



RESTRICTION ON THE IMPORTATION OF ONION AND TABLE POTATOES



PRESS STATEMENT

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On Monday the 8th of February 2021, the Permanent Secretary of the Ministry of Agriculture Mr. Songawayo Zyambo, in a letter addressed to the Zambia Revenue Authority (ZRA) Commissioner General Mr. Kingsley Chanda, restricted the importation of onion and table potatoes. The Ministry of Agriculture through a stakeholder consultation resolved to restrict the importation of onion and table potatoes in line with President Dr. Edgar Chagwa Lungu's directive to prioritize and promote the consumption of locally produced fruits and vegetables.

PMRC commends Government on this move, **as it is in step with achieving Government's aspiration of enhancing production within the Agriculture sector as highlighted within the third pillar of the Economic Recovery Plan. The Plan aims to restore growth and diversity within the economy.**

There are several benefits in the economy that come with regulating imports of a particular commodity, which is produced locally or rather domestically. In line with available information which shows that Zambia has the capacity to meet the demand for the two commodities, **the restriction will not only increase production but will impact positively on the commodities value chains.** Government intends to fully migrate the Farmers Input Support Program (FISP) from the Direct Input Supply mode to **the e-Voucher, which gives farmers a choice of crops by the 2022/2023 farming season.** PMRC believes that with the full migration to the e-Voucher and the restriction on importation of the commodities, more farmers will venture into onion and potatoes farming

which will further ensure that local demand for the commodities is met.

In the case of Zambia, restricting the importation of horticultural crops particularly onion and table potatoes **will promote and strengthen the horticultural value chain, which has shown positive growth potential over the years.** Moreover, this will promote crop diversification among small-holder farmers, the majority of whom still grow the staple maize. They will be able to shift to farming of onion and table potatoes. This will in turn increase household income and wealth among the farmers and also enable them to achieve food security and nutrition in their households. Furthermore, the increased participation of farmers in the production of these specific crops will increase off-taker opportunities in the industry. **This tends to provide ready markets for the products and reduce the transaction costs farmers face in trying to access these markets for that particular commodity.**

In addition, this move by the Government will work towards stabilizing the balance of payments considering that it will become expensive to import onion and table potatoes because of the continuous depreciation of the Zambian Kwacha. **Thus, the country will be able to save enough money for use in other undertakings such as procuring medical drugs and vaccines inter alia which are currently important in light of the Coronavirus pandemic.** This move will also stimulate local production as well as generate a marketable surplus of the product for distribution in chain stores and exports in foreign markets. On the other hand, consumers will be able to access onions and potatoes at affordable prices in the market. The restriction also has the potential to increase job creation, as the importation of commodities tends to affect local employment. The restriction on the importation will also prevent the introduction and spread of plant pests that are new or not widely distributed in Zambia.

In order for farmers to fully participate and diversify into the industry, small-scale farmers must form cooperatives that enable cost-sharing opportunities and output market sourcing. There is need to consider practicing contract farming with the appropriate model that can work well for the onion and potato industry towards reducing hunger and alleviating poverty in the economy. Also, to ensure that quality onions and potatoes are supplied to the domestic and international markets, PMRC urges Government to engage the Zambia Bureau of Standards (ZABS) **to develop the scale of standards that local farmers should meet in the production and distribution of onion and table potatoes.** Furthermore, PMRC recommends that the Government prioritizes investing in cold storage warehouses. This stems from the fact that onion and table potatoes are perishable commodities, hence investments in these facilities will improve and prolong the shelf life of the products, which can eventually reduce any unforeseen supply shortages of onion and potatoes in the market.

For more details, interviews or queries about this PMRC Media Statement
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