

ZAMBIA

Maize price remains high despite the harvest

KEY POINTS




-  Despite surplus production, June 2016 maize prices are higher than same period last year (June 2015) and above the five-year average. This may be attributed to factors including dryness and cross-border trading with neighbouring countries.
-  Erratic rainfall has reduced beans production and decreased the availability of beans in Southern and Western provinces.
-  Traders are concerned about unstable legume prices and high transportation costs.

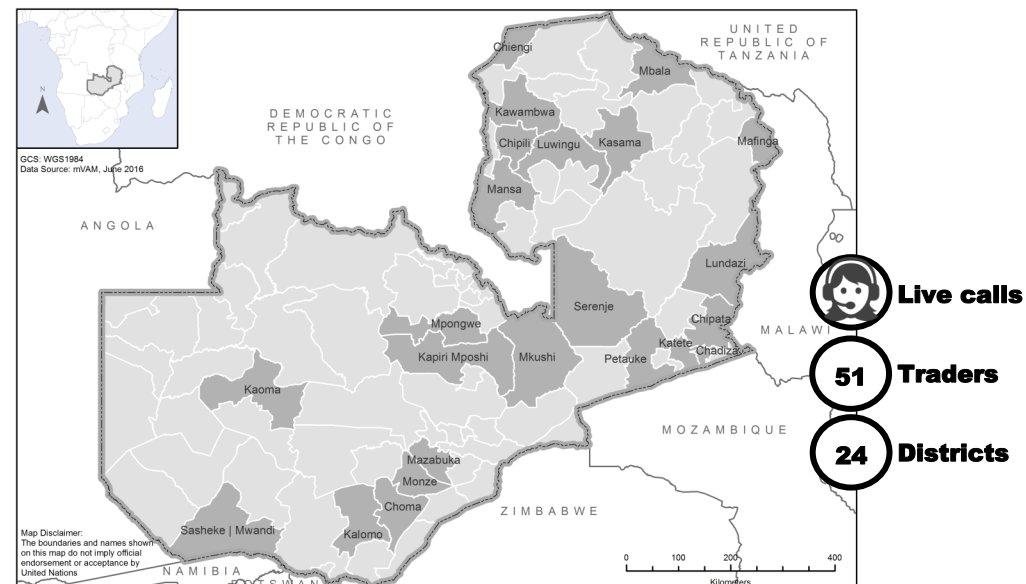


Photo: WFP/Rein Skullerud

METHODOLOGY

WFP Zambia's in-house call centre has been operational since May 2016 as a part of WFP's [mobile Vulnerability Analysis and Mapping \(mVAM\)](#) initiative. The centre conducts telephone interviews with key informants to collect weekly information on the price of food including maize, rice, groundnuts, cassava and beans, as well as information on general food availability and market accessibility. The surveys are carried out with a sample of 51 traders across 24 districts. The call centre collected 107 responses in May and 161 responses in June. Phone surveys contain inherent response biases; therefore, the bulletin reports patterns and trends rather than precise estimates.

Map 1: Surveyed districts in June 2016



Source: mVAM, June 2016



MAIZE PRICE REMAINS HIGH DESPITE THE HARVEST

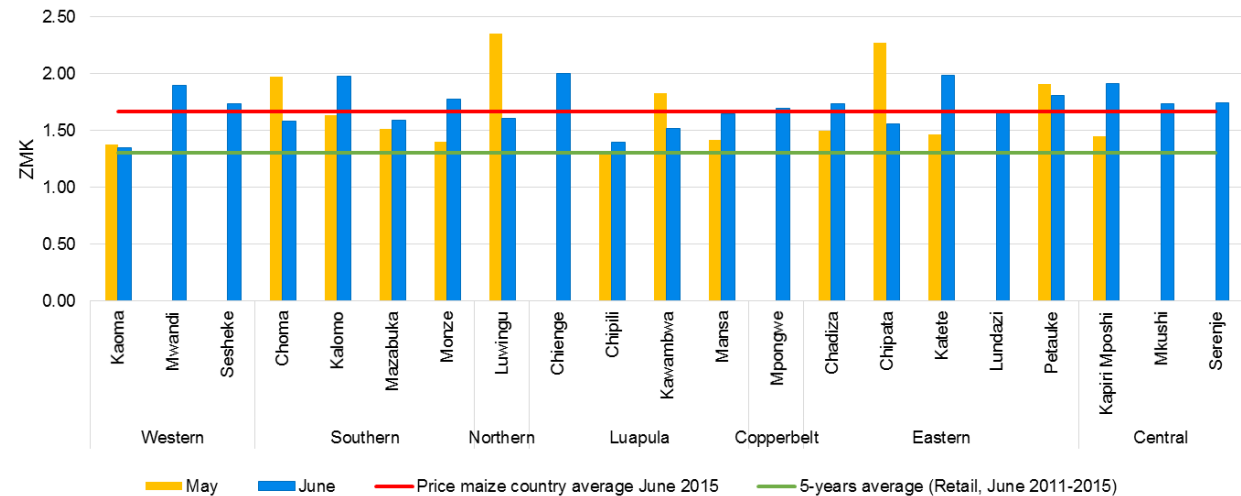
Despite the late start to the rainy season and erratic rains, Zambia's maize production for this season is estimated to be 2.8 million mt, which is expected to meet national requirements for consumption, stock feed, seed and breweries.

While no maize shortages have been reported, nominal maize prices in all surveyed districts are between 10 and 50 percent higher than the five-year average (ZMK1.31/kg, retail price, June 2011–2015, [FAO GIEWS](#)) and also higher than the June 2015 national average (ZMK1.67/kg, retail price). High regional demand for maize is also pushing up prices; despite government restrictions on maize exports until the end of September, some areas might be exposed to hoarding and informal cross-border trade with countries affected by El Niño.

In many of the surveyed districts, the average price of maize rose between May and June. This can be partly explained by the increase in the floor price paid by the Food Reserve Agency for maize (from ZMK75/50kg in May to ZMK85/50kg in June).

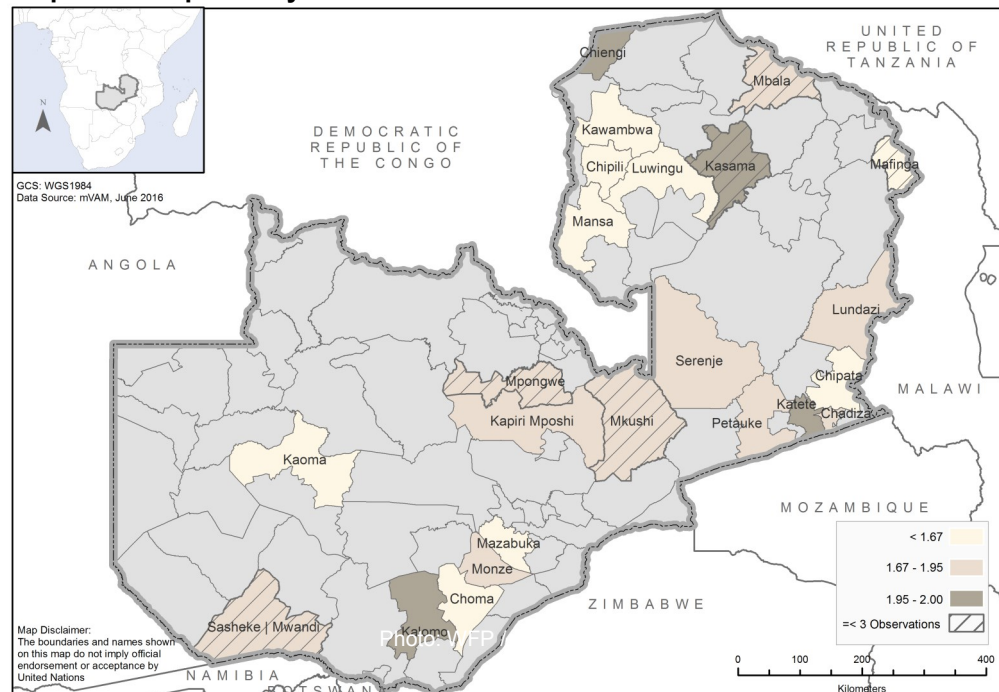
In June, the highest maize prices were recorded in Kalomo (Southern province), Chiengi (Luapula province) and Katete (Eastern province). In Chipata (Eastern province), maize prices fell from ZMK2.28/kg in May to ZMK1.56/kg in June, possibly because of increased border controls. Luwingu (Northern province) also saw a substantial decrease in the price of maize between May and June, perhaps because the government increased the allocation of subsidized maize to local millers, in an effort to stabilize high maize meal prices.

Figure 1: Maize prices (ZMK/kg) across districts, May and June 2016



Source: mVAM, May and June 2016

Map 2: Maize prices by district in June 2016



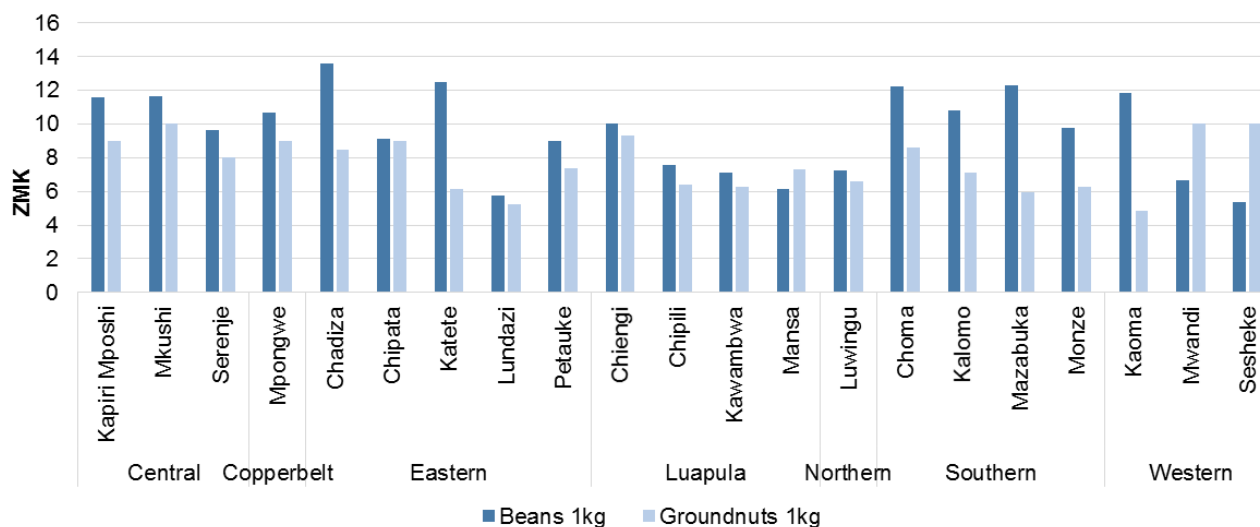


BEAN AND GROUNDNUT PRICES VARY WIDELY IN JUNE

While maize has been less affected by the erratic rains, many districts reported poor bean production. The price of beans varies widely across districts, suggesting a fragmented market. In general, surveyed districts in the El Niño-affected Southern province tend to have higher bean prices, while lower prices are generally found in Northern province and Luapula province. Beans are most expensive in the districts of Chadiza (ZMK13.63/kg), Katete (ZMK12.5/kg), Mazabuka (ZMK12.31/kg) and Choma (ZMK12.25/kg). They are cheapest in Sesheke (ZMK5.33/kg), Lundazi (ZMK5.78), Mansa (ZMK6.17/kg) and Mwandu (ZMK6.67/kg).

Groundnut prices were generally higher in the Central, Copperbelt and Western provinces. The highest prices for groundnuts have been reported in Mwandu (ZMK10/kg), Sesheke (ZMK10/kg) and Mkushi (ZMK10/kg), while the lowest price was in Kaoma district (ZMK4.85/kg).

Figure 2: Bean and groundnut prices (ZMK/kg) across districts, June 2016



Source: mVAM, June 2016



IN THE WORDS OF THE TRADERS

The high cost of transportation was the most common problem cited by the traders. They attributed the high cost to difficult road conditions and high fuel prices. The traders were worried about the limited crop diversification of the farmers, making crops such as beans less available in the market. They also mentioned unstable legume prices, saying that they change every week.

Figure 3: Word cloud of open-ended responses, June 2016



Source: mVAM, June 2016



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mVAM resources:

Website: http://vam.wfp.org/sites/mvam_monitoring/
 Blog: mVAM.org
 Toolkit: <http://resources.vam.wfp.org/mVAM>



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