



REPUBLIC OF ZAMBIA
MINISTRY OF AGRICULTURE

MINISTERIAL STATEMENT
ON
“UPDATE OF PAYMENT TO FARMERS FOR THE 2014/2015
MARKETING SEASON”

BY HONOURABLE GIVEN LUBINDA, MP
MINISTER OF AGRICULTURE

3RD DECEMBER, 2015

MR SPEAKER,

I THANK YOU ONCE AGAIN FOR ACCORDING ME THIS OPPORTUNITY TO UPDATE THIS AUGUST HOUSE AND THE NATION AT LARGE ON THE STATUS OF PAYMENT TO FARMERS BY GOVERNMENT FOR THE 2014/2015 MARKETING SEASON, THROUGH THE FOOD RESERVE AGENCY (FRA).

MR. SPEAKER,

CROP PURCHASES BY THE FRA COMMENCED ON 17TH AUGUST 2015 AND ENDED ON 31ST OCTOBER, 2015. GOVERNMENT INITIALLY TARGETED TO PURCHASE 500,000 METRIC TONNES OF MAIZE AND 2,100 METRIC TONNES OF PADDY RICE. AS I STATED EARLIER, THE FOOD RESERVE AGENCY ENTERED THE MARKET LATE TO ALLOW THE PRIVATE SECTOR TO PARTICIPATE IN THE MAIZE PURCHASE. IN ADDITION, THE DELAY IN ENTERING THE MARKET WAS FOR MAIZE TO ATTAIN THE REQUIRED 12.5% MOISTURE CONTENT.

MR SPEAKER,

AT THE END OF THE MARKETING SEASON THE FOOD RESERVE AGENCY PURCHASED 596,193 METRIC TONNES OF MAIZE.

THE AGENCY ALSO PURCHASED 68.2 METRIC TONNES OF PADDY RICE AGAINST A TARGETED 2,100 METRIC TONNES, REPRESENTING 32% OF THE TARGET.

MR SPEAKER,

LAST YEAR, THE FRA PURCHASED A TOTAL OF 1,031,303 METRIC TONNES OF MAIZE AND 1,115 METRIC TONNES OF PADDY RICE COMPARED TO 596,193 METRIC TONNES OF MAIZE AND 68.2 METRIC TONNES OF PADDY RICE THIS MARKETING SEASON. LAST YEAR, THE FRA EXPERIENCED AN OVERWHELMING RESPONSE FROM FARMERS WHO CONTINUED TO DELIVER MAIZE TO RESPECTIVE FRA BUYING DEPOTS DESPITE THE FACT THAT THE FRA HAD ALREADY REACHED ITS PLANNED QUANTITY OF 500,000 METRIC TONNES OF MAIZE.

MR. SPEAKER,

THIS YEAR THE AGENCY PURCHASED 321,377 METRIC TONNES OF MAIZE FROM THE NORTHERN REGIONS, NAMELY LUAPULA, MUCHINGA, NORTHERN AND NORTH-WESTERN PROVINCES. THIS REPRESENTS 54% OF TOTAL MAIZE PURCHASES. THIS IS AN INCREASE OF 24% FROM 30.3% RECORDED IN THE 2013/2014 SEASON.

MR SPEAKER,

I LAY ON THE TABLE FIGURES ON THE STATUS BY PROVINCE OF THE QUANTITIES OF MAIZE PURCHASED BY FOOD RESERVE AGENCY AND THE FUNDS DISBURSED PER PROVINCE.

MR SPEAKER,

THE NORTHERN REGION FALLS UNDER AGRO-ECOLOGICAL REGION 3, WHICH IS OUR HIGH RAINFALL BELT. GOING FORWARD, I URGE OUR FARMERS IN THIS REGION TO INCREASE THEIR PRODUCTION ESPECIALLY IN VIEW OF THE FACT THAT THE SOUTHERN HALF OF THE COUNTRY HAS IN RECENT YEARS EXPERIENCED REDUCED RAINFALL DUE TO CLIMATE CHANGE.

FURTHER, THE DEMAND FOR MAIZE IN THE SUB-REGION WILL REMAIN VERY HIGH FOR SOME TIME TO COME.

MR. SPEAKER,

WITH REGARD TO RICE, THE AGENCY ONLY MANAGED TO PURCHASE 68.2 METRIC TONNES OF PADDY RICE AGAINST THE TARGET OF 2,100 METRIC TONNES. THE PADDY RICE WAS PURCHASED FROM NORTH WESTERN AND WESTERN PROVINCES OF ZAMBIA. THE REDUCTION IN THE AMOUNT OF RICE PURCHASED BY THE AGENCY IS ATTRIBUTED TO THE LOW PRICE AT WHICH FRA IS PURCHASING RICE WHICH WAS SET AT K60 PER 40KG BAG. MEANWHILE, THE PRIVATE SECTOR HAS BEEN OFFERING A BETTER PRICE THAN THAT OFFERED BY FRA AND HAS BEEN BUYING THE BULK OF THE RICE. THIS IS AS IT SHOULD BE.

MR SPEAKER,

I AM DELIGHTED TO REPORT TO THIS AUGUST HOUSE AND THE NATION AT LARGE THAT THE TREASURY HAS TO DATE, RELEASED A TOTAL OF K894,289,575 TO PAY FARMERS FOR THE CROP THEY SOLD TO THE AGENCY. OF THIS AMOUNT, A TOTAL OF K646.8 MILLION WAS

RELEASED EARLIER AND PAID TO THE FARMERS. THE BALANCE OF K247.5 MILLION HAS ALSO SINCE BEEN RECEIVED BY FRA AND IS NOW BEING DISBURSED TO VARIOUS DISTRICTS TO PAY OFF THE BALANCE OWED TO FARMERS.

MR SPEAKER,

THIS IS A MAJOR ACHIEVEMENT CONSIDERING THAT ALL THE FUNDS TO PAY FARMERS WERE MOBILISED WITHIN A MONTH AFTER THE CLOSURE OF THE MARKETING EXERCISE ON 31ST OCTOBER, 2015.

WHEN COMPARED WITH THE 2014 CROP MARKETING SEASON, THE AGENCY HAD ONLY DISBURSED K461,798,720.00 BY 23RD NOVEMBER, 2014 LEAVING A BALANCE OF K982,039,480.00 OWING TO FARMERS. THE FARMERS WERE ONLY PAID IN FULL IN JANUARY, 2015.

MR SPEAKER,

THE AGENCY IS COMMITTED TO ENSURING THE SAFETY OF THE CROPS PURCHASED BY MAINTAINING IT IN GOOD QUALITY. TO-DATE, THE AGENCY HAS MOVED TO SAFETY 99% OF THE PURCHASED CROP. THE BALANCE IS

BEING MOPPED UP FROM DIFFICULT TO REACH LOCATIONS USING A COMBINATION OF FRA TRUCKS AND DEDICATED LOCAL TRANSPORTERS.

MR SPEAKER,

I WISH TO ONCE AGAIN COMMEND OUR HARD WORKING FARMERS AND URGE THEM TO NOW PROCURE THEIR INPUTS IN READINESS FOR THIS SEASON. WE PRAY TO GOD ALMIGHTY TO BLESS US WITH GOOD RAINS DURING THE SEASON.

MR SPEAKER I THANK YOU.