



STATEMENT ON

**THE LAUNCH OF THE 2020 FOOD RESERVE AGENCY CROP MARKETING
PROGRAMME**

BY

**CHOLA KAFWABULULA
EXECUTIVE DIRECTOR**

24TH JUNE 2020

- **GUEST OF HONOUR,** THE HONOURABLE MINISTER OF AGRICULTURE, MR. MICHEAL KATAMBO,MP
- THE PERMANENT SECRETARY OF AGRICULTURE, MR. SONGOWAYO ZYAMBO,
- DISTINGUISHED GUESTS, LADIES AND GENTLEMEN,
- MEMBERS OF THE PRESS.

LADIES AND GENTLEMEN

TODAY WE ARE PRIVILEGED TO HAVE THE HONOURABLE MINISTER OFFICIATE AT THE OCCASION OF THE LAUNCH OF THE 2020 FOOD RESERVE AGENCY CROP MARKETING PROGRAMME. THE PRESENCE OF THE MINISTER UNDERSCORES THE GOVERNMENT'S DESIRE TO PROMOTE AND DEVELOP THE AGRICULTURE SECTOR, AND INDEED SUSTAINANCE OF NATIONAL FOOD SECURITY.

LADIES AND GENTLEMEN

THE FOOD RESERVE AGENCY (FRA) IS A GOVERNMENT STATUTORY INSTITUTION ENACTED BY AN ACT OF PARLIAMENT, CAP 225 OF THE LAWS OF ZAMBIA TO MAINTAIN AND ADMINISTER THE NATIONAL STRATEGIC FOOD RESERVES WHICH MAINLY COMPRISE OF STAPLES SUCH AS MAIZE, RICE AND CASSAVA. AMENDED IN 2005, THE FOOD RESERVE ACT INCORPORATED THE CROP MARKETING FUNCTION.

THE FRA'S MANDATE CAN BE SUMMARISED IN THE FOLLOWING THREE CORE FUNCTIONS:

- (i) MANAGING THE NATIONAL STRATEGIC FOOD RESERVES;
- (ii) PROVIDING MARKET ACCESS TO SMALLHOLDER FARMERS;
- AND
- (iii) MANAGING PUBLIC AGRICULTURAL STORAGE FACILITIES.

IN ADDITION, THE FOOD RESERVE ACT PROVIDES FOR INCLUSION OF ANY OTHER FUNCTIONS TO THE ABOVE MANDATE BY THE MINISTER RESPONSIBLE FOR AGRICULTURE.

LADIES AND GENTLEMEN

DURING THE 2019 CROP MARKETING PROGRAMME, THE AGENCY PURCHASED 86,510.10 METRIC TONS OF WHITE MAIZE AGAINST THE TARGET OF 300,000 METRIC TONS REPRESENTING 28.8%. THE AGENCY ALSO PURCHASED 9 METRIC TONS OF SOYA BEANS REPRESENTING 0.2% OF THE TARGET OF 4,000 METRIC TONS AND NO PADDY RICE WAS PURCHASED. THE AGENCY OPERATED A TOTAL OF 600 SATELLITE DEPOTS THROUGHOUT THE COUNTRY.

THE LOW PURCHASES WERE ATTRIBUTED TO LOW NATIONAL PRODUCTION RECORDED IN THE YEAR RESULTING FROM PROLONGED DROUGHT AND THE COMPETITIVE PRICES, COUPLED WITH ATTRACTIVE PAYMENT TERMS OFFERED BY THE PRIVATE SECTOR. THIS WAS INDEED A THREAT ON THE FOOD SECURITY OF THE COUNTRY.

DUE TO THE NEGATIVE IMPACT ON THE PRODUCTION OF MOST CROPS CAUSED BY THE DROUGHTS AND FLOODS WHICH OCCURRED DURING THE 2018/2019 AGRICULTURAL SEASON, THE AGENCY DEMONSTRATED ITS RELEVANCE BY RESPONDING TO THIS THREAT BY OFFLOADING GRAIN FROM THE NATIONAL STRATEGIC FOOD RESERVES AND ANCHORED GOVERNMENT INTERVENTIONS TO ENSURE NO ONE DIED FROM HUNGER, INSPITE OF REPEATED CALLS FROM CERTAIN SECTIONS OF SOCIETY TO DECLARE A NATIONAL DISASTER. BETWEEN **JANUARY 2019 AND MAY 2020**, THE AGENCY

OFFLOADED APPROXIMATELY **443,000 METRIC TONNES OF MAIZE** TO THE DISASTER MANAGEMENT AND MITIGATION UNIT, **LOCAL COMMUNITIES, THE MINISTRY OF EDUCATION HOME GROWN SCHOOL FEEDING PROGRAMME AND TO MILLERS.**

LADIES AND GENTLEMEN

AS OF **1ST MAY 2020** THE **AGENCY** HAD CARRY OVER STOCKS STANDING AT **GROSS PHYSICAL OF 82,982.02 METRIC TONNES OF NON GMO WHITE MAIZE, 73 METRIC TONNES OF SOYA BEANS AND 3.64 METRIC TONNES OF PADDY RICE.**

DUE TO THE DEPLETED STOCK LEVELS IN THE NATIONAL STRATEGIC FOOD RESERVES, **THE REPUBLICAN PRESIDENT OF ZAMBIA, HIS EXCELLENCY, DR EDGAR CHAGWA LUNGU,** DECLARED THE IMMEDIATE NEED FOR THE AGENCY TO PURCHASE **1,000,000 METRIC TONNES OF MAIZE** TO REPLENISH THE RESERVES. THIS INTERVENTION IS MEANT TO CUSHION THE NATION FROM THE EFFECTS OF THE THREATS EMANATING FROM CLIMATE CHANGE, FALL ARMY WORM ATTACKS, PEST INFESTATION AND LOCUST INVASION AND MOST RECENTLY THE RESPONSES THE COUNTRY NEEDS TO DEVELOP IN THE POST CORONA VIRUS (COVID-19) PANDEMIC ERA.

DURING THE ANNOUNCEMENT OF THE 2020 CROP FORECAST, HONOURABLE MINISTER, YOU INDICATED THAT THE FRA WILL DURING THE 2020 CROP MARKETING SEASON ACTIVELY PARTICIPATE AND MAKE EARLY ENTRY INTO THE MARKET TO ENSURE THAT THE NATIONAL STRATEGIC FOOD RESERVE REQUIREMENTS ARE MET. I AM

PLEASED TO ANNOUNCE TO YOU THAT THE AGENCY HAS HEEDED TO THIS REQUIREMENT BY ENSURING THAT WE ARE READY TO BUY THE STOCK IN ALL AREAS WHERE THE MOISTURE CONTENT HAS REACHED 12.5% FOR MAIZE.

LADIES AND GENTLEMEN

FOLLOWING THE ANNOUNCEMENT OF THE PURCHASE PRICES, THE FRA HAS ADVANCED ITS PREPARATIONS FOR THE 2020 CROP MARKETING EXERCISE. THE CROP MARKETING EXERCISE IS PRECEDED BY INTENSIVE PLANNING, WHICH INCLUDES THE FOLLOWING ACTIVITIES:

- PROVISION OF MARKET ACCESS TO THE SMALL SCALE FARMERS IN RURAL AREAS BY TARGETING TO OPERATE 1,200 SATELLITE DEPOTS
- PREPOSITIONING OF MARKETING REQUISITES SUCH AS EMPTY GRAIN BAGS, SIEVES, AND BAILING TWINE
- REPAIR AND SERVICING OF THE PLATFORM SCALES, AN ANNUAL ENFORCEMENT THAT ENSURES FAIR TRADE WITH FARMERS.
- DISINFECTION OF STORAGE SHEDS FOR GRAIN DISEASES AND PESTS THAT ENSURES GOOD WAREHOUSE MANAGEMENT.
- REGISTRATION OF TRANSPORTERS FOR LOCAL MOVEMENT AND SECURING OF PURCHASED GRAIN
- MONITORING OF THE GRAIN MOISTURE CONTENT UNTIL 12.5% AS PER PRESCRIBED STANDARDS IS ATTAINED TO ENSURE LONG TERM STORAGE AND AVOID WASTAGE OF THE GRAIN. AS AT 18TH JUNE 2020, THE NATIONAL AVERAGE MOISTURE CONTENT WAS 14.10%. SO FAR, 4% (3) OF THE OPERATIONAL DISTRICTS HAVE ATTAINED THE 12.5% RECOMMENDED MOISTURE CONTENT, 14% (11) ARE LIKELY DURING THE WEEK WHILE 62% (50) BY THE END OF THE WEEK. THE COMMENCEMENT OF THE PROGRAMME IN SOME DISTRICTS IN MUCHINGA AND NORTHERN PROVINCES

COULD DELAY DUE TO THE LATE RAINS AND FLOODS EXPERIENCED.

- EMPLOYMENT CREATION THROUGH THE ENGAGEMENT OF 4,800 SEASONAL BUYERS AND SECURITY GUARDS DRAWN FROM THE LOCAL COMMUNITIES WHO ARE MAINLY YOUTH AND WOMEN
- THEORETICAL AND PRACTICAL TRAINING OF PERSONNEL THAT WILL BE BUYING THE CROP WHICH IS CURRENTLY ON GOING COUNTRYWIDE BEFORE THEY ARE DEPLOYED IN DEPOTS.
- THE AGENCY HAS SINCE DEVELOPED TRAINING MODULES SUPPORTED BY FRA'S OWN ON THE FIELD SATELLITE HANDBOOK AND STANDARD OPERATING PROECEDURE MANNUAL.

THE AGENCY INTENDS TO PURCHASE THREE COMMODITIES AS FOLLOWS:

1) WHITE MAIZE – 1,000,000 METRIC TONS

2) SOYA BEAN – 3,000 METRIC TONS

3) PADDY RICE – 1,000 METRIC TONS

- THE AGENCY SHALL OPERATE 1,200 SATELLITE DEPOTS IN 105 DISTRICTS.
- THE FARMERS SHALL BE PAID THROUGH DESIGNATED BANKS UPON PRESENTATION OF APPROPRIATE DOCUMENTATION
- FUNDS FOR FARMER PAYMENT ON FIRST COME FIRST SERVED BASIS WILL BE MADE AVAILABLE AND FRA WILL DISBURSE TO THE VARIOUS DISTRICTS FARMER PAYING FINANCIAL INSTITUTIONS IN READINESS FOR PAYMENT TO FARMERS WHO

DELIVER THE CROP TO OUR DEPOTS UPON MEETING THE NECESSARY DOCUMENTATION AND SCRUTINY.

- THERE IS A STRONG COMMITMENT SO FAR FROM GOVERNMENT TO CONTINUE RELEASING FARMER PAYMENT FUNDS PERIODICALLY AND PROMPTLY TO ENSURE FRA MEETS ITS PURCHASE TARGET.
- THE AGENCY APPEALS THROUGH YOUR OFFICE THAT THE COMMITMENT EXHIBITED BY GOVERNMENT THROUGH TREASURY TO PURCHASE THE CROP IS EXTENDED SERIOUSLY TO ALSO THE SERVICE PROVIDERS SUCH AS PIECE WORKERS AND LOCAL TRANSPORTERS TO ENSURE WHAT IS PURCHASED IS FULLY SECURED AND NOT WASTED, BY PAYING THEM FOR OUTSTANDING AND UPOMING SERVICES. IT IS SUCH PAYMENTS THAT BRING ABOUT LOCAL ENTREPREURSHIP AND IMPROVED LIVING STANDARDS FOR LOCAL COMMUNITIES AND INDEED REVENUE TO GOVERNMENT THROUGH TAXES.
- AS THE MANDATE DICTATES THAT THE AGENCY PROVIDES MARKET ACCESS TO THE RURAL AND OUTLYING AREAS WHERE OUR SMALL SCALE FARMERS ARE LOCATED, WE WISH TO APPEAL THROUGH YOUR OFFICE TO SEEK THE INTERVENTION OF THE RELEVANT MINISTRIES AND AUTHORITIES TO LOOK INTO THE STATE OF SOME FEEDER ROADS LEADING TO SOME OF THE SATELLITE DEPOTS WHICH COULD HAVE BEEN LEFT IN POOR CONDITION DUE TO HEAVY RAINS AND FLOODS. THIS IS TO ENABLE THE TRANSPORTERS HAVE EASY ACCESS TO MOP UP THE PURCHASED CROP AND ALSO REDUCE ON THE VEHICLE MAINTENANCE COSTS

HONOURABLE MINISTER, CORONAVIRUS DISEASE (COVID-19) CONTINUES TO POSE A THREAT TO OUR NORMAL WAY OF LIFE AND HAS AFFECTED MANY BUSINESS OPERATIONS. FRA HAS AMPLIFIED THE GUIDELINES PUT IN PLACE BY GOVERNMENT THROUGH THE DEVELOPED COVID-19 PREVENTION MEASURES IN SATELLITE DEPOTS. THESE MEASURES INCLUDE THE MANDATORY WEARING OF FACE MASKS, SOCIAL AND PHYSICAL DISTANCING AND GOOD HYGIENE AT DEPOTS. FARMERS, STAFF AND VISITORS AT THE DEPOTS ARE EXPECTED AT ALL TIMES TO ADHERE TO THESE GUIDELINES TO PROMOTE SAFETY AND HEALTH FOR EVERYONE.

IN ITS QUEST TO ENSURE THE SAFETY OF ITS FRONT-LINE STAFF, THE AGENCY HAS GONE FURTHER TO REQUEST FOR DONATION FROM THE DISASTER MANAGEMENT AND MITIGATION UNIT (DMMU), OF COVID-19 PERSONAL PROTECTIVE EQUIPMENT AND MATERIALS FOR THE 17,983 FRONT-LINE STAFF AND WORKERS IN THE PROCUREMENT OF THE NATIONAL STRATEGIC FOOD RESERVES. THIS IS CRUCIAL AS ALL BUYERS, OTHER DEPOT WORKERS AND SERVICE PROVIDERS WILL PLAY AN IMPORTANT ROLE IN ENSURING THAT THE AGENCY MANAGES TO BUY THE TARGETED PURCHASE QUANTITY OF **1 MILLION METRIC TONNES**.

LAST BUT NOT THE LEAST, WE WISH TO ASSURE THE NATION THAT FRA, THROUGH YOUR SUPPORT AND THAT OF GOVERNMENT, SHALL WORK TIRELESSLY TO ENSURE THE ADMIRABLE ACHIEVEMENT OF MAINTAINING STOCK LOSSES AT BELOW 1% AND CONTINUE TO BE A BEACON OF QUALITY FOOD RESERVE MANAGEMENT IN THE REGION.

I THANK YOU & GOD BLESS YOU ALL

CHOLA A. KAFWABULULA
EXECUTIVE DIRECTOR
FOOD RESERVE AGENCY