Govt subsidy to millers not sustainable - Weber

By Fridah Zinyama and Chibulu in Mazabuka

GOVERNMENT'S decision to subsidise the millers through the supply of cheaper maize is not sustainable for Zambia, Agricultural Consultative Forum (ACF) Food Security advisor professor Michael Weber has observed.

And chairperson for the Parliamentary Committee on Agriculture Request Muntanga has called on government to subsidise production of maize in the country as a long-term measure to resolving mealie-meal shortages as opposed to subsidising consumption.

Commenting on the decision by government, through the Food Reserve Agency (FRA) to purchase maize from millers and resell it at subsidised prices, Prof Weber in an interview said there was need for more transparency in the maize crop marketing system if the current mealie-meal shortages were to be permanently eliminated.

Prof Weber said there was tightness i the maize marketing system last year which had led to the current problems being experienced in the country.

"Some of the millers have not been open about the stock of maize which they have in their warehouses and I think this is what has led to the current expensive mealie-meal on the market," he said. "This has prompted government through the Food Reserve Agency (FRA) to subsidise the millers, a scenario which is not sustainable."

Prof Weber said government's decision to subsidise the millers was very costly and could not be relied upon to sort out the problems in the maize sector.

"We understand that government has to be concerned about whether there is enough food in the country but this has to be done in a sustainable manner," said Weber.

And Muntanga said government's decision to buy maize from millers at a subsidised price would create future problems as millers were always going to expect government to bail them out.

"The only solution to the mealie-meal shortages in the country is for government to ensure that it comes up with proper measures of subsidising production," he said. "Small-scale farmers should have access to inputs and this will subsequently lead to enough food production and low maize prices in the country."

Muntanga expressed concern at the rate at which the mealie meal sector was being handled in the country.

"If things continue being run like this, government will be held at ransom, where millers will continue hoarding maize expecting government to subsidise them," Muntanga said.

Meanwhile, some mealie-meal traders in Mazabuka have inflated prices of the commodity which is now fetching at between K 60,000 and K 75,000 at Nakambala market.

A survey conducted at Nakambala, which is Mazabuka's largest market revealed that a 25 kilogramme bag of National Milling breakfast had been hiked from K 45,000 to K 70,000 while that of roller meal was being sold at K 60,000, from K 36,000.

Leading supermarkets had by yesterday completely run out of the commodity, forcing traders on the black markets to inflate prices by almost double the original price.

Traders talked to said the price of the staple food could not be reduced because Zambia, as a free market economy, promotes competition in business.

They also said the price of mealie meal at the market was cheaper than some Namibian shops in the central business district which were now pegging the price of the commodity at around K 75,000 per 25 kilogramme bag.