



## ANALYSIS OF THE 2021/2022 FOOD RESERVE AGENCY CROP MARKETING PRICES

### PRESS STATEMENT

**FOR IMMEDIATE RELEASE**

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The Food Reserve Agency (FRA) officially announced the buying prices for designated agricultural commodities for the 2021 crop-marketing season on 31st May 2021. This is in line with its mandate of managing the national strategic food reserves, provision of market access to smallholder farmers and managing the public agricultural storage facilities. Through Statutory Instrument (SI) No.73 of 2012, **the FRA is mandated to buy eight designated crop commodities which include white maize, orange maize, rice, sorghum, sunflower, groundnuts, soya bean and beans as strategic food reserves.**

In the 2020/2021-marketing season the Agency intends to buy three commodities from the eight designated commodities for their reserves, which include **white maize (500,000 Metric tonnes), soya bean (50,000 Metric Tonnes) and paddy rice (10,000 Metric Tonnes).**

The Agency has set the price for purchasing the mentioned designated agricultural commodities during the 2021 crop-marketing season as follows:

S/No	Commodity type	Price ZMW/KG	Price ZMW/Bag	Unit Measure	Price ZMW/MT
1	Maize	3.00	150	50Kg	3,000
2	Soya bean	10.00	500	50Kg	10,000
3	Paddy rice	5.00	200	40Kg	5,000

**The prices reflect an increase from the 2020 marketing season for white maize, soya bean and paddy rice. The price for white maize has increased from K110 in 2020 to K150 in 2021, soya bean from K150 in 2020 to K500 in 2021 and paddy rice from K70 in 2020 to K200 in 2021. It must be mentioned that the prices announced by FRA do not reflect the floor prices for the**

**2021 marketing season but FRA prices for buying commodities under the principle of willing seller and willing buyer. Under the principle, the Agency has provided an opportunity for small scale farmers who have contributed 93% of the 2020/2021 crop production to actively get a fair share of the market by enabling them to determine the prices of their commodities.**

Policy Monitoring and Research Centre (PMRC) commends FRA for the measures put in place to manage the national strategic food reserves such as the provision of market access to smallholder farmers and managing the public agricultural storage facilities. PMRC has noted that, as a way of ensuring a smooth marketing season **the agency will operate 1200 depots in 105 districts and reposition marketing prerequisites such as empty grain bags and sieves as well as repairing of platform scales.**

Secondly, PMRC is elated by the decision of the Agency to carry out a scenario analysis in arriving at the 2021 commodity prices which considers farm gate and open market prices, **factoring in the cost of inputs to reflective pricing as well as consultations with market shareholders and players in the crop marketing value chain.**

In order to secure the strategic food reserves, **PMRC urges the Agency to enter the market at the earliest possible time in order to meet their targets and to avoid unscrupulous buyers taking advantage of the small-scale farmers.** In addition, plans to buy the stated amounts of commodities will allow for a more private sector participation in the sector such as millers and private grain traders thereby moving towards achieving the country's aspirations of promoting private sector participation in the agricultural sector.

Lastly, PMRC urges the FRA in the near future to **increase the amount of quantities to purchase for other commodities such as rice, soya bean and other legumes as a way of driving towards the country's crop diversification agenda.**

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**MRS. BERNADETTE DEKA-ZULU**  
Executive Director

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

**POLICY MONITORING AND RESEARCH CENTRE**  
Ministry of National Development Planning Complex,  
Corner of Nationalist and John Mbita Roads, Ridgeway, Lusaka.  
Tel: +260 211 269 717 | +260 979 015 660  
<http://pmrczambia.com>

