



REPUBLIC OF ZAMBIA

MINISTRY OF AGRICULTURE AND LIVESTOCK

MINISTERIAL STATEMENT

ON

MEALIE MEAL PRICES

BY

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MINISTER OF AGRICULTURE AND LIVESTOCK

24TH FEBRUARY, 2015

MR. SPEAKER,

ALLOW ME TO START BY THANKING YOU FOR GIVING ME THIS OPPORTUNITY TO PRESENT TO THIS AUGUST HOUSE, MINISTERIAL STATEMENT ON MEALIE MEAL PRICES.

SINCE I AM TAKING THE FLOOR FOR THE FIRST TIME SINCE THE PRESIDENTIAL ELECTION HELD ON 20TH JANUARY, 2015, LET ME START BY COMMENDING ALL ZAMBIANS FOR THE PEACEFUL ELECTIONS. SECONDLY LET ME CONGRATULATE HE PRESIDENT EDGAR CHAGWA LUNGU FOR BEING ELECTED THE 6TH REPUBLICAN PRESIDENT OF THIS GREAT NATION. SIR I WOULD BE AMISS IF I DID NOT USE THIS HOUSE TO THANK THE PRESIDENT FOR APPOINTING ME TO SERVE HIS GOVERNMENT IN THE POSITION OF MINISTER OF AGRICULTURE AND LIVESTOCK. SIR THIS IS A VERY RARE PRIVILEGE WHICH I PLEDGE TO USE TO CONTRIBUTE TO THE UPLIFTING OF THE LIVES OF OUR CITIZENS.

MR SPEAKER,

I WISH TO INFORM THE HOUSE AND THROUGH IT THE NATION THAT AS MINISTER RESPONSIBLE FOR AGRICULTURE AND LIVESTOCK, I HELD CONSULTATIVE DISCUSSIONS WITH STAKEHOLDERS IN THE AGRICULTURE SECTOR CONCERNING THE

PRICES OF MEALIE MEAL. THE FIRST MEETING WAS ON THE 18TH FEBRUARY AND THE SECOND ON 19TH FEBRUARY, 2015.

MR. SPEAKER,

I WISH TO INFORM THE NATION THAT ZAMBIA HAS SUFFICIENT STOCKS OF MAIZE TO MEET THE COUNTRY'S NATIONAL REQUIREMENTS. AS YOU MAY RECALL, THE COUNTRY PRODUCED A RECORD 3,350,000 METRIC TONNES OF MAIZE IN 2014, RESULTING IN A MAIZE SURPLUS OF 1,152,505 METRIC TONNES.

THE COUNTRY STILL HAS SUFFICIENT STOCKS OF MAIZE TO MEET DOMESTIC REQUIREMENTS WITH A SIGNIFICANT SURPLUS FOR EXPORT. THE FOOD RESERVE AGENCY HAS A TOTAL OF 1,281,000 METRIC TONNES OF MAIZE STOCKS. THE PRIVATE SECTOR ALSO HAS OVER 156,000 METRIC TONNES OF MAIZE STOCKS.

MR. SPEAKER,

FROM THE FIGURES I HAVE MENTIONED IT IS QUITE CLEAR THAT THE CURRENT MEALIE MEAL PRICES ARE NOT AS A RESULT OF INSUFFICIENT STOCKS OF MAIZE IN THE COUNTRY BUT RATHER ARE A RESULT OF OTHER PRODUCTION RELATED FACTORS SUCH AS:

- 1) THE PURCHASE PRICE OF MAIZE;
- 2) THE COST OF MILLING;
- 3) TRANSPORTATION, LOGISTICAL AND FINANCING COSTS; AND
- 4) REGIONAL DEMAND AND SUPPLY FORCES AMONGST ZAMBIA'S NEIGHBOURS.

MR. SPEAKER,

REALIZING THAT THE MAJORITY OF THE ZAMBIANS DEPEND ON MEALIE MEAL AS A STABLE FOOD, MY MINISTRY HAS INSTITUTED THE FOLLOWING MEASURES INTENDED TO STABILIZE MEALIE MEAL:

1. GOVERNMENT, THROUGH THE FOOD RESERVE AGENCY, WILL CONTINUE TO MAKE AVAILABLE MAIZE TO THE PRIVATE SECTOR AT A PRICE OF K76 PER 50KG BAG; AND
2. MILLERS HAVE AGREED TO MAINTAIN THE WHOLESALE PRICE OF ROLLER MEAL AT NO MORE THAN K44 PER 25KG BAG.
3. THEY HAVE ALSO AGREED TO SALE BREAKFAST MEAL AT A MAXIMUM OF K61 PER 25KG ALONG THE LINE OF RAIL.

GOVERNMENT COMMENDS THOSE MILLERS WHO ARE ALREADY SELLING MEALIE MEAL AT A WHOLESALE PRICE LOWER THAN K61 PER 25KG BAG OF BREAKFAST MEAL AND

WE URGE THESE MILLERS TO CONTINUE WITH THESE PRICES.

4. SOME MILLERS HAVE ESTABLISHED RETAIL OUTLETS IN TOWNSHIPS THROUGH WHICH THEY ARE SELLING THEIR MEALIE MEAL.
5. THE CONSULTATIONS WITH MILLERS TO FIND AVENUES FOR FURTHER REDUCTIONS IN MEALIE MEAL PRICES ARE TO BE CONTINUED.

MR. SPEAKER,

I WISH TO EMPHASIZE THAT K61 PER 25KG BAG OF BREAKFAST MEAL AND K44 PER 25KG BAG FOR ROLLER MEAL IS NOT A UNIFORM PRICE BUT RATHER A MAXIMUM PRICE. FURTHER, I WOULD LIKE TO APPEAL TO OUR RETAILERS ACROSS THE COUNTRY TO STICK TO THE RECOMMENDED RETAIL MARGIN OF K3 PER 25KG BAG FOR BOTH ROLLER AND BREAKFAST MEAL. THE RETAILERS MUST PASS ON THE BENEFIT OF THIS REDUCTION TO THE CONSUMER. I AM AWARE THAT SOME RETAILERS HAVE IN THE PAST NOT PASSED ON PRICE REDUCTIONS TO THE CONSUMER.

IN ORDER TO ENJOY THE BENEFIT OF THIS INTERVENTION, I AM ENCOURAGING CONSUMERS TO PURCHASE MEALIE MEAL FROM MILLING COMPANY OUTLETS, WHERE THESE EXIST, AS WELL AS

OTHER ESTABLISHMENTS THAT STICK TO THE RECOMMENDED
RETAIL MARGIN.

MR. SPEAKER,

MY MINISTRY WILL CONTINUE TO CLOSELY MONITOR THE
SITUATION REGARDING THE ISSUE OF MEALIE MEAL PRICES IN
ORDER TO ENSURE THAT THE BENEFIT OF THE REDUCTION IN
MEALIE MEAL PRICES IS PASSED ON TO CONSUMERS.

I THANK YOU.