ZAMBIA’S MAIZE PRODUCTION OUTLOOK

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INTRODUCTION

- It is a well known fact that the environment in Zambia is favourable for the production of a wide variety of crops including grains such as the staple food maize, wheat, sorghum, millet, soya beans etc.

- Historically, Zambia has been perceived to have the potential to be the bread basket of the region. Can this become a reality?

- Recent information shows that in the 2012/13 farming season cereal output by the SADC region falls short of its regional requirements by 5.45 million metric tons.
Zambia’s potential to feed the region may have regrettably not yet been translated into a reality but our agricultural production has recorded steady strides in its growth.

Today the story of Zambia being a net importer of wheat is history with the country boasting of having an exportable surplus of about 20,000 MT of the actual wheat grain from the 2011/12 crop in addition to wheat flour exports which continue to take place.

Soya beans production has also skyrocketed from about 57,000 metric tons in 2008 to over 210,000 in 2013.

As a country, however, we still have to exponentially grow our output in order for our production levels to rise to those of regional giants such as South Africa which produces about 1.87 million tons of wheat, 11.4 million tons of maize and 780,000 tons of soya beans.
MAIZE PRODUCTION TRENDS

- It would not be far fetched to state that almost every farmer has an idea on how to grow maize.
- However, the majority of farmers are not getting the maximum yields feasible.
- ZNFU is aware that productivity levels are very low, especially from the major producers of the staple food; the small-scale farmers, who together with the medium-scale farmers account for over 90 percent of the total maize output.
- There is general consensus that imparting knowledge on good farming practices is not a negotiable issue, we just have to direct resources towards this needy area so that extension services can be revamped.
After suffering severe shocks such as the 2002 drought, maize production has been on a growth path partly due to:

- Government’s introduction of subsidies to small-scale farmers which have to some extent increased access to fertilizers and certified seed.
- Promotion of Conservation farming Techniques
- Improved access to inputs through the Lima Credit scheme funded by Zanaco and implemented in collaboration with ZNFU.

This has led to farmers dedicating over 50 percent of the total land under cultivation in the last four season’s to maize production.
2012/13 Area under maize Vs. Other crops

- Maize: 59%
- Other: 41%
MAIZE PRODUCTION TRENDS (cont..)

• The favourable weather conditions and supportive environment led to the country recording 3 bumper harvests between 2010 and 2012.

• We can however not avoid to note that maize production is tipping downwards as illustrated in the graph on next slide
Zambia's Maize Production Trends

Source: Ministry of Agriculture and livestock

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Zambia's Maize Production Trends - contd

➢ As observed from the graph, the 2013 maize crop was estimated at 2.47 million tons by ZNFU and 2.53 million tons by the Ministry of Agriculture.

➢ Adding carry over stocks to the production and netting out consumption requirements of around 2.53 million MT leaves a surplus of 453,955 MT.

➢ It's important to note that grain marketing and storage have largely not been addressed even in the times of high production.
Zambia's Maize Production Trends - contd

• Over the years, the involvement of the large scale farmers in the production of the staple food has dwindled because of marketing uncertainties arising from government’s interventions which slowly became a major player in providing inputs and in crop purchasing, thereby crowding out private sector participation in maize production and marketing.

• Production of maize on purely commercial basis became eroded completely by government’s supply of subsidized maize to the millers in the 2011/12 and 2012/13 marketing season.
Currently, production of early maize, which has production costs that are higher than the rain fed maize because of the cost of irrigation and drying, is unattainable unless a formula could be found to blend costs of cheaper maize with the expensive maize.

Nevertheless, we ought to be aware that as a country, it is possible to mitigate food security crisis through early maize although at a premium.

although most of the small-scale farmers have had an almost guaranteed market through the Food Reserve Agency, delayed payments became predominant and the grain marketing system became unsustainable.
OUTLOOK ON FUTURE PRODUCTION

As stated earlier, it is without doubt that Zambia has adequate natural and labour resources to support further growth of the agricultural sector and increased output of maize.

However, other factors come into play when trying to forecast the future production of maize.
FACTORS INFLUENCING FUTURE PRODUCTION

Policy environment

Access to inputs

Extension Services

Marketing and storage infrastructure

Research and Technology

Maize Production
1. Access to Inputs

- Late distribution of fertilizers to beneficiaries of the government fertilizer input support programme has been a major concern as delayed application of fertilizer has negative effects on maize yields which are currently at an average of 1.55 tons per hectare.

- Under the ZNFU APS, over 53 percent of the Fertilizer Input Support Programme beneficiaries complained of late delivery of both top and basal dressing fertilizer in the 2012/2013 farming season.

- Within the ZNFU Lima Credit Scheme, improvements in yields have been observed primarily because of timely provision of inputs.
Access to Inputs (cont...)

- Part of the solutions to resolving delayed access to inputs can be through the shift to the use of the E-Voucher system which would allow the farmer to have access to inputs as and when required through locally available agro-dealers.

- Fertilizer costs have also been prohibitive for farmers who do not access the government subsidies as they account for over 30% of the total costs of inputs used in maize production.

- Petrol & diesel prices rose by about 21% early this year and could potentially rise further. This translates in higher maize production costs as transportation of both inputs and maize output to the market will inevitably be higher. The high fuel price also influence the costs of certain farming activities such as land preparation and harvesting if mechanized.
2. Extension Services

• According to the ZNFU 2013 APS small and medium scale farmers harvested only about 66 percent of the 1.59 million hectares planted mostly due to drought and lack of or late application of fertilizer.

• Western and Southern provinces were the most affected by drought.

• Ready access to production information such as the appropriate technologies to adopt in order to maximize returns through the provision of extension services would have minimized some of these losses.

• It has been proven that farmers who adopt good agricultural practices have produced yields above 8 tons per hectare.
3. Research and Technology

• In order to address the low productivity challenges it is evident that farmers need to be continuously exposed to modern farming technologies in various forms.

• Though Zambia is known to have a successful grain seed industry which boasts of seed exports, it is still common to find farmers using uncertified seed.

• Some farmers are also still dependant on hand hoe and ox drawn farming techniques which inhibits their opportunities to expand production.

• The Union has recognized these gaps and in collaboration with GART, have taken the lead to expose a majority of farmers to modern technologies through what will become a one stop shop for all Agritech information be it in relation to machinery, seed technology, modern breeding technology, etc.

• Advanced plans are already under way to establish an Agritech Expo Park, and by the second quarter of 2014, this should become a reality. All the stakeholders are invited to be part of this.
4. Policy Environment

- Government’s bold decision to remove consumption subsidies on maize is welcome because this will create an opportunity to stimulate production of maize on a commercial basis. This should be possible so long as there is no cap on the mealie meal prices.

- Furthermore, production subsidies targeted at small scale producers should be sustained if maize production is to be sustained. Currently, there is no alternative institution to support small scale farmers apart from the schemes that have come on board in collaboration with a few banks by the Union.

- In a bid to contain mealie meal prices downwards and to improve the competitiveness of maize and maize products in the export markets, a joint submission was made for the 2014 national budget requesting government to VAT zero rate maize and maize products. If this is implemented, the costs of production will generally reduce hence maize and maize products could become more affordable to the majority of the people.
5. Marketing and Storage Infrastructure

- There has been increased realisation by all categories of the farming community that farming is a business. Therefore, with any business, one critical component is the availability of market.

- The visible hand of government was in the past heavily involved in the marketing of the staple food crop thereby crowding out private stakeholder participations. The move by government to remove maize subsidies to millers has resulted in increased private sector participation in maize marketing and improved market access for farmers at competitive prices during the current 2013/14 marketing season.
5. Marketing and Storage Infrastructure

- A bottleneck that still exists is inconsistencies on the export policies and delays at the border when exporting maize and maize value added products such as mealie meal if not a total ban on exporting of maize and maize by-products.
- In our view, so long as the FRA has secured the country’s strategic food reserves, an open trade policy on maize could trigger expansion in maize production.
- This year, the uncertainty on the Food Reserve Agencies payment modalities for maize purchased by small holder farmers raised a lot of anxiety among the small-scale farmers with most of them looking for alternative markets with guaranteed cash payments.
5. Marketing and Storage Infrastructure (cont...)

- It is important to recognize that lack of a structured platform for commodity exchange limits access to marketing information to farmers and all the other players in the chain. Hence, the need for a well structured commodity market exchange which would attract the participation of more players in grain marketing remains vital. This would enhance transparency in pricing through the trading floor and in the process encourage maize production even by large scale producers.

- Implementation of the warehouse receipt system would also aid the development of an efficient grain marketing system.
5. Marketing and Storage Infrastructure (cont...)

• Although the potential to be the grain basket of the region is fully recognized, such that the country could become a producer of adequate maize for local consumption and exports, the country’s current storage infrastructure cannot contain high levels of output.

• The storage deficiency became evident when the country recorded bumper harvests as the post harvest losses increased.

• In this respect, Public Private Partnerships should be enhanced in the construction of grain storage facilities. Adequate and well maintained storage facilities will also be essential in the implementation of the warehouse receipt system.
CONCLUSION

• All in all, Zambia has demonstrated that it has the ability to grow its output of the staple food crop, maize.

• The future of the country’s maize production lies in the country’s ability and will to address the challenges highlighted above.
THE END

THANK YOU FOR YOUR ATTENTION