MARCH 2020 BASIC NEEDS AND NUTRITION BASKET PRESS STATEMENT

For Immediate Release

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POOR ECONOMIC PERFORMANCE: MORE DAMAGING ON POOR HOUSEHOLDS

The country has in the past month been faced with both economic and social difficulties. We have seen the country’s currency losing value against major currencies. From the 2nd to the 26th of March 2020 the Kwacha depreciated against the US dollar by 18.6 percent. On 2nd March 2020, the Kwacha traded at K15.22 to US$1. By 26th March, the Kwacha had moved to K18.05 to US$1. About the same time, we were faced with a shortage of the country’s staple food; mealie meal, which in turn led to an increase in the price of the commodity. Further compounding this problem, was the issue of load shedding with significant impact on Micro, Small and Medium Enterprises (MSMEs).

The March 2020 Basic Needs and Nutrition Basket (BNNB) by JCTR which measures the cost of living for a family of five (5) stood at K7, 014.13. This shows a K1.77 decline from K7, 015.90 in February 2020. In March 2019, the basket stood at K5, 543.16. The March 2020 basket recorded decreases in the price of items such as soya pieces which moved from K128.85 in February to K78.40 in March, vegetables which reduced from K391.00 in February to K340.73 for a monthly requirement of 40kg, Kapenta reduced from K202.73 per kg to K163.98, beans moved from K103.32 to 87.91 and banana moved from K171.66 to K156.31 for the recommended amounts of 16 kg. However, the basket recorded increases in the price of other items, mealie meal increased from K272.14 to K279.14 for 50kg, rice moved from K68.85 to K85.50 for 4 kg, potatoes moved from K39.35 to K49.39, milk increased by K20.9 moving from K139.97 to K160.83, tomatoes moved from K60.92 to K91.01 for 6 kg and cooking oil moved from K86.71 to K102.03 for 3.6 litres. For the essential non-food items, a noticeable increase was seen in the price of charcoal which moved from K300.00 in February to K344 in March 2020.

Evidently, the cost of living as measured by the BNNB still remains a challenge for the larger segment of the Zambian populace. While the BNNB has registered a marginal decrease of K1.77, the upward movement that has been seen in essential foods such as milk, rice, mealie meal, potatoes and cooking...
oil comes with implications especially with regards to nutrition. Households may either reduce the consumption amounts for these particular items or simply remove them from their shopping lists. This then leads to compromised diets and eventually reduces the amount of nutrients consumed. This further exacerbates the already existing malnutrition challenge in the country and robs individuals of their ability to live a dignified and healthy life.

JCTR further projects that the cost of living may increase over the next survey period in view of the current COVID-19 global health crisis. Of interest, is the 21 day economic lock-down that South African began on 27th March 2020. Particularly, we expect the price of fruits and potatoes to increase given our dependence on the South African market to supply them. Additionally, even for the locally produced food items, increased demand for goods may push prices upwards. Further, in the event of any restrictions on domestic travel, supply may be negatively affected and consequently prices.

The JCTR therefore, continues to reiterate the need for Government to increase resource allocation and commitment to a more sustainable climate resilient and diversified agriculture sector. This will significantly contribute to more consistent supply of some foods and help keep prices low. Further, effective measures to cushion the poor in times of crisis are urgently needed going forward. Not only that, there is also need for policies that will help to control the exchange rate volatility seeing how this has significant effects on businesses.

Attribute statement to JCTR Deputy Director, Father Alex Muyebe SJ.

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