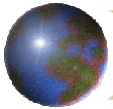


Staple food prices in Zambia

Antony Chapoto (MSU), Jones Govereh (COMESA),
Steven Haggblade (MSU) and Thomas Jayne (MSU)

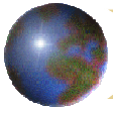
Presented at the Comesa policy seminar
"Food price variability: Causes, consequences, and policy options"
on 25-26 January 2010 in Maputo, Mozambique
under the Comesa-MSU-IFPRI African Agricultural Markets Project (AAMP)



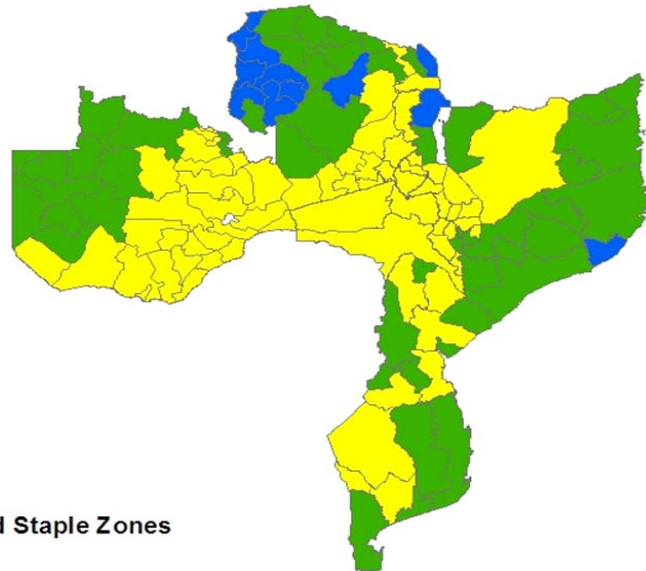
Main staples

- Maize is main staple (over one-half of caloric intake)
- Cassava second (main staple in northern and western Zambia)
- Wheat third (urban areas)

Commodity	Quantity consumed (kg/person/year)	Daily caloric intake (kcal/person/day)	Share of caloric intake (percent)
Maize	133	1122	57%
Cassava	83	252	13%
Wheat	17	136	7%
Others	111	465	24%
Total	345	1975	100%

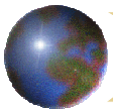


Food staple zones



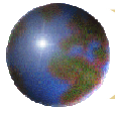
Food Staple Zones

- cassava belt: cassava > 75% area
- dual staple: cassava & maize 25-75%
- maize belt: maize > 75% area



Prices differ by food staple zone

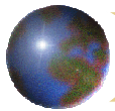
	Product	Prices (Kw/kg)		Relative prices cassava/maize
		cassava	maize	
Cassava belt				
Mansa	flour/mugaiwa	444	889	0.50
Kawambwa	flour/mugaiwa	444	778	0.57
Dual staple zone				
Kasama	chips/grain	469	778	0.60
Serenje	chips/grain	444	667	0.67
Maize belt				
Lusaka	chips/grain	800	700	1.14



Importance of trade

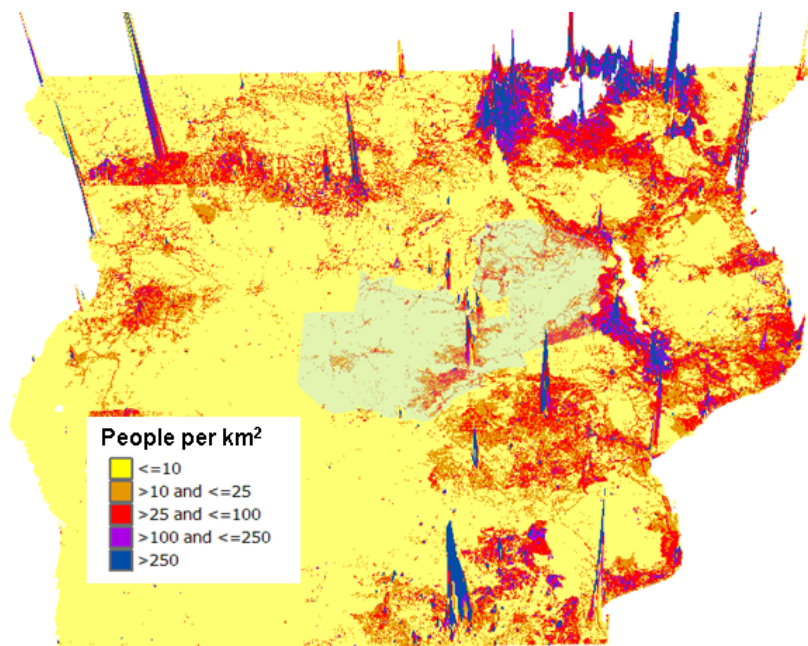
- Maize: surplus in good years, deficit in drought years
- Cassava: surplus, but little traded across borders
- Wheat: approaching self-sufficiency

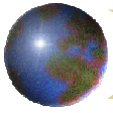
Commodity	Production (1000 tonnes)	Imports		Exports	
		(1000 tonnes)	as % of consumption	(1000 tonnes)	as % of consumption
Maize	1,219	60	4.8%	33	2.7%
Cassava	982	0	0.0%	-	0.0%
Wheat	116	72	38.3%	0	0.0%
Others	3,323	215	6.7%	329	9.9%
Total	5,640	346	6.2%	362	6.4%



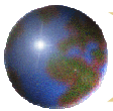
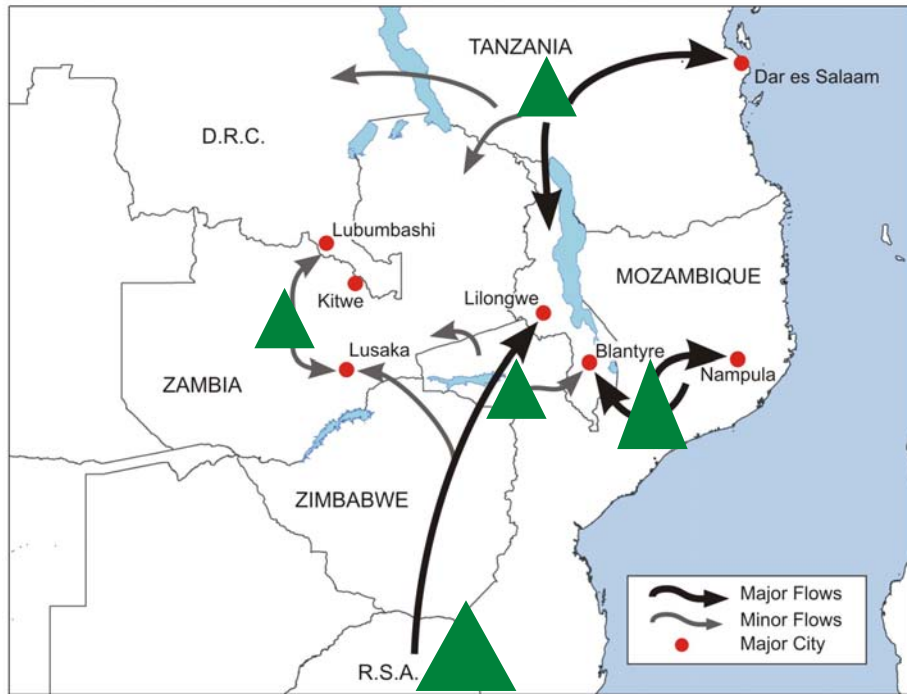
Zambia:

- Sparsely populated
- Commercial farming blocks along line of rail

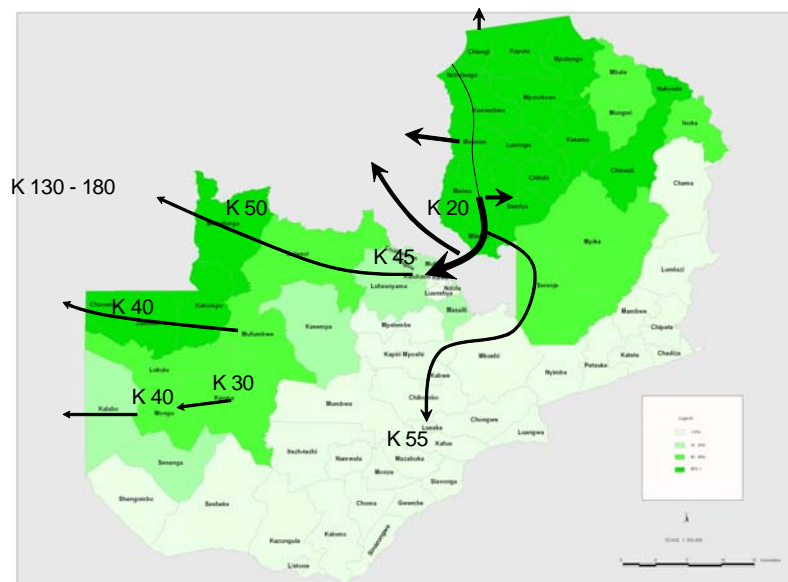


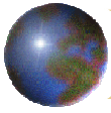


Importance of trade – maize trade flows



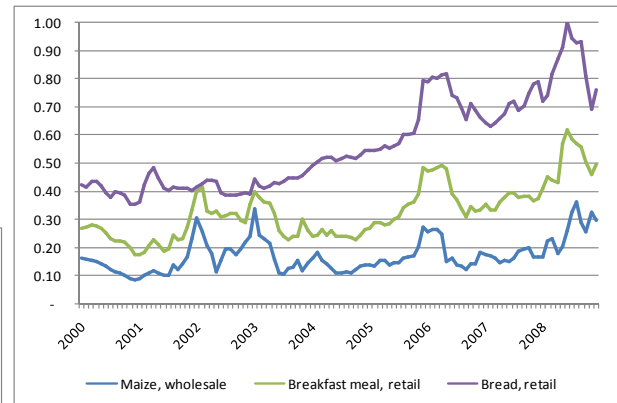
Importance of trade –cassava flows



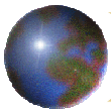
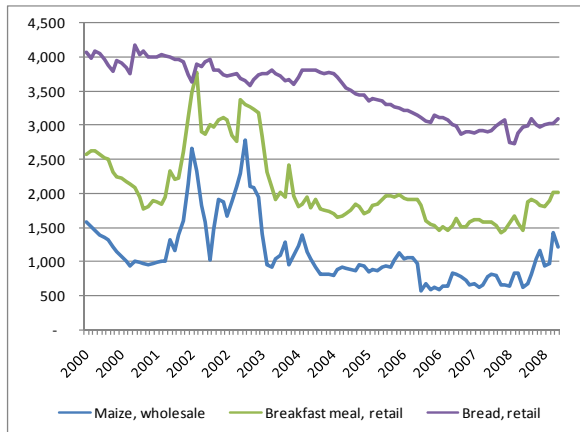


Price trends – Maize and wheat

● Up in dollars



● Down in real Kwacha



Food policy – response to 2007 price spike

- ban maize exports
- consider reduction in the maize import duty
- sell subsidized maize to millers in order to moderate maize meal prices for consumers
- allocate additional resources for fertilizer subsidies in the 2008/09 production season

- FRA purchases 25% maize crop
- Holds carry-over stocks of 100,000 to 250,000 tons