

Voluntary Report – Voluntary - Public Distribution

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Report Name: Zambia Maintains its Status as a Net Exporter of Corn

Country: Zambia

Post: Pretoria

Report Category: Grain and Feed

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Report Highlights:

Zambia's production of its staple crop, corn, is expected to grow by 23 percent to 3.3 million metric tons (MMT) in marketing year (MY) 2023/24, mainly due to an upsurge in planted area. With expectations of a marginal growth rate in the domestic demand for corn and notwithstanding the government of Zambia's decision to temporarily embargo corn exports, Post estimates Zambia could export approximately 400,000 metric tons (MT) of corn in MY 2023/24. Zambia exported almost 1.1 MMT of corn in MY 2022/23 on record carry-over stocks of 1.5 MMT and higher demand from East Africa and neighboring countries. Zambia has made strides towards revising its biosafety policy, which will give momentum to revamped biosafety legislation, changing the current restrictive approach to biotechnology to a more science-based and enabling environment.

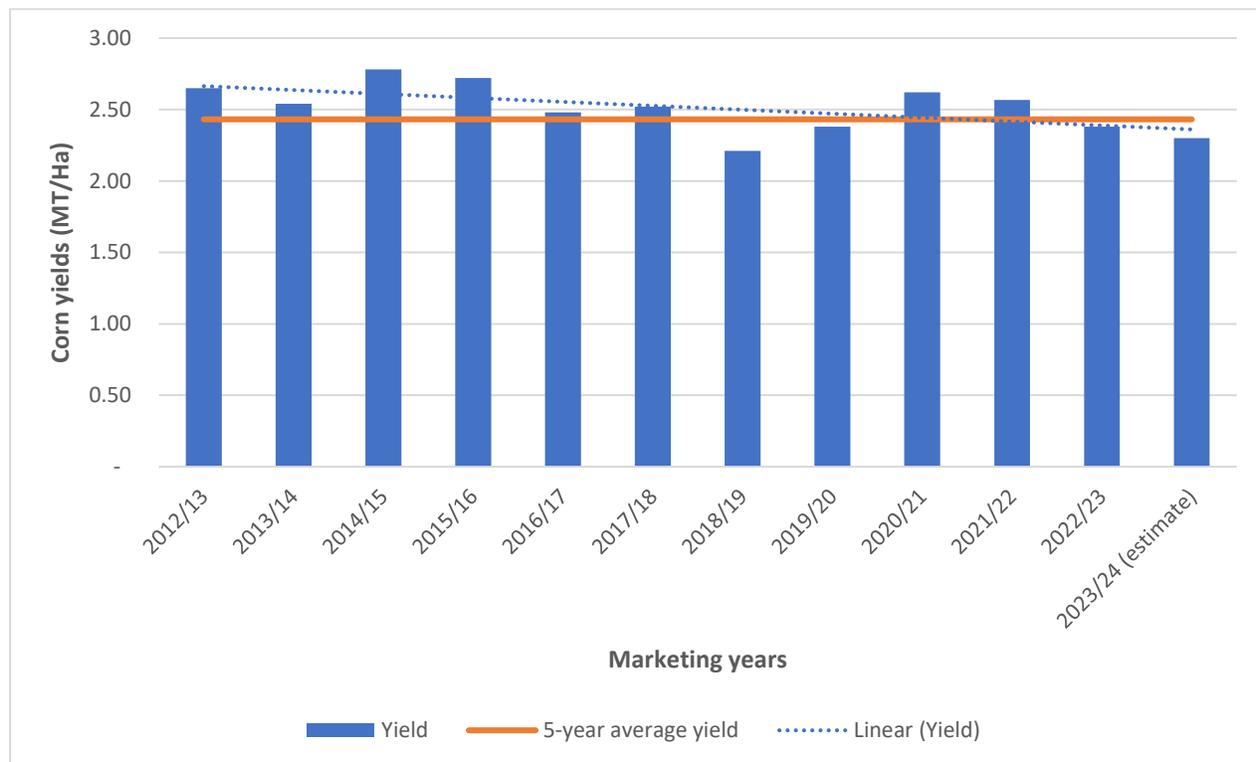
Corn

Production

Zambia’s corn crop is expected to grow by 23 percent to 3.3 MMT in MY 2023/24 (May 2023 to April 2024), mainly due to a 27 percent upsurge in area harvested to an estimated 1.4 million hectares (MHa). According to the Ministry of Agriculture in Zambia, the number of small- and medium-scale farming households that planted crops in MY 2023/24, expanded by 44 percent. The agricultural sector in Zambia is dominated by smallholder farmers who have limited access to irrigation technologies. As a result, corn production is almost entirely dependent on rainfall. During the production season, Zambia experienced floods, dry spells, and crop diseases, which had a negative impact on corn yields and mostly affected the major corn producing areas of the Southern, Eastern and Central provinces of Zambia. As a result, the expected corn yield of 2.3 MT/Ha in MY 2023/24 is 5 percent lower than the 5-year average corn yields for Zambia (see Figure 1). However, due to the upsurge in area, the estimated 3.3 MMT of corn production in MY 2023/24 is 16 percent higher than the average corn production of Zambia over the past five years (see Figure 2).

Figure 1

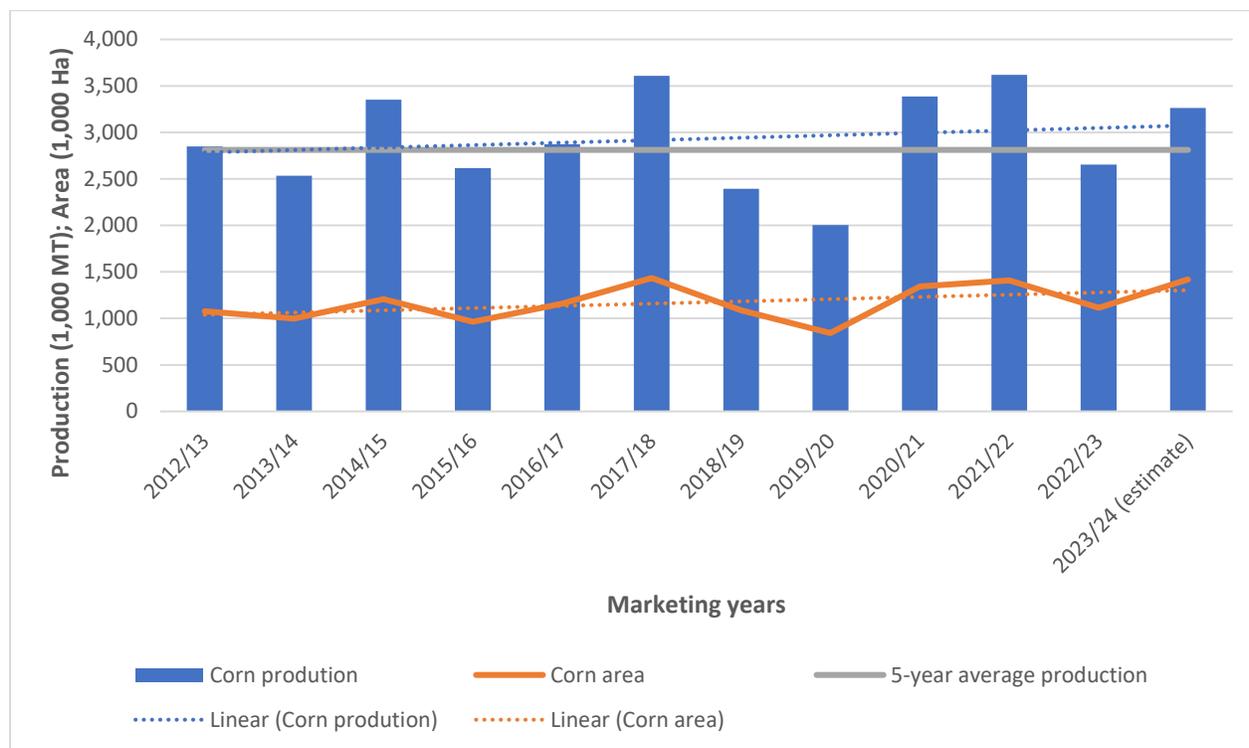
Zambia’s Corn Yield Trends



Sources: Zambia’s Ministry of Agriculture and USDA Estimates

Figure 2

Zambia's Corn Production



Sources: Zambia's Ministry of Agriculture and USDA

Planting conditions at the start of the season were generally favorable except in the northwestern region that received below average rainfall. However, heavy rains in mid-January over a wide area, including the Southern, Central, Eastern, and Lusaka provinces, resulted in severe flooding and crop damage. Despite the heavy showers, precipitation performance has been below average for much of the season with dry conditions in February further impacting crops particularly over southwestern areas. According to the Zambia's Department of Agriculture, 92,000 Ha of cropland was destroyed by heavy rains and flash floods, and 219,610 Ha was damaged by the dry spell.

The 2022/23 agricultural season was also characterized by an outbreak of fall armyworm and stalk borer that impacted yields negatively. The cultivation of genetically engineered (GE) corn is still prohibited in Zambia. However, the country has made strides towards revising its biosafety policy. This positions Zambia as more pro-biotechnology, and the revised policy is expected to give momentum to a change in biosafety legislation from the currently restrictive approach to a more science-based and enabling environment. These changes could help Zambia combat future outbreaks of pests and diseases.

Smallholder farmers account for more than 90 percent of corn production in Zambia. To increase the productivity of smallholder farmers, the Zambian government introduced the Farmer Input Support Program (FISP) program in 2009. The FISP supplies government-subsidized seed and

fertilizer to smallholder farmers. In MY 2023/24, more than a million smallholder farmers received 10 kilograms (kg) of corn seed, 300 kg of fertilizer, and either 25 kg of soybean seed or 20 kg of groundnut seed under the FISP. The Zambian government has announced that they will continue supporting small-scale farmers with agricultural inputs in future.

Table 1 indicates the area harvested, yield, and production of corn in Zambia for the past three marketing years. Table 2 breaks down Zambia's corn production in MY 2023/24 according to provinces. More than half of Zambia's corn production is concentrated in three areas, namely the Central, Eastern, and Southern provinces (see Figure 3). Almost all the corn planted in Zambia is white corn and is mainly used for human consumption.

Table 1

Zambia's Corn Planted Area and Production

MY	Area planted (1,000 ha)	Area harvested (1,000 ha)	Yield (MT/ha)	Prod. (1,000 MT)
2021/22	1,688	1,410	2.6	3,620
2022/23	1,564	1,115	2.4	2,654
2023/24 (estimate)	1,896	1,418	2.3	3,262

Source: Zambia's Ministry of Agriculture

Table 2

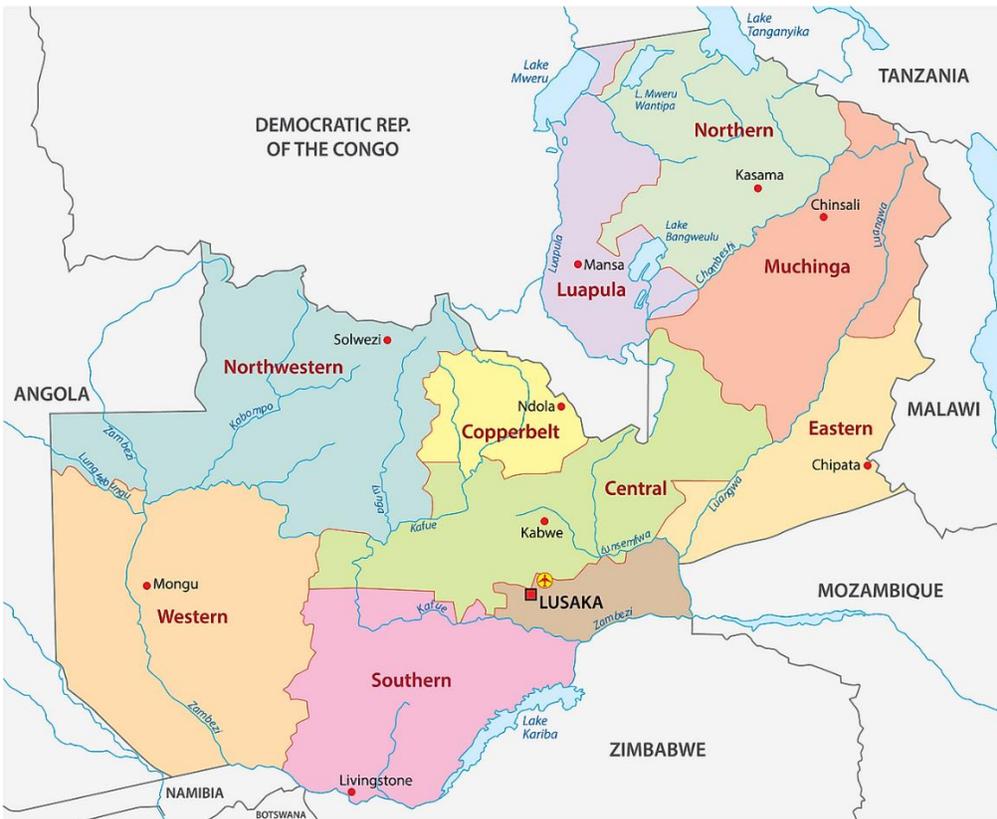
MY 2023/24 Corn Planted Area and Production by Province

Province	Area harvested (Ha)	Production (MT)	Percentage contribution to total production	Yield (MT/Ha)
Central	266,864	681,913	21	2.6
Eastern	272,019	544,303	17	2.0
Southern	235,349	448,479	14	1.9
Northern	152,028	376,133	12	2.5
Copperbelt	109,399	317,771	10	2.9
Muchinga	84,533	258,318	8	3.0
Northwestern	77,014	225,296	7	2.9
Luapula	67,117	174,106	5	2.6
Lusaka	66,765	138,395	4	2.1
Western	87,282	96,971	3	1.1
Total	1,418,370	3,261,685		2.3

Source: Zambia's Ministry of Agriculture

Figure 3

Map of Zambia



Source: World Atlas

Consumption

Corn is the single most important crop in Zambia. It is widely grown by smallholder farmers and is the national staple food in the form of a porridge called “nshima.” Corn provides about 60 percent of the caloric requirements of Zambia’s population of approximately 20 million. In addition to corn, Zambians also consume wheat, sorghum, and cassava as sources of carbohydrates. Post estimates that Zambia will demand about 2.1 MMT of corn for human consumption in MY 2023/24 (see Table 3). Industrial requirements are estimated at about 150,000 MT, while corn for animal feed for the poultry and livestock industries is estimated at around 315,000 MT. Post-harvest losses are estimated at about 5 percent of production. Thus, Zambia’s total domestic demand for corn in MY 2023/24 is estimated at 2.8 MMT, marginally more than in MY 2022/23. The struggling domestic economy, coupled with relatively high inflation rates for most agricultural products, hinders any major growth in the demand for corn. Economists expect Zambia’s inflation rate will remain above the target range of between 6 percent and 8 percent over the next two years, mainly due to sustained currency depreciation, rising energy costs, and higher food prices.

Table 3*Demand for Corn in Zambia*

MY	Food	Animal feed	Industrial	Losses	Other	TOTAL
(1,000 MT)						
2021/22	1,900	290	130	180	70	2,570
2022/23	2,000	305	140	145	75	2,665
2023/24 (estimate)	2,100	315	150	160	75	2,800

Source: Post estimates based on information from Zambia’s Ministry of Agriculture

Trade

Post estimates Zambia has approximately 400,000 MT of corn available for export in MY 2023/24, based on higher production and after making provision for 500,000 MT of corn stocks held as a strategic food reserve. The Zambian Food Reserve Agency (FRA) has the mandate to buy at least 500,000 MT of corn annually to keep as a national strategic food reserve. The purpose of the national strategic food reserve is to ensure a reliable supply of corn for Zambia during shortfalls in supply, which might arise due to droughts, floods, or other natural disasters.

As a landlocked country, Zambia usually focuses on other Southern African countries for corn exports. The Zambian government assured traders of an open border policy that will give traders an opportunity to export corn into the region. However, in April 2023 the Zambian government announced that it will no longer allow corn exports in MY 2023/24, following tight stock levels of below 500,000 MT, though the government iterated that it is just a temporary change in policy to ensure Zambia stays food secure until the harvesting season finishes. Zambia’s prohibition of corn exports is mostly affecting the southern provinces of the Democratic Republic of the Congo (DRC), which depend heavily on Zambia for corn as a staple food. In 2019, Zambia signed a memorandum of understanding with the DRC to provide annual corn exports. The agreement aims to deter informal trade flows and promote formalized corn exports to the DRC.

At the start of MY 2022/23, Zambia had a record of 1.5 MMT of corn available. In August 2022, the government announced an upsurge in the demand for Zambian corn in East Africa, especially from Kenya, which was suffering from drought conditions. In addition, Zambia’s regional neighbors, including Malawi, Angola, Mozambique, and Namibia, also expressed interest in corn imports from Zambia to meet consumption needs. As a result, Post estimates Zambia exported almost 1.1 million tons of corn in MY 2022/23.

Zambia’s corn exports were dismal in MY 2021/22, despite producing a record-breaking corn crop, mainly due to government-imposed trade restrictions that were designed to keep domestic corn prices low. In September 2021, the newly elected government under the United Party for National Development (UPND) relaxed the trade restriction. Despite these efforts, corn exports

remained relatively small at an estimated 400,000 MT in MY 2021/22, leaving Zambia with record corn stocks of 1.5 MMT at the end of the marketing year.

Stocks

Post estimates Zambia's corn ending stocks at approximately 500,000 MT in MY 2023/24, in line with the national strategic food reserve, as mandated to FRA. The Zambian government estimated corn stocks at the end of MY 2022/23 at 450,000 MMT, more than 1 MMT less than the record ending stocks of 1.5 MMT in MY 2021/22. Zambia has a formal storage capacity totaling more than 2 MMT.

Table 4

Corn Production, Supply, and Distribution

Corn Market Year Begins Zambia	2021/2022		2022/2023		2023/2024	
	May 2021		May 2022		May 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1410	1410	1368	1115	1418	1418
Beginning Stocks (1000 MT)	841	841	1501	1501	865	450
Production (1000 MT)	3620	3620	2654	2654	3263	3262
MY Imports (1000 MT)	10	10	10	10	10	10
TY Imports (1000 MT)	10	10	10	10	10	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4471	4471	4165	4165	4138	3722
MY Exports (1000 MT)	400	400	700	1050	300	400
TY Exports (1000 MT)	700	700	300	500	300	400
Feed and Residual (1000 MT)	470	470	450	450	500	475
FSI Consumption (1000 MT)	2100	2100	2150	2215	2250	2325
Total Consumption (1000 MT)	2570	2570	2600	2665	2750	2800
Ending Stocks (1000 MT)	1501	1501	865	450	1088	522
Total Distribution (1000 MT)	4471	4471	4165	4165	4138	3722
Yield (MT/HA)	2.5674	2.5674	1.9401	2.3803	2.3011	2.3004

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Attachments:

No Attachments.