se*, the logistics involved in the administration of the levy have proved to be a cost on the transporter. A total of 13 transporters were interviewed in the four survey districts (Kabwe, Chibombo, Sinazongwe and Chipata). The delays caused at the checkpoint where the levies are collected represent a cost to the transporter in terms of time. In some cases, due to ignorance, the transporter has to move between the checkpoint and the local authority administration office to pay the levy and obtain necessary receipts/clearance for larger volumes of the commodity.

5. HAVE THE LOCAL AUTHORITIES BENEFITED FROM LEVIES?

The main argument for the introduction of levies in 1992 has been the need to increase the revenue base so that the local authorities can meet the needs of people in providing public services. Whilst this has been the case in a few local authorities, such as Chipata Municipal Council, which has attributed 4-6% of the total revenue to agricultural commodity levies, most of them have not been able to significantly increase the revenue base as a result. Each of the four local authority officials interviewed indicated that, the actual amounts of levies collected were considerably less than estimated. For instance according to the official interviewed in Kabwe, agricultural levies were expected to comprise about 30% of the total revenue accruing to local authorities, but the actual amount was roughly 5%. Most of the revenue generated (about 95%) came from other sources such as ground rates and market levies. The situation was similar in the other three survey districts. When asked why agricultural levies generated much less revenue to the local authority treasury than expected, the local authorities interviewed gave a number of reasons for this:

- **High costs of administering the levy:** People have been specifically employed to collect the levies at all collection points. These checkpoint attendants need to be paid their remunerations including all other allowances entitled to them. All these costs are normally paid from the same grain levies. In most cases these officers are paid on a commission basis with commission percentages varying from local authority to local authority. These costs have proved to be high, especially in districts where the volume of agricultural trade is not significant.
- **Seasonality in levy revenues:** Agricultural production is seasonal in Zambia and the volume of agricultural trade is only significant during the marketing season and very little revenue can be collected at other times of the year.
- **Inadequate levy collection points:** Levies are collected from only a few selected collection points. These points are identified by the volume of traffic and are usually along the main roads. This leaves a number of other alternative routes that could be used by transporters/farmers to evade the levy.
- **Lack of proper monitoring at checkpoints:** There appears to be inadequate monitoring and record keeping of revenues collected at checkpoints. As a result of this, there are high chances that not all the revenue collected is declared to the local authority central administration.
- In addition to the probable leakage of revenues generated, there is also the problem of accounting for how the portion of levy revenue obtained by the state is actually spent. Instead of appearing as a separate line item showing how much revenue was generated and supplied to the local authorities, agricultural levy revenues are lumped together with other sources of revenue. Thus actual revenues generated from the levy cannot be determined and are not displayed in local authorities' accounts. These problems contribute to views that levy revenues are often misappropriated, hence fueling the perception of many that evading the tax is justified.

Given the above, it appears that the agricultural levies have not been very effective in achieving their aim of providing funds to undertake important public services. The general view of the authorities interviewed was that the costs of administration of the levies coupled with possible abuse at the collection points are forcing them to consider alternative ways of collecting local tax revenues.

6. CONCLUSIONS AND RECOMMENDATIONS

The question therefore arises whether the benefits derived from the agricultural levies outweigh the costs imposed on actors in the food value chain. While this study is not able to answer this in quantitative terms, it appears that the costs of the levies may be substantial in terms of reducing farmers' incentives to produce surpluses for the market, at least in some areas where the levy accounts for over 10% of the price received by farmers. The survey results are not conclusive enough to identify a specific category as beneficiaries. However, the weight of the evidence indicates that only a small proportion of the agricultural levies collected have been accounted for or used for their intended purpose. It is likely that the levies have been used in some local authorities to pay salaries for employees since there is little evidence of improvement in the delivery of services provided by local governments. But what is clear is that neither the farmer nor the consumer has benefited. Those farmers and traders actually paying the levy have lost revenue. The incidence for traders and for farmers selling to traders depends on the nature of competition that in turn influences traders' capacity to pass costs on to farmers or consumers. Under the assumption that short-run supply elasticities for food crops are generally lower than demand elasticities – which tends to be the case in developing countries such as Zambia – farmers will incur a greater burden of the tax (in the form of lower farm output prices) than consumers (in the form of higher purchase prices). Over time however, if the taxes encourage farmers to shift to other crops, the reduction in output may over the longer run force higher prices upon consumers.

While levies were introduced to boost the revenue base of local authorities, there is need to consider a number of issues:

- **Revisiting the current rates:** -Most key stakeholders consider the average levies paid as quite high. There was an obvious lack of consultation among all stakeholders in local authorities, on the most sustainable levy rate. This has led to significant evasion, and ultimately, very little revenue is collected. To ensure compliance, there is need for the local authorities to engage in discussions with the key stakeholders and generate acceptance and understanding of the need for public revenue collection as well as what uses the levy funds would be put to. Revision of such would only require the local authority to inform the parent ministry (Ministry of Local Government and Housing) on the intention to do so. It is obvious that the current rates have adversely affected small-scale farmers as well as traders including the small-business sector, which needs to be encouraged so as to create local employment.
- **Alternative sources of revenue:** - There are other potential sources of revenue that the local authorities could explore, that could ultimately promote agricultural production rather than discourage it. Such an alternative is a tax on unutilized land. A minimal tax could be imposed on land that has been idle over a number of years. This will encourage owners either to put such land under production or sell/rent it to those who have the means to put it under productive enterprises.
- **Improved accounting and use of funds from levies:** - There is a need to improve the accounting of levy funds received. This would entail reporting on a separate line item in public accounts the amount of public revenue generated from the agricultural levies, rather than lumping them together with other sources of revenue. There is also a need to use levy funds on more service-oriented activities, such as repair of roads that are mostly used by traders and farmers. Such activities will reduce costs incurred by the farmers/traders through the reduction of Vehicle Operating Costs

(VOC) resulting from improved roads. This will encourage compliance. The local authorities in turn need to ensure that the key stakeholders are informed on the uses of these resources, a practice that is non-existent in all the local authorities at the moment.

- **Abolition of grain levies:** - The local authorities could also consider abolishing the grain levies, and identify other more easily administered sources of revenue. Most of the local authorities indicated that a lot less than the projected 30% of revenues from levies end up with central administration. Most of the local authorities received only about 16% to 20% of the revenue they expected to receive from agricultural levies. With the difficulties in the collection procedures, the total costs of administering these levies have been high. Local authorities could therefore consider abolishing such levies altogether and devise more cost-effective modalities of collecting local tax revenue.
- **Devising alternative levy collection mechanisms:-** Other levy collection methodologies could be devised to reduce the current 'leakages' and not discourage potential traders or farmers who would like to directly participate in the agricultural commodity markets. Alternatives could include collection of levies at the market places rather than collection points along trade routes. Most traders interviewed believed that this method would minimize the potential to evade the tax and hence would be more fairly borne by all market actors. The process would be quite cost effective as there are already tax collectors stationed at markets hence there would be no need to employ additional staff. However, it is important to note that whatever new methodology is employed, an inclusive consultative process would aid compliance and effectiveness. The local authorities could also consider widening the clients to include industrial millers/brewers, while at the same time reducing the levies to be paid by farmers/traders. This would not discourage the farmers and at the same time, there will be more revenue collected from high volume millers/brewers.

There is therefore need to consider new ways of administering revenue generation and accounting so that stakeholders can understand how the revenues are being used to their benefit, and to select taxation modalities that minimize the adverse impact on commerce, economic growth, and food security.

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Annexes

Ministry of Agriculture and Cooperatives (MACO)/ Food security Research Project (FSRP)

A. RESPONDENTS: Small and Emergent farmers

1. What are the main commodities that you produced?

2. Do you as a farmer find buyers/market for your own crop/commodity?

- a. Yes
- b. No

3. Do you have your own transport to take crop/commodities to the market?

- a. Yes
- b. No

4. Have you ever paid grain levies for your crop/commodity in transit to the market or at the farm?

- a. Yes
- b. No

5. If yes were you aware of these levies?

- a. Yes
- b. No

6. When was the first time you paid these levies?

7. Do you feel the direct effect of these levies?

- a. Yes
- b. No

8. Briefly explain your answer to question above.

9. How does that affect the levels of prices for your commodities being received?

- a. It increases the price offered by buyers
- b. It reduces the price offered by buyers

10. In your opinion, do you get any benefits from paying these grain levies?

- a. Yes
- b. No

11. If yes what are these benefits?

12. If the answer to question 10 is NO suggest ways in which you can get the benefits from grain levies.

**Ministry of Agriculture and Cooperatives (MACO)/ Food security
Research Project (FSRP)**

B. RESPONDENTS: Traders

1. Indicate your major crops of trade.

2. What other commodities do you trade in?

3. What is the usual destination/market?

- a. Within district
- b. Outside district. Specify

4. What was the largest quantity of any commodity that you traded in the past 3 marketing seasons?
Indicate the crop and quantity

5. When did you pay grain levies for the first time?

6. Were you aware of these levies at the time?

- a. Yes
- b. No

7. Do you think it is worthwhile for you to pay these levies?

- a. Yes
- b. No

8. In your opinion, do you think the revenue collected from grain levies is put to good use?

- a. Yes
- b. No

9. What is your opinion on the best use of these grain levies?

10. How do you treat these levies?
- They increase my selling price.
 - They reduce my buying price.
 - Both.
11. What would happen to your profits if such levies were to be removed?
- Profits would be higher.
 - Profits would remain the same. Savings passed on to farmers.
 - Profits would be lower
13. How are levies collected from you?
- At the council offices.
 - At check points
 - Both.
14. How is total levy determined?
- By counting bags
 - By counting truck loads
 - By weighing (tonnage)
 - Other.
Specify _____
15. Was a receipt prepared all the time for the actual quantity of the commodity?
- Yes
 - No. Specify why not

16. How many times did you have to pay levies for the same quantity/commodity while in transit to destination market/district/town?
- Once.
 - Each time when crossing a district boundary.
 - At every checkpoint.
17. Is the system of paying levies conducive to trade?
- Yes
 - No
18. Are you registered with FRA as a dealer in maize grain?
- Yes
 - No

**Ministry of Agriculture and Cooperatives (MACO)/ Food security
Research Project (FSRP)**

C. RESPONDENTS: Local Authority

1. Name of Local Authority_____

2. When were grains levies (for specific commodity) effected by your Council?

Commodity	Effective year

3. Are processed products (eg maize meal, stock feed, pea nut butter) levied?

- a. Yes
- b. No

4. If the answer is No give reasons why.

5. How regular are the grain levies reviewed?

6. Who is levied?

- a. Farmers
- b. Traders conducting business within Chipata.
- c. Traders who take agricultural produce outside Chipata.
- d. Traders who take agricultural produce into Chipata

7. Are commodities from other districts in transit to other districts levied?

- a. Yes
- b. No

8. Do NGOs, quasi Governmental Organizations like World Food Programme (WFP), Programme Against Malnutrition (PAM) Care International and Food Reserve Agency (FRA) etc pay grain levies?

- a. Yes
- b. No

9. Give the current specific grain levies and the unit of measure for each commodity that is levied.

SN	Commodity	Unit of measure (eg Truck load Tonnage, Volume, litres etc)	Levy Charged
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			

10. Is there any formula used in determining the grain levies?

- a. Yes
- b. No

11. If the answer is YES give the formula.

12. Briefly explain how the levies are determined if there is no formula.

13. Does the Ministry of Local Government and Housing play any role in setting these grain levies?
- a. Yes
 - b. No

14. If YES briefly explain

15. Are the following involved in determining the levies?

- | | | |
|----|------------------------------|--------|
| a. | Farmers | Yes/No |
| b. | Traders | Yes/No |
| c. | Chambers | Yes/No |
| d. | Other Government Departments | Yes/No |
| e. | _____ | Yes/No |
- (Other Specify)

16. Are there any awareness campaigns that are undertaken about these grain levies?

- a. Yes
- b. No

17.

If Yes how are these campaigns carried out.

18. What levy collection methods are used by Chipata Municipal Council?

- a. At check points
- b. Through bills
- c. At buying points

19. How many collection points are established in Chipata. _____

20. Explain the safeguards put in place in order to reduce chance of abuse of the revenue collection methods.

21. Once the levies are collected, is there any disclosure of revenue collected?

- a. Yes
- b. No

22. Briefly explain how the Local authority utilizes the revenue collected from levies?

23. Is there any involvement of stakeholder in determining the use of revenue collected from grain levies?

- a. Yes
- b. No

24. Is there any system of auditing and reconciliation of levies collected against the quantities levied on?

- a. Yes
- b. No

25. Has there been any improvement in revenue base of the councils since the introduction of the levies?

- a. Yes
- b. No

26. What proportion of the total revenue base is attributed to the revenue from grain levies?

27. How much revenue has been collected specifically from grain / crop levies since the introduction of the levies, by commodity, and by quantity?

S/N	Commodity	Since when	Quantity	Total Revenue
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				