The Grain Traders Association of Zambia is a self regulating commodity traders’ association

Established in 2005 to:
• Promote sound trading rules and regulations
• Encourage the development of small and medium traders
• Work with government and other stakeholders to improve the agricultural sector in Zambia

69 Members engaged in:
• National, regional & international commodity trading and broking
• Storage and commodity financing
• Contract farming and outgrowing

Expanding membership through:
• With support from Musika, developing a cadre of trained small/medium traders as transparent and constructive market players,
• Encouraging cooperatives to be members to improve their role in the commodities market
The grain marketing and pricing dynamics for the 2013 marketing season

In 2013, the markets witnessed the delayed start of the marketing season:

- Price opened around K1,400 quickly rose to a high of K1,600 per ton.
- The market slowed down end July to K1,500, then K1,300 to K1,400 per ton for most of August, rising to K1,450-K1,550 as at today.
- Supply has not generally been to expected levels

The removal of the consumer subsidy and the decision by Government to restrict FRA to strategic reserve of 500,000mt have boosted the grain traders’ efforts to develop a strong and constructive relationship with the smallholder market, millers & other users.
Afgri storage facility, Mkushi
Maize Grain  Mealie Meal

- K per Ton Maize Grain  Breakfast Meal
  - K1,300  -  55
  - K1,400  -  57
  - K1,500  -  60
  - K1,600  -  66
  - K1,700  -  70
  - K1,800  -  72
  - K2,000  -  75
Maize Marketing Outlook

• Establish the current status through the Stock Monitoring Committee.
• Stakeholders to declare stock figures
  ➢ GTAZ  170,000mt
  ➢ MAZ     ............mt
  ➢ ZNFU  ............mt
  ➢ FRA     ............mt
• Total consumption from Sept. 2013 to June, 2014
• Let us be open to determine if we will be short of supply before next harvest or not?
Direction: is action Lacking?

• Stock Monitoring Committee (Once in 2 years)
• Uncertainty has continued and heightened without firm dialogue and varying inconsistent messages from policy makes

• Millers – Are Not convinced there will be NO intervention
• FRA Situation – Stock position
• GTAZ – Unregulated exports of maize
GSS storage facility, Lusaka
Recent policy changes support greater investment in storage and trading

Removal of the consumer subsidy and the reduction in FRA activity mean:

- Millers are participating strongly in the market
- Competition among private players is strong, reflecting in good prices to farmers
- Dynamics of supply and demand mean projection of higher prices later in the season which mean more incentive to store
- Traders are starting to open purchase and storage facilities in markets previously underserved by the private sector, taking the market to the farmer

BUT, SO MUCH MORE CAN BE DONE WHEN ZAMBIA HAS A CONSISTENT POLICY ....
## Summing up

**FOOD BALANCE SHEET (Extract)**

2012/2013 MAL/CSO Crop Forecast Survey

### Maize

<table>
<thead>
<tr>
<th></th>
<th>In MT</th>
<th>Actuals</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Availability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Opening stocks (1st May 2013)</td>
<td>455,221</td>
<td>455,221</td>
<td></td>
</tr>
<tr>
<td>(ii) Total production (2012/13)</td>
<td>2,532,800</td>
<td>2,532,800</td>
<td></td>
</tr>
<tr>
<td><strong>Total availability</strong></td>
<td>2,988,021</td>
<td>-</td>
<td>2,988,021</td>
</tr>
</tbody>
</table>

### Requirements

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>(i) Staple food requirements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human consumption</td>
<td>1,429,739</td>
<td>476,580</td>
<td>953,159</td>
</tr>
<tr>
<td>Strategic Reserve Stocks (net)</td>
<td>500,000</td>
<td>180,000</td>
<td>320,000</td>
</tr>
<tr>
<td>(ii) Industrial requirements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockfeed</td>
<td>223,300</td>
<td>74,433</td>
<td>148,867</td>
</tr>
<tr>
<td>Breweries</td>
<td>100,000</td>
<td>33,333</td>
<td>66,667</td>
</tr>
<tr>
<td>Grain retained for other uses</td>
<td>34,347</td>
<td>34,347</td>
<td>-</td>
</tr>
<tr>
<td>(iii) Losses</td>
<td>126,640</td>
<td>9,000</td>
<td>117,640</td>
</tr>
<tr>
<td>(iv) Structural cross-border trade</td>
<td>120,000</td>
<td>40,000</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>Total requirements</strong></td>
<td>2,534,026</td>
<td>847,693</td>
<td>1,686,333</td>
</tr>
</tbody>
</table>

**Surplus/(Deficit)**

|          | 453,995  | (847,693) | 1,301,688 |
GRAIN TRADERS
Association of Zambia

Thank You