

BNB Press Statement

18th March 2019

Lifting of Mealie Meal export ban to impact negatively on the Poor.

The JCTR's February, 2019 Basic Needs Basket (BNB) for a family of five in Lusaka stood at **K 5,331** which was **K64** less than the January BNB which stood at **K 5,395.35**. The most significant changes were noted in fish which increased by **K9** from **K131** in January to **K140** in February per kg due to the fish ban. **Mealie meal** increased by **K3** from **K83** in January to **K86** in February per 25Kg. Kapenta reduced by **K23** from **K202** in January to **K179** in February per kg. Beans reduced by **K5** from **K27** in January to **K22** in February per Kg.

Despite the high cost of living as shown by the basic needs basket, in the recent past Government through the Minister of Agriculture, Mr. Katambo, lifted the ban on the export of mealie meal. The Export ban on mealie meal was passed to stabilize domestic food prices and ensure domestic food security. Export bans are widely used globally, regionally and in Zambia to protect domestic markets and citizens amidst uncertainties in supply or demand of basic commodities or services. Apart from ensuring that domestic producers and suppliers are well protected, export ban warrants that strategic reserves are maintained. The lifting of the ban might contribute positively to Zambia's Gross Domestic Product (GDP) and the Balance of Payments (BoPs) through increased foreign earnings from export revenues. It may also contribute to maize farmers' profitability and increase their incentives to produce maize.

However, this ban may impact negatively on the poorest of the poor who solely rely on maize meal. The current unpredictable weather patterns could have an effect on the production of maize which might affect the price of mealie meal. Lifting of the ban during a dry spell period may threaten food security and possibly cause an upward rise of the cost of mealie-meal locally. With the already high cost of living in Zambia, lifting of the ban could further increase the cost of living if not well managed as most households would now have to pay more for mealie meal due to increase in prices. With the lifting of the ban, producers would most likely prefer the export (foreign) market, where they would earn more, to the local one. This would significantly reduce the availability of the commodity locally thereby causing an increase in the price locally. Staple foods account for the majority of household expenditures for both rural and urban poor. Price hikes thus have the potential to deny the poor access to the commodity and to jeopardize the food security of rural and urban poor consumers'. Therefore, a further increase in the price of mealie meal may endanger the social and economic wellbeing of the poorest of the poor by denying them access to the commodity. The JCTR notes with worry that preferential option for the poor is being lost especially that their social concerns are not put first with regard to the lifting of the ban.

Thus JCTR calls on the government to legislate consistent policies on mealie meal exports to avoid the back and forth pronouncements of the export bans. The Country needs to have policies that will encourage farmers to produce maize throughout the year and ensure food security and stability of mealie meal prices locally. We further urge the government to closely monitor and regulate the amount of mealie meal being exported to avoid shortages and price hikes of the commodity in the long term. Finally, with the continued changes in the climate and its effects on agriculture, the government needs to start implementing climate adaptive measures to ensure food security sustainability in the country.

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