



REPUBLIC OF ZAMBIA

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**MINISTRY OF AGRICULTURE**

**MINISTERIAL STATEMENT**

**BY**

**HON. GIVEN LUBINDA, MP,**

**MINISTER OF AGRICULTURE**

**ON**

**‘FOOD SECURITY SITUATION IN THE COUNTRY’**

**20<sup>TH</sup> APRIL 2016**

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MR SPEAKER,

ON 14<sup>TH</sup> APRIL 2016, HONOURABLE GABRIEL NAMULAMBE  
RAISED THE FOLLOWING POINT OF ORDER AND I QUOTE

“MR SPEAKER, THANK YOU FOR ALLOWING ME TO RAISE THIS  
SERIOUS POINT OF ORDER. SIR, IN THE LAST MEETING, THE  
AVAILABILITY AND PRICES OF MEALIE MEAL WERE DEBATED AND  
MANY QUESTIONS ASKED ON THEM. IN ONE OF HIS  
STATEMENTS, THE HON. MINISTER OF AGRICULTURE STATED  
THE FOLLOWING;

“MR SPEAKER, FOLLOWING AN OUTCRY FROM THE GENERAL  
PUBLIC THAT THE PRICE OF MEALIE MEAL IN MOST PARTS OF  
THE COUNTRY HAD ESCALATED, THE FRA WAS INSTRUCTED BY  
THE CABINET TO SELL 930,000 METRIC TONNES OF MAILZE TO  
MILLERS AND COMMUNITIES AT K 85 FOR A 50 KG BAG OR K  
1,700 PER TONNE IN ORDER TO STABILISE THE PRICE. THIS WAS  
DONE IN ACCORDANCE WITH THE FOOD RESERVE ACT (2015)  
OF THE LAWS OF ZAMBIA. THE AGREEMENT BETWEEN THE  
GOVERNMENT AND THE MILLERS WAS THAT THE WHOLESALE  
PRICE OF A 25KG OF BREAKFAST MEAL WOULD BE K70 WHILE  
THAT OF A 25KG BAG OF ROLLER MEAL WOULD BE K50.”

MR SPEAKER, THE PRICES OF MEALIE MEAL HAVE GONE UP IN MOST PARTS OF THE COUNTRY, WITH A 25KG BAG OF BREAKFAST MEAL GOING AT UP TO K160. THE CHEAPEST I COULD BUY THIS MORNING WAS AT K 100 IN CHAINDA. MR SPEAKER WE WERE TOLD THAT THE PRICES HAVE GONE UP BECAUSE THERE IS INADEQUATE MAIZE IN THE COUNTRY AND AT SOME POINT, THE EXPORT OF MAIZE WAS BANNED. FURTHER, IF YOU GO TO SHOPS LIKE SPAR, YOU WILL FIND THAT PEOPLE ARE RESTRICTED TO BUYING ONLY ONE BAG OF MEALIE MEAL, AND THAT IS MAKING IT DIFFICULT FOR THOSE WHO HAVE FUNERALS TO BUY ENOUGH MEALIE MEAL TO FEED MOURNERS, THEY HAVE TO GET COLLEAGUES TO HELP THEM BUY, AT LEAST, THREE OR FOUR BAGS. HOWEVER, WE HAVE READ IN TODAY'S POST NEWSPAPER, WE HAVE READ THAT THE GOVERNMENT HAS LIFTED THE BAN ON MAIZE EXPORTS. SO, WHILE MEALIE MEAL IS IN SHORT SUPPLY IN THE COUNTRY AND ITS PRICES HAVE CONTINUED ESCALATING, THE GOVERNMENT HAS SEEN IT FIT TO ALLOW TRADERS TO EXPORT MAIZE. IS THE HON. MINISTER OF AGRICULTURE, THEREFORE IN ORDER NOT TO UPDATE THE NATION ON THESE MATTERS?" END OF QUOTE.

IN YOUR RULING SIR, YOU DIRECTED THAT I ISSUE A STATEMENT NOT LATER THAN THE MIDDLE OF THIS WEEK.

SIR, I NOW WISH TO RESPOND TO THE POINT OF ORDER AND TO UPDATE THE HOUSE AND THE NATION ON THE MOST IMPORTANT MATTER OF MEALIE MEAL.

LET ME START BY ACKNOWLEDGING THAT HON NAMULAMBE REMEMBERS VERY WELL THAT I DID INDICATE THAT AS A WAY OF STABILISING THE ESCALATING PRICES OF MEALIE MEAL AS A RESULT OF HIGH MAIZE PRICES ON THE MARKET, CABINET HAD INSTRUCTED THE FRA TO RELEASE MAIZE AT A PRICE OF K 1,700 PER TONNE. THIS WAS AT A TIME WHEN THE MARKET PRICE OF MAIZE HAD ALREADY RISEN TO MORE THAN K 2,500 PER TONNE. IT IS ALSO CORRECT THAT FRA DID ENTER INTO CONTRACTS WITH MILLERS FOR THEM TO SELL BREAKFAST AND ROLLER MEAL AT K 70 AND K50 PER 25KG RESPECTIVELY AND THAT THE TRADERS WOULD NOT BE ALLOWED TO INCREASE PRICES BY MORE THAN K5 PER BAG.

SIR, SINCE THEN THE FRA HAS BEEN RELEASING ABOUT 100,000 METRIC TONNES OF MAIZE TO 101 MILLERS PER MONTH TO MEET THE NATIONAL MONTHLY FOOD REQUIREMENT. I WISH TO EMPHASISE THAT THE 100,000 METRIC TONNES IS THE AVERAGE THAT ZAMBIA CONSUMES ON A MONTHLY BASIS.

I WISH TO INFORM THE NATION THAT WHILE THE FRA IS RELEASING MAIZE AT K1,700 PER TONNE, NEIGHBOURING COUNTRIES ARE BUYING MAIZE AT K3,800 PER TONNE. WHEREAS WE ARE URGING TRADERS TO SELL MEALIE MEAL AT K 75 PER BAG, THE SAME MEALI MEAL IS SELLING FOR ANYTHING BETWEEN K250 TO K400 PER BAG ACROSS ZAMBIA'S BORDERS.

IN ADDITION TO THIS, THERE HAVE BEEN PANIC BUYING BY CONSUMERS FEARING THAT THERE WAS BOUND TO BE A SHORTAGE OF SUPPLY.

OVER AND ABOVE THAT AND RELATED TO THE LAST FACTOR, THERE HAS BEEN A PRACTICE OF HOARDING OF MAIZE AND MEALIE MEAL BY SOME MILLERS AND TRADERS.

THE ABOVE FACTORS ARE PLAYING TOGETHER TO CAUSE AN ARTIFICIAL SHORTAGE AND THEREBY AN INCREASE IN PRICES.

SIR, WHEREAS WE AS A COUNTRY ARE FOOD SECURE, THANKS TO THE GRACE OF GOD WHO HAS CONTINUED TO GIVE US SUFFICIENT RAIN, THANKS TO THE HARD WORKING FARMERS OF ZAMBIA WHO HAVE ALWAYS BEEN OPTIMISTIC IN THEIR OPERATIONS EVEN AGAINST FEARS OF EL NINO, AND OF

COURSE THANKS TO THE PRAGMATIC AND PROGRESSIVE AGRICULTURAL POLICIES OF THE PF GOVERNMENT, OUR REGION AS A WHOLE HAS A HUGE SHORTFALL OF MAIZE.

SIR, THE SECOND ISSUE RAISED BY HON NAMULAMBE WAS CONCERNING THE RESTRICTION BY SOME RETAILERS ON THE QUANTITY OF MEALIE MEAL THAT ONE CAN BUY. SIR, HONOURABLE NAMULAMBE WAS CORRECT. SOME RETAIL OUTLETS ARE RESTRICTING THE NUMBER OF BAGS THAT INDIVIDUALS ARE ALLOWED TO BUY. THIS IS A MEASURE THAT WAS TAKEN TO CURTAIL PANIC BUYING AND HOARDING OF MEALIE MEAL. SIR GOVERNMENT HAS WITNESSED OCCASSIONS WHEN TRADERS WERE BUYING IN BULK ONLY TO GO AND RESALE AT A HIGHER PRICE. OTHERS WERE DISCOVERED BULK BUYING WITH THE INTENTION OF ILLEGALLY EXPORTING THE MEALIE MEAL. WHILE I APPRECIATE THE CHALLENGE THIS ARRANGEMENT HAS CAUSED TO THOSE WHO WOULD BE HOLDING FUNERALS, I CONTEND THAT THE INTENTION JUSTIFIES THE ACTION.

CONCERNING THE ISSUE OF BANNING AND LIFTING THE BAN OF EXPORTS OF MAIZE, I WISH TO REMIND HON NAMULAMBE, THE HOUSE AND THE NATION AT LARGE AS FOLLOWS.

AT THE TIME THAT I ANNOUNCED THE RELEASE OF MAIZE BY FRA I INDICATED THAT THE PRIVATE SECTOR WAS HOLDING ONTO MORE THAN 200,000 TONNES OF MAIZE AND THAT THAT MAIZE WOULD BE ALLOWED FOR EXPORT AS LONG AS THE EXPORTER OBTAINED EXPORT PERMITS FROM THE MINISTRY OF AGRICULTURE. AT THE BEGINNING OF THIS MONTH THE PERMANENT SECRETARY IN THE MINISTRY OF AGRICULTURE ANNOUNCED A SUSPENSION OF THE ISSUANCE OF EXPORT PERMITS TO ALLOW FOR CARRYING OUT AN AUDIT OF MAIZE THAT WAS HELD ESPECIALLY BY THE PRIVATE SECTOR TO AVOID A SITUATION WHERE FRA MAIZE WAS ALSO EXPORTED DUBIOUSLY. THERE WAS NO BAN THAT WAS MEANT. IN ACCORDANCE WITH THE FOOD RESERVE ACT, A BAN ON EXPORTS OF ANY FOOD ITEM WOULD HAVE TO BE BY WAY OF ISSUING A STATUTORY INSTRUMENT. TO THAT EFFECT AFTER THE STOCKS WERE VERIFIED, THE GOVERNMENT ANNOUNCED THAT THE ISSUANCE OF EXPORT PERMITS HAD AGAIN COMMENCED.

TO ASK WHY GOVERNMENT IS ALLOWING EXPORTS WHEN THE PRICES OF MEALIE MEAL ARE ESCALATING IS PRUDENT AND NEEDS CLARFYING. SIR, AS I HAVE STATED IN THE PAST, MOST

OF THE MAIZE THAT IS HELD BY THE PRIVATE SECTOR WAS PRE-FINANCED THROUGH EXPORT SALES AND IS ON EXPORT SALES CONTRACTS. STOPPING IT FROM BEING EXPORTED WOULD CALL FOR LITIGATIONS AND PENALTIES AGAINST THE INTENDED EXPORTERS.

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SIR, WE ARE CAUGHT UP IN A SITUATION WERE OUR BLESSING HAS BECOME OUR CURSE IN THE SENSE THAT IN THE MIDST OF PLENTY, OUR PEOPLE ARE BEING SUBJECTED TO HIGH PRICES OF FOOD BECAUSE OF THE SHORTAGES IN NEIGHBOURING COUNTRIES.

SIR, THE GOVERNMENT IS VERY CONCERNED ABOUT THE AVAILABILITY AND PRICING OF MEALIE MEAL. TO THIS END WE HAVE UNDERTAKEN THE FOLLOWING MEASURES TO ADDRESS THESE CHALLENGES;

1. WE HAVE CANCELLED CONTRACTS OF SOME ERRING MILLERS AND BLACKLISTED THEM FROM PARTICIPATING ON FRA CONTRACTS FOR THE NEXT TWO SEASONS IN ACCORDANCE WITH THE CONTACTS THEY SIGNED WITH THE FRA;



2. WE HAVE SEIZED MAIZE AND MEALIE MEAL THAT WAS DESTINED FOR SMUGGLING;
3. WE ARE ENCOURAGING COMMUNITIES THAT ARE FAR FROM MILLING PLANTS TO APPLY FOR COMMUNITY SALES OF MAIZE AT A LOWER PRICE OF K80 PER 50KG;

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4. WE HAVE INCREASED THE NUMBER OF PARTICIPATING MILLERS FROM THE INITIAL 101 TO 131;
5. WE INCREASED THE MONTHLY ALLOCATION TO ABOVE 100,000 PER MONTH FROM MARCH 2016;
6. SOME RETAIL OUTLETS HAVE RESTRICTED SALES TO ONE BAG PER CUSTOMER;
7. WE HAVE INSTRUCTED DISTRICT JOINT OPERATIONS COMMITTEES TO REPORT INCIDENCES OF UNDUE INCREASES OF PRICES BY MILLERS;
8. THE ZAMBIA COOREATIVE FEDERATION HAS COMMENCED THE PRODUCTION OF MEALIE MEAL THROUGH THE SOLAR MILLING PLANTS AT A CHEAPER PRICE;
9. THE SECURITY WINGS HAVE INTENSIFIED THE MONITORING OF THE MOVEMENT OF MAIZE AND MEALIE MEAL TO CURTAIL SMUGGLING; AND
10. MORE MEASURES SHALL BE ANNOUNCED IN DUE COURSE IN LINE WITH THE INSTRUCTIONS ISSUED BY HIS EXCELLENCY THE PRESIDENT OVER THE PAST WEEKEND.

I HAVE TO STATE SIR, THAT WE ARE PLEASED WITH THE EFFECTS OF THE MEASURES WE HAVE INSTITUED SO FAR. WE HAVE WITNESSED A DRASTIC REDUCTION IN CASES OF SMUGGLING AND WE HAVE WITNESSED THE INCREASE OF STOCK LEVELS OF MEALIE MEAL IN SOME OUTLETS ESPECIALLY ALONG THE LINE OF RAIL.

WE ARE CONFIDENT THAT WITH THE SUPPORT OF ALL STAKEHOLDERS, WE SHALL OVERCOME THIS CHALLENGE.

WITHIN THE NEXT FEW WEEKS I SHALL PRESENT THE CROP FORECAST FOR 2016 AND WITH YOUR PERMISSION, I SHALL COME AND ANNOUNCE THE CROP MARKETING ARRANGEMENTS FOR THIS YEAR.

SIR I THANK YOU.