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US professor advises govt on managing bumper harvests

By Ndinawe Simpelwe

A US professor says the Zambian government should draw lessons from the mishandled 2009/2010 bumper harvest.

Professor Thomas Jayne of Michigan State University, who is currently attached to the Food Security Research Project in Zambia, said there were alternative strategies that the government could use to ensure that Zambians reaped the full benefits of bumper crops in future.

Prof Jayne said the country expected another bumper harvest this year with about 800,000 metric tonnes from last year's harvest still in the Food Reserve Agency (FPA) storage.

(FRA) storage.

He said this would reduce the FRA's capacity to buy and store maize this year as was the case in the previous marketing season.

"Transport capacity limits private exportation to 80,000 metric tonnes between now and June and the bottom line is prices (of maize) will be lower in 2011 dan in 2010," he said.

Prof Jayne said there should be lessons learnt from some of the policy actions that were made and their impact.

"FRA maize was not competi-

tive in regional export markets. FRA exports in 2010/2011 have entailed a loss of US\$91 to US\$177 per tonne exported," he said.

He said in this way, the government had discouraged private exportation which otherwise could have relieved the national surplus without imposing major financial losses on the treasury...

"After adding FRA marketing costs, millers could obtain maize more cheaply from local markets [and from South Africa] than from the FRA, unless it relied on the Zambian treasury to subsidise the FRA's sale price." he said.

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He said the upward pressure
that FRA's activities exerted on
the maize market prices made
meali-meal more expensive for
urban and rural consumers.

He advised the government to set the FRA parchase price with reference to production and cost of production estimates which the agriculture ministry and the Central Statistical Office were institutionalising on annual busis.

Prof Jayne also said it was important to facilitate private sector exports adding that most private exporters were denied export permits after the bumper harvest.

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