



**Republic of Zambia**

**MINISTRY OF AGRICULTURE**

**STATEMENT**

**BY**

**HON. DORA SILIYA, MP,**

**MINISTER OF AGRICULTURE,**

**ON**

**"FOOD SECURITY SITUATION IN THE COUNTRY"**

**21<sup>st</sup> OCTOBER, 2016**

**MR. SPEAKER,**

LET ME THANK YOU FOR GIVING ME THIS OPPORTUNITY TO UPDATE THE HOUSE AND THE NATION AT LARGE ON '**THE FOOD SECURITY SITUATION IN THE COUNTRY**'. THIS STATEMENT HAS BEEN NECESSITATED BY THE RECENT DIRECTIVE FROM HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC OF ZAMBIA, MR EDGAR CHAGWA LUNGU, ON THE NEED FOR MY MINISTRY TO CLOSELY MONITOR THE FOOD SECURITY SITUATION IN THE COUNTRY. I THEREFORE, WISH TO USE THIS OCCASION TO INFORM PARLIAMENT AND THE PUBLIC AT LARGE ON POLICY MEASURES AIMED AT ENSURING THAT NATIONAL FOOD SECURITY IS MAINTAINED AND SUSTAINED.

**MR. SPEAKER,**

TOTAL MAIZE PRODUCTION FOR THE 2015/2016 SEASON WAS ESTIMATED TO BE **2,873,052** METRIC TONNES. THE COUNTRY ALSO HAD A MAIZE CARRY-OVER STOCK AMOUNTING TO **667,524** METRIC TONNES AS AT 1<sup>ST</sup> MAY, 2016 BRINGING THE TOTAL SUPPLY OF MAIZE AVAILABLE FOR THE 2016/2017 MARKETING SEASON TO **3,540,576** METRIC TONNES. YOU MAY WISH TO NOTE THAT TOTAL

AVAILABILITY FOR THE 2015/2016 MARKETING SEASON WAS **3,963,622** METRIC TONNES OF MAIZE.

THE NATIONAL FOOD BALANCE SHEET FOR THE PERIOD 1<sup>ST</sup> MAY 2016 TO 30<sup>TH</sup> APRIL 2017 TOTAL MAIZE REQUIREMENTS IS AS FOLLOWS;

- HUMAN CONSUMPTION REQUIREMENTS - 1,588,831 METRIC TONNES
- STRATEGIC RESERVE STOCKS - 500,000 METRIC TONNES
- STOCKFEED REQUIREMENTS - 257,912 METRIC TONNES
- BREWERIES REQUIREMENTS - 115,500 METRIC TONNES
- GRAIN RETENTION BY FARMERS FOR PLANTING - 100,000 METRIC TONNES
- FIVE PERCENT ESTIMATED OFF-FARM LOSSES - 143,653 METRIC TONNES
- INFORMAL CROSS BORDER TRADE - 200,000 METRIC TONNES

THE ABOVE MENTIONED ESTIMATED TOTAL REQUIREMENTS AMOUNT TO **2,905,896** METRIC TONNES OF MAIZE.

WHEN TOTAL MAIZE REQUIREMENTS ARE SUBTRACTED FROM TOTAL MAIZE AVAILABILITY, THE FOOD BALANCE

SHEET INDICATES THAT THE COUNTRY HAD A MAIZE SURPLUS OF **634,680** METRIC TONNES.

THE COUNTRY ALSO RECORDED INCREASED PRODUCTION IN SEVERAL OTHER KEY FOOD SECURITY CROPS. PRODUCTION OF SOYA BEANS WAS ESTIMATED TO HAVE INCREASED BY 18.19 PERCENT TO 267,490 METRIC TONNES IN THE 2015/2016 SEASON FROM 226,323 METRIC TONNES IN 2014/2015. PRODUCTION OF SWEET POTATOES WAS ESTIMATED TO HAVE INCREASED BY 95.96 PERCENT TO 231,882 METRIC TONNES IN THE 2015/2016 SEASON FROM 118,330 METRIC TONNES IN 2014/2015. PRODUCTION OF SORGHUM WAS ESTIMATED TO HAVE INCREASED BY 73.66 PERCENT TO 14,107 METRIC TONNES IN 2015/2016 FROM 8,123 METRIC TONNES IN 2014/2015. PRODUCTION OF GROUNDNUTS WAS ESTIMATED TO HAVE INCREASED BY 18.07 PERCENT TO 131,562 METRIC TONNES IN 2015/2016 FROM 111,429 METRIC TONNES IN 2014/2015.

**MR. SPEAKER,**

THE 2015/2016 SEASON WAS A UNIQUE YEAR NOT ONLY FOR ZAMBIA BUT FOR MOST SADC COUNTRIES. ACCORDING TO THE SADC REGIONAL FOOD BALANCE

SHEET, ZAMBIA AND TANZANIA ARE THE ONLY COUNTRIES IN THE SADC REGION THAT HAVE RECORDED A SURPLUS IN MAIZE PRODUCTION. THE SADC REGION AS A WHOLE HAS RECORDED A MAIZE DEFICIT OF OVER 3.9 MILLION METRIC TONNES. THE SITUATION HAS BEEN MADE WORSE BY THE FACT THAT SOUTH AFRICA, THE MAIN EXPORTER OF MAIZE TO THE SADC REGION, HAS RECORDED A SIGNIFICANT MAIZE DEFICIT IN EXCESS OF 1.6 MILLION METRIC TONNES. AS A RESULT, THE PRICE OF MAIZE IN SOUTHERN AFRICA HAS BEEN ABOVE AVERAGE IN 2016 COMPARED TO PREVIOUS YEARS. FOR EXAMPLE, THE REGIONAL PRICE OF MAIZE IN 2015 WAS APPROXIMATELY US\$200 PER METRIC TONNE. CURRENTLY, THE AVERAGE PRICE OF MAIZE IN THE REGION IS APPROXIMATELY US\$280 PER METRIC TONNE WITH PRICES AS HIGH AS US\$370 PER METRIC TONNE IN SOME NEIGHBOURING COUNTRIES. ALTHOUGH ZAMBIA HAS THE LOWEST PRICE OF MAIZE IN THE REGION AT US\$221 PER METRIC TONNE, THIS SITUATION HAS PUT UPWARD PRESSURE ON THE PRICE OF MAIZE IN ZAMBIA.

**MR. SPEAKER,**

THIS YEAR, THE FOOD RESERVE AGENCY STARTED PURCHASING MAIZE FROM FARMERS ON 12<sup>TH</sup> JULY 2016. THE FOOD RESERVE AGENCY HAS BEEN PURCHASING

MAIZE AT K85 PER 50 KILOGRAMME BAG. ON THE OTHER HAND, THE PRIVATE SECTOR HAS BEEN PAYING FARMERS BETWEEN K90 AND K110 PER 50 KILOGRAMME BAG OF MAIZE.

IT IS IMPORTANT TO POINT OUT THAT ZAMBIA HAS A LIBERALIZED MAIZE MARKETING POLICY. THE PRIVATE SECTOR IS FREE TO BUY MAIZE AND OTHER COMMODITIES FROM FARMERS AT MUTUALLY AGREED MARKET PRICES.

THE HIGHER PRICE OF MAIZE BEING PAID BY THE GRAIN TRADERS IS GOOD FOR OUR FARMERS. HOWEVER, IT HAS CREATED A CHALLENGE ON HOW TO MANAGE NATIONAL FOOD SECURITY, ESPECIALLY WITH RESPECT TO THE PRICE OF MEALIE MEAL FOR CONSUMERS. THE APPETITE FOR GRAIN TRADERS TO EXPORT MAIZE TO NEIGHBOURING COUNTRIES, WHERE THEY EXPECT TO GET A HIGHER PRICE COMPARED TO ZAMBIA HAS CREATED INFLATIONARY PRESSURE ON THE PRICE OF MEALIE MEAL. IT IS FOR THIS REASON THAT GOVERNMENT RESUMED INTERVENTIONS IN THE MARKET IN JULY 2016, BY RELEASING CHEAPER MAIZE TO MILLERS THROUGH THE FRA. THIS WAS DONE TO STABILIZE THE PRICE OF MEALIE MEAL ON THE MARKET.

**MR. SPEAKER,**

AS AT 10<sup>TH</sup> OCTOBER 2016 THE FOOD RESERVE AGENCY HAD PURCHASED 276, 608 METRIC TONNES OF MAIZE. IN ADDITION THE FRA ALSO HAD 55,108 METRIC TONNES CARRIED OVER FROM THE 2015/2016 MARKETING SEASON. THIS BRINGS TOTAL STOCKS HELD BY THE AGENCY TO 331,716 METRIC TONNES AS AT 10<sup>TH</sup> OCTOBER 2016.

ON THE OTHER HAND, THE PRIVATE SECTOR HAS THIS SEASON PURCHASED 903,630 METRIC TONNES OF MAIZE FROM THIS YEAR'S HARVEST. AS AT 10<sup>TH</sup> OCTOBER 2016, THE GRAIN TRADERS ALSO HAD 103,000 METRIC TONNES OF MAIZE STOCKS CARRIED OVER FROM THE 2015/2016 MARKETING SEASON. SOME LARGE SCALE MEMBERS OF THE ZAMBIA NATIONAL FARMERS' UNION ARE ALSO HOLDING 66,434 METRIC TONNES OF MAIZE.

WHEN ALL THE ABOVE PRIVATE SECTOR STOCKS ARE CONSIDERED AND AFTER EXPORTS AS WELL AS SALES ON THE LOCAL MARKET, THE PRIVATE SECTOR IS HOLDING VERIFIED TOTAL MAIZE STOCKS AMOUNTING TO 794,785 METRIC TONNES AS AT 10<sup>TH</sup> OCTOBER 2016. WHEN THE FOOD RESERVE AGENCY STOCKS ARE ADDED TO THE PRIVATE SECTOR STOCKS, TOTAL IN-COUNTRY STOCKS OF MAIZE AS AT 10<sup>TH</sup> OCTOBER, 2016 WERE ESTIMATED AT

1,126,501 METRIC TONNES. THIS FIGURE DOES NOT INCLUDE MAIZE STOCKS STILL BEING HELD BY SMALLHOLDER FARMERS, SOME LARGE SCALE FARMERS AND SOME GRAIN TRADER STOCKS WHICH WERE NOT CAPTURED DURING THE VERIFICATION EXERCISE.

I AM ALSO AWARE THAT THERE IS POTENTIAL FOR THE COUNTRY TO PRODUCE AN ESTIMATED 100,000 METRIC TONNES OF EARLY MAIZE BY MARCH 2017 AND I HAVE ALREADY BEGAN ENGAGING STAKEHOLDERS ON THIS MATTER.

**MR. SPEAKER,**

GIVEN THE INFORMATION THAT I HAVE JUST PRESENTED, IT IS CLEAR THAT THE COUNTRY DOES HAVE SUFFICIENT MAIZE FOR HUMAN CONSUMPTION AND INDUSTRIAL REQUIREMENTS TO LAST BEYOND THE END OF THE CURRENT MARKETING SEASON IN APRIL 2017. MY MINISTRY, THROUGH THE NATIONAL STOCKS COMMITTEE IS CONDUCTING MONTHLY UPDATES OF THE STOCKS HELD BY MILLERS, GRAIN TRADERS AND THE ZNFU.

**MR. SPEAKER,**

THERE HAVE BEEN NUMEROUS REPORTS IN THE MEDIA OF MAIZE BEING ILLEGALLY EXPORTED INTO NEIGHBOURING



COUNTRIES. I WISH TO INFORM THE HOUSE THAT GOVERNMENT HAS PUT IN PLACE STRINGENT MEASURES TO ENSURE THAT THE VICE IS MINIMIZED OR EVEN STOPPED ALTOGETHER. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK THE SECURITY WINGS FOR THEIR TIRELESS EFFORTS IN ENSURING THAT THE INFORMAL EXPORT OF MAIZE AND MEALIE MEAL IS STOPPED. ONCE GOVERNMENT HAS SECURED SUFFICIENT STRATEGIC RESERVES, IT IS MY INTENTION TO ALLOW FOR THE RESUMPTION OF EXPORTS OF MAIZE AND MEALIE MEAL PRODUCTS TO OUR NEIGHBOURING COUNTRIES AS A WAY OF SUPPORTING THE PRIVATE SECTOR, PROMOTING ECONOMIC GROWTH, JOB CREATION AND INCREASE FOREIGN EXCHANGE EARNINGS.

**MR. SPEAKER,**

GOVERNMENT HAS PUT IN PLACE THE FOLLOWING MEASURES TO ENSURE THAT NATIONAL FOOD SECURITY IS MAINTAINED:

**A.** THE FOOD RESERVE AGENCY WILL CONTINUE IN THE MARKET UNTIL IT SECURES AN ADDITIONAL 187,000

METRIC TONNES OF MAIZE TO BRING THE STRATEGIC RESERVE LEVELS TO JUST OVER 500,000 METRIC TONNES;

- B. GOVERNMENT WILL ALLOW FOR THE RESUMPTION OF EXPORTS OF MAIZE AND MAIZE PRODUCTS AFTER MEETING THE STRATEGIC FOOD RESERVE REQUIREMENTS;
- C. GOVERNMENT THROUGH THE NATIONAL STOCKS COMMITTEE WILL CONTINUE TO VERIFY THE STOCKS HELD BY GRAIN TRADERS, MILLERS AND THE ZAMBIA NATIONAL FARMERS' UNION; AND
- D. LAW ENFORCEMENT AGENCIES AND THE SECURITY WINGS WILL CONTINUE TO ENSURE THAT SMUGGLING OF MAIZE AND MEALIE MEAL IS STOPPED. CONFISCATED TRUCKS, MAIZE AND MAIZE PRODUCTS WILL BE IMPOUNDED AND DISPOSED OFF IN ACCORDANCE WITH THE LAW;
- E. MAIZE SEED, MAIZE BRAN AND OTHER PERMITTED AGRICULTURAL PRODUCTS WILL CONTINUE TO BE EXPORTED

**MR. SPEAKER,**

MY MINISTRY HAS ALSO ADVANCED PREPARATIONS FOR THE 2016/2017 FARMING SEASON AND I WILL, AT AN

APPROPRIATE TIME ISSUE A COMPREHENSIVE STATEMENT ON THE STATUS OF THE FARMER INPUT SUPPORT PROGRAMME.

PRELIMINARY WEATHER FORECAST INDICATIONS ARE THAT MOST OF THE COUNTRY WILL EXPERIENCE IMPROVED RAINFALL DURING THE COMING RAINY SEASON. I, THEREFORE, WOULD LIKE TO URGE OUR FARMERS TO BEGIN EARLY PREPARATIONS FOR THE UPCOMING FARMING SEASON.

**MR. SPEAKER,**

AS GOVERNMENT WE ARE COMMITTED TO INTRODUCING OTHER FOOD CROPS INTO ZAMBIA'S FOOD BASKET. IN PARTICULAR, GOVERNMENT WILL PROMOTE THE USE OF CASSAVA AND SORGHUM FOR BLENDING WITH MAIZE AND WHEAT. LAST WEEK I DID INFORM THE HOUSE THAT MY MINISTRY WILL CONDUCT A REVIEW OF THE FARMER INPUT SUPPORT PROGRAMME AS WELL AND THE OPERATIONS AND MANDATE OF THE FOOD RESERVE AGENCY. IT IS MY INTENTION TO PROPOSE NEW POLICY MEASURES TO ENSURE THAT OTHER CROPS CAN BE SUPPORTED SO THAT THE COUNTRY CAN ATTAIN TRUE CROP DIVERSIFICATION

FOR IMPROVED NUTRITION, FOOD SECURITY AND JOB  
CREATION.

**MR. SPEAKER, I THANK YOU.**