

MINISTERIAL STATEMENT
ON
CROP FORECAST RESULTS FOR 2022/2023 AGRICULTURAL SEASON AND THE
2023/2024 CROP MARKETING ARRANGEMENT
BY THE
THE MINISTER OF AGRICULTURE (MR MTOLO), MP

Madam Speaker, I thank you for giving me this opportunity to update this august House and the nation at large on the 2022/2023 Crop Forecast Results and the Crop Marketing Arrangements for the 2023/2024 Marketing Season. The announcement of the crop forecast survey results gives us a clear picture of the national food security situation as we commence the 2023/2024 crop-marketing season.

Madam Speaker, allow me to pay tribute to the Zambian farmers who have risen above the challenges and have ensured that the nation's food basket is secured. Let me also pay tribute to the other value chain actors, seed companies, suppliers of inputs and agricultural equipment, grain traders, millers and financial institutions, for their continued roles in facilitating the production of food in this country

Madam Speaker, from the onset, I wish to state that the statistics that I am about to give are produced through a universally accepted scientific methodology that has been used by the Ministry of Agriculture and the Zambia Statistics Agency (ZAMSTAT) over a long period of time.

The nation is hereby informed that the statistics generated through this survey are of a high quality, objectively collected, and comparable to the statistics of other nations that have adopted the same survey methodology being used by Zambia.

Madam Speaker, I am delighted that the 2022/2023 Crop Forecasting Survey results have revealed that production for most crops is expected to increase with only a few recording a decrease in production when compared to the 2021/2022 figures generated through the post-

harvest survey. I am also happy that the area planted for crops such as maize, soya beans and mixed beans has recorded an increase in the 2022/2023 agriculture season. It is worth noting that the number of small and medium scale farming households that planted various crops increased when compared to the previous season. The number of small and medium scale farming households has increased to K2,534,311 from K1,756,340, recorded in the 2021/2022 agricultural season.

Madam Speaker, further, we have noted that some crops, including maize have registered an increase in yields when compared to statistics in the 2021/2022 season. The increase in yields is encouraging but it also indicates that more must be done to increase the efficiency of our farmers and the return on their investment.

Madam Speaker, regrettably, we note that climate change and its negative impacts is among the significant challenges affecting food production and livelihoods of the majority of Zambians. Similar to events in previous seasons, the country experienced the late onset of rainfall, floods, dry spells and crop diseases that most affected the major crop producing provinces of the Southern Province, the Eastern Province and the Central Province.

Madam Speaker, the results of the crop focusing survey have revealed that a total of 91,981 ha of land under crop production was destroyed by heavy rains and flash floods. In addition, it has been established by the survey results that a total of 219,610 ha of land under crop production was damaged by the dry spell. The 2022/2023 season was also characterised by the outbreak of fall army worms and stalk borers that were reported to have damaged about 8,021 ha of cropped land. In some parts of Zambia, the cassava brown streak disease was reported to have affected many fields. In total, the damage caused by flash floods, dry spells and pests stands at 319,611 hectares.

Madam Speaker, notwithstanding the challenges of climate and other negative impacts affecting production and productivity in the sector, the national food balance sheet for cereals and tubers in the 2023/2024 marketing season indicates that the country will produce sufficient maize for both human consumption and industrial use.

Madam Speaker, I am pleased to report that as at 1st May, 2023, the total carryover stocks held by farmers, millers, grain traders and the Food Reserve Agency (FRA) was 450,891 metric tonnes with expected production of 3,261,686 metric tonnes of maize and the carryover stocks that the total stocks of maize available in this marketing season is 3,712,576 metric tonnes.

Madam Speaker, the country has recorded a maize surplus of 470,379 metric tonnes. The food balance sheet further indicates that the total maize required for a projected population of 20.4 million for both human and industrial consumption and other commitments is about 3,242,197 metric tonnes. Overall, the country has a surplus of 209,722 metric tonnes of maize equivalent. The nation is, therefore, assured that the country will remain food secure in the foreseeable future for as long as vices such as smuggling are managed.

Madam Speaker, on the other hand the national food balance sheet has revealed that the country has recorded a net deficit of 46,855 metric tonnes of paddy rice, net deficit of 108,561 metric tonnes of wheat for the 2022/2023 agricultural marketing season.

Madam Speaker, let me now update the nation on the measures the Government is taking to enhance crop productivity and production in the country. As the Government, we are implementing policy reforms to promote sustainable production amidst threats of climate change. It is our commitment and duty to transform the agricultural sector and promote private sector participation in the production and marketing of agricultural commodities, our Government further commits to support irrigation development, crop diversification, and the adoption of climate resilient agricultural practices.

Madam Speaker, we have partnered with various cooperating partners in effectively implementing our reform agenda to meet key developmental targets. As some of you may be aware, the Government launched the Zambia Growth Opportunities for Results (ZAMGRO) programme earlier this year. It aims to enhance agricultural production and productivity, access to markets and food and nutrition security at household and national level. ZAMGRO targets the development of farming blocks and will help in boosting industrialisation, agricultural

diversification, and exports in the agricultural sector in line with the objectives of the Eighth National Development Plan (8NDP).

Madam Speaker, we are implementing policy reforms to promote sustainable production amidst the threats of climate challenge. It is our commitment and duty to transform the agricultural sector and promote private sector participation in the production and marketing of agricultural commodities. Our Government further commits to supporting irrigation development, crop diversification and adoption of climate resilient agricultural practices. The Government has also undertaken the Comprehensive Agriculture Transformation Support Programme (CATSP). The programme will be anchored on policy instruments and legislative reform that will stimulate production, increase value addition and the uptake of climate smart technologies, enhance job creation and food nutrition security.

Madam Speaker, at this juncture, allow me to update the nation on the crop marketing arrangements for the 2023/2024 marketing season. The Government through FRA will be buying the following commodities; paddy rice and white maize. FRA expects to purchase 500,000 metric tonnes of maize and 1000 metric tonnes of paddy rice. The quantities and prices of designated commodities that the agency will be buying during the crop marketing season include white maize at K5.60/kg, which is equivalent to K280 per 50 kg bag or, indeed, K5,600 per metric tonne. Paddy rice at K5/kg, which is K200 per 40kg bag or K5000 per metric tonne.

Madam Speaker, these prices should not be taken as floor prices. They are the prices at which the agency expects to purchase maize to meet the minimum statutory strategic reserve threshold of 1 million metric tonnes and 1000 metric tonnes of paddy rice, respectively. Other players in the sector are urged to buy these crops at their own prices as the prices announced are not floor prices but rather FRA prices under the principle of willing seller and willing buyer.

Madam Speaker, let me state that in arriving at the determined price for 2023, the agency acknowledges the urgent to replenish the strategic grain reserves from a dynamic grain market obtaining locally and in the region. It is anticipated that the agency shall not disadvantage the

private sector who are expected to purchase a larger share of the agricultural produce. As you may, FRA purchase share has averaged above 20 per cent of production over the years.

Madam Speaker, the agency in determining floor prices undertook a process of crop price scenario analysis that included the following:

- (a) survey of the prevailing farm gate and open market prices;
- (b) indicative crop gross margin budgets considering input cost in relation to cost reflective pricing; and
- (c) consultations with key market stakeholders and players in the crop marketing chain.

Madam Speaker. These prices will have accrued benefits to farmers in that:

- (a) farmers will be provided with readily available market access closer to their localities through the 1200 satellite depots to be established countrywide;
- (b) farmers will get a reward for their labour which will entail more money in their pockets;
- (c) there will be stimulation and growth of rural economies for farmers as well as local service providers such as transporters; and
- (d) the stimulus will enable farmers to adequately prepare for the upcoming agricultural season and further be motivated to increase crop production for the country's food security taking into consideration the increased national population.

Madam Speaker, in relation to the economic stimulus, the growth of the rural economies, you may wish to note that in 2022, the agency bought designated crops worth K2.2 billion, of which 72 per cent was paid to farmers in outline areas.

Madam Speaker, in ensuring that the grain to be purchased meets the standard requirements, the agency is monitoring the moisture content. As you may be aware, some crops are still in the field and yet to be harvested. However, in some parts of the country where rains stops early, we expect that the grain has now reached the desirable moisture content and some sector player are already on the market buying grain from farmer.

Madam Speaker, during this year's crops marketing season the agency will operate a total of 1200 satellite depots to provide market access to small scale farmers. This will result in the engagement of 4800 season buyer and security guards drawn from the local communities who are mainly youths and women and over 10,00 job for various activities associated with crop purchases. This opportunity will lead to the stimulation of rural economies and help in sparing development to rural areas. I therefore, wish to urge the individuals who have been recruited to work in the depots country wide to be professional and diligent in there execution of their duties at the exercise of nation importance.

Madam Speaker, the ministry wish to urge sectors in the maize value chain especially millers, to ensure that they prepare adequately to buy their own maize as the agency will not be used as warehouse for millers maize requirements going forward. Miller are therefore encouraged to buy sufficient stock of their own from farmers to sustain their milling business as the agency will not offload maize from the strategic grain reserves which ideally are meant for national emergencies as prescribed in the FRA Act.

Madam Speaker, consequently, future sales programmes for FRA will only work with millers who make verifiable efforts to buy their own stocks. Further, the ministry wishes to remind and urge farmers to adhere to the general practices, in ensuring that they clean the maize at their farm states to avoid congestion at FRA depots.

Madam Speaker, I also wish to employ all FRA personal and there stakeholders to uphold rationality, prudence, transparency and accountability for public resources that have been entrusted in their charge.

Madam Speaker, I thank you.
