

MINISTERIAL STATEMENTS
BY THE
MINISTER OF AGRICULTURE (MR MTOLO) MP,
ON THE
ISSUE OF DISTRIBUTION OF INPUTS FOR THE 2023/2024 FARMING
SEASON

Madam Speaker, I wish to inform this august House that the Government through the Ministry of Agriculture has commenced the process of procuring farming inputs under the Farmer Input Support Programme for the 2023/2024 farming season.

For the avoidance of confusion, this one is a Ministerial Statement that will discuss the issue of distribution of inputs for the 2023/2024 farming season.

Madam Speaker, a clearly stipulated road map for this exercise is in place. One of the key activities under the road map is the purchase of fertiliser for the season.

Madam Speaker, the procurement of fertiliser for the 2023/2024 farming season will be done using two procurement methods, namely: opening international bidding for urea fertiliser; and direct bidding for compound-d fertiliser. Both procurement methods are allowed under the Zambia Public Procurement Authority (ZPPA) Act. On one hand, the opening international bidding will help the Government receive competitive prices for urea fertiliser, which is not manufactured locally. On the other hand, the Government has decided to direct bid local manufacturers for supply of compound D-fertiliser. The local manufacturers are Nitrogen Chemicals of Zambia (NCZ) and United Capital Fertiliser Zambia Limited.

Madam Speaker, Nitrogen Chemicals of Zambia will be contracted to supply 43,292.70 metric tonnes of compound-d fertiliser while United Capital Fertiliser Zambia Limited will be contracted to supply 77,087.55 metric tonnes of compound-d fertiliser. While United Capital Fertiliser Zambia Limited is an emerging fertiliser manufacturing company in Zambia, the company is not new in the business of fertiliser manufacturing outside of Zambia. The company

has the state-of-the-art equipment that enables it to manufacture high quality and large quantities of fertilisers on time.

Madam Speaker, you may wish to note that the same company was among the companies that were contracted for the supply, delivery and distribution of compound-d fertiliser during the 2022/2023 farming season. I am glad to inform the House that the company met all its contractual obligations to supply and deliver, last year, 8,826.75 metric tonnes of fertiliser despite signing the contract late into the season.

Madam Speaker, the Government has a clear vision of boosting the local manufacturing sector to support increased agricultural production. In this regard, the Government will support local manufacturing companies in order to create employment for many Zambians especially the youth who currently remain unemployed or are under employed.

As an example, Madam Speaker, at full capacity, Capital Fertiliser Zambia Limited will employ 650 Zambians under the D-compound plant and another 3,000 Zambian employees under the urea plant. This will bring the total number of employees to 3,650. With regard to NCZ, the company currently has 492 employees on a permanent as is, about 250 workers employed on casual basis and approximately 398 workers employed on seasonal basis. In addition to direct employment, local manufacturers also contribute to the economic growth through participation in the transportation use of services such as energy, water incentives and the creation of satellite towns, just to mention a few economic and social benefits.

Madam Speaker, during the 2023/2024 farming season, the hybrid modality of input distribution will be implemented. This entails the following:

- (a) seventeen districts in Lusaka and central provinces will switch to 100% electronic voucher (*e-voucher*) with farmers redeeming inputs of their choice from suppliers;
- (b) twenty-six districts in Southern and North-Western provinces will be on *e-voucher* with farmers expected to redeem prescribed inputs from suppliers; and

- (c) the rest seventy-three districts in Eastern, Muchinga, Luapula, Western, Northern and Copperbelt provinces will continue to be on 100% direct input support.

Madam Speaker, in conclusion, allow me to reaffirm Government's commitment to transparency, accountability and due diligence in the procurement of all farming inputs including fertilizers. Therefore, even with the direct bidding of the two companies, the Government will ensure that all the due processes, Madam Speaker, are followed. This is the commitment we made and a commitment we shall continue to fulfill to ensure that the procurement of farming inputs under the Farmer Input Support Programme (FISP) saves the interest of the farmers and the general citizenry.

Madam Speaker, I thank you.
