

FRIDAY BRIEF

WEEK 48, 2015

THIS Week's Highlights

- **KWACHA APPRECIATES AS GOVT AGREES TO IMPLEMENT IMF AUSTERITY MEASURES**
- **INFLATION CONTINUES TO RISE**
- **ZAMBIAN ECONOMY TO SHRINK BELOW 4% IN 2015 – WORLD BANK**
- **ZAMRA REDUCES REGULATORY FEES FOLLOWING OPPOSITION BY STAKEHOLDERS**
- **CHOMA/KALOMO DFA HOSTS EU DELEGATION FIELD VISIT TO ASC**

..... SEE DETAILED UPDATES BELOW.....

KWACHA APPRECIATES AS GOVT AGREES TO IMPLEMENT IMF AUSTERITY MEASURES

The Kwacha rebounded to K9.7120 and K9.9080 for bid and offer, respectively, on Friday after President Edgar Lungu announced a raft of austerity measures aimed at fiscal consolidation in line with measures suggested by the International Monetary Fund during its recent staff visit.

President Lungu has also revealed that a decision on whether Zambia will access budget of payment support from the IMF will be made in March when the IMF team returns for further consultations.

Addressing his first official news conference at State House, President Lungu directed the Minister of Energy and the Energy Regulation Board to immediately review fuel prices with the view of attaining cost reflective fuel prices.

Other austerity measures President Lungu announced:

- Government will review agriculture subsidies and electrify tariffs.
- Government is going to spend around USD \$40 million dollars end of year on power imports hence the need to attain cost reflective electricity tariffs.
- A ban on unnecessary travel saying local and international travel will be restricted to essential travel only.
- All Government Ministries, agencies and departments to hold back on the procurement of new infrastructure development projects.
- Plans to start a new national airline have been deferred.

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- New infrastructure development should be halted and defer all signed projects with consultation of the Attorney General.

President Lungu also regretted job losses in the mines but stated that Government has tried to do its best to minimise the job cuts from a projected 7,000 to around 3,051. He further announced that the Food Reserve Agency will from next week start offloading cheaper Maize on the market which will see the price of Mealie meal reduce to K 65.

President Lungu admitted that he has the responsibility to resolve the crisis in the mines saying the buck stops at him. He also announced that construction of the Ndola airport at a cost of US\$397 million will go ahead which will create 3,000 jobs. President Lungu further revealed that the construction of new roads on the Copperbelt under C 400 will also proceed.

INFLATION CONTINUES TO RISE

The annual rate of inflation, as measured by the all items Consumer Price Index (CPI), for November 2015 has risen to 19.5% from 14.3% in October 2015. This means that on average, prices rose by 19.5% between November 2014 and November 2015.

The Central Statistical Office announced this week that the increase was driven mainly by food and non-alcoholic beverages. Of the total 19.5% annual inflation rate recorded in November 2015, food and non-alcoholic beverage products accounted for 12 percentage points while non-food products accounted for 7.5 percentage points.

The annual food inflation rate for November 2015 was recorded at 23.4% compared to 16.6% recorded in October 2015, indicating an increase of 7.2 percentage points. The annual non-food inflation rate for November 2015 increased to 15.5% from 12.4% recorded in October 2015, indicating an increase of 3.1 percentage points.

ZAMBIAN ECONOMY TO SHRINK BELOW 4% IN 2015 – WORLD BANK

The World Bank Group has predicted that the Zambian economy will shrink below 4% in 2015. The Group's country director for Zambia, Ina-Marlene Ruthenberg, said told media this week that Zambia faced the toughest economic situation in a decade, pointing out that the economy would shrink below 4% for the first time since 1998.

Ruthenberg said the drop was linked to external headwinds the county faced in form of lower copper prices, the tightening global financial conditions and rising foreign exchange rates. She said the economic situation called for austerity measures which the government would need to strictly adhere to.

Domestic pressures included the power crisis, repeated fiscal deficits and lower investor confidence. She said 2015 was a tough but 2016 was likely to be tougher before the economy could rebound in the medium term (3-5 years) on account of the levelling off of copper prices.

ZAMRA REDUCES REGULATORY FEES FOLLOWING OPPOSITION BY STAKEHOLDERS

The Zambia Medicines Regulatory Authority (ZAMRA) has reduced its proposed fees on veterinary medicines after fierce opposition by stakeholders. ZNFU together with other players in livestock sector made representations against the proposed increase in regulatory fees arguing that such measures would only work to make the cost of veterinary medicines expensive, and unaffordable by most small scale farmers in Zambia. In addition, the Union was concerned that such increases in veterinary

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regulatory fees will translate into high cost of livestock products thereby making the sector uncompetitive against imported products.

In response to ZNFU counter-suggestions, ZAMRA reduced proposed fees by 50% on the following:

- Application for issue of an Agro-veterinary shop permit class1 from ZMW4,750 to ZMW2,370;
- Re-inspection fee for grant of an Agro-Veterinary Shop permit class 1 from ZMW3,600 to ZMW2,370;
- Renewal of the Agro-veterinary Shop Permit Class 1 from ZMW3,600 to ZMW 1,800;
- Change of premises of Agro-Veterinary Shop permit class 1 from ZMW4,750 to ZMW2,370, among other reductions.

Despite the positive response by ZAMRA on the above issues, the Union is still pushing ZAMRA to address other outstanding fees that remain a threat to the livestock sector in Zambia. One of the key outstanding issues is the fact that ZAMRA would like to maintain the 2% (F.O.B) import screening fee for quality assurance. This fee is way too high as it is based on invoice value and will make veterinary drugs in Zambia very expensive and unaffordable by many small scale farmers. Having made our submissions against these proposed fees during the second stakeholder meeting held recently at Cresta, Golf View, on 25th November, 2015 the Union will await to receive feedback from ZAMRA.

CHOMA/KALOMO DFA HOSTS EU DELEGATION FIELD VISIT TO ASC

The Choma/Kalomo DFA hosted the European Union delegation field visit to the Agriculture Service Center (ASC) during the week. The EU delegation led by the agricultural and rural development advisor was accompanied by the ZNFU president Dr Evelyn Nguleka and ZNFU Head of Outreach, Member Services and Agribusiness Mr. Coillard Hamusimbi. The delegation's particular interest was to check on performance of the ASC with focus on services being offered. The delegation was delighted to see the high level of activity taking place at the ASC and that majority of farmers in the province were benefiting from it. The DFA executive members who were met earlier also highlighted a number of improvements needed for expansion with the aim of including other services that are currently not being offered. And speaking during the visit, the ZNFU president Dr Nguleka enlightened the delegation that the Union aims at providing solutions to farmers' challenges by facilitating for the setting up of facilities such as Agriculture Service Centers and offering services that would help out farmers improve their productivity. The delegation also paid a courtesy call on the Permanent Secretary who was represented by the Deputy Permanent Secretary. Mr. Douglas Ngimbu commended both ZNFU and European Union for the supplementing government efforts by supporting farmers through the implementation of projects such as ASC. He further reaffirmed the government's commitment of its continued support to cooperating partners supporting development in Zambia.

ALERTS!!!!!!

ZAMBIAN FARMER TV PROGRAMME

*Don't miss next week's episode of the **Zambian Farmer TV** programme which will feature a programme on **"Accessing Farming Inputs"***

The "Zambian Farmer" is a ZNFU sponsored programme which is aired every Monday at 18:25hrs and repeated on Thursdays at 12:30 hrs on the national broadcaster, ZNBC TV1. You can also buy DVDs of

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your favourite *Zambian Farmer* TV program episodes from the ZNFU Head Office or you can make an order through your respective DFA office.

WEATHER FORECAST FOR 24TH NOVEMBER TO 3RD DECEMBER, 2015

General Situation:

Moist Congo Air Boundary has retreated to the northern borders of Zambia and will oscillate about this position till November 25, 2015 and will move south east on 26th to extend from Shangombo through Ndola to Nakonde and on November 27, 2015 move farther south east to pass through Kazungula, Lusaka to Chama and so bring moist Congo Air to most parts of Zambia. However, a moderate air flow from the south east will push the Congo Air to retreat to the central parts of Zambia by November 29, 2015. From November 30, 2015 a light to moderate airflow from the east will cover most parts of the country up to 2nd December 2015.

Forecast for 24th and 25th November 2015 and 30th November to 2nd December 2015:

Northern districts of North/Western, Luapula and Northern Provinces – Partly cloudy to cloudy with afternoon showers and thunderstorms in few places.

The rest of the country - few clouds and windy at times at first becoming partly cloudy and warm to hot in the afternoons.

Forecast for 26th to 28th November 2015 and 3rd December 2015:

Cloudy weather with rain and thunder in places, especially in the afternoons will spread from the northern districts of the country into Western, Central and Muchinga provinces on 27th and cover the whole country on 28th November and 3rd December 2015.

EXCITING NEW FINANCE SOLUTION FOR FARMERS & AGRIC CONTRACTORS

John Deere Financial a wholly owned subsidiary of Deere & Company, Zanaco, Zambia National Farmers' Union and AFGRI closed an alliance which is marked as a milestone in Zambia enabling access to finance for emerging farmers. We are pleased to introduce John Deere Financial as a dedicated solution to meet your finance needs for the acquisition of John Deere equipment.

This collaboration provides customers of AFGRI Zambia, (your authorized John Deere Dealer in Zambia) a unique finance solution to acquire John Deere equipment.

Benefits of John Deere Financial:

- Access to professionals who understand John Deere equipment and the various business segments John Deere serves. This is now combined with a financial solution to suit your specific business needs.
- Access to a broad range of financial structures, flexible payment options, and competitive rates through our alliance with Zanaco.
- Competitive interest rates subsidized with up to 3%*
- Access to exceptional service from a dedicated team of professionals at Zanaco and AFGRI providing a one-stop shopping experience. We will also visit your business to discuss your finance requirements.
- Immediate access to required assets

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- Release of working capital
- Asset backed finance (additional collateral not necessarily a requirement).

Finance your complete planting package for this season and receive a free fertilizer spreader*

We would be eager to meet with you to discuss your equipment financing needs. If you would like more information, please feel free to contact any of the undersigned companies.

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* Terms and conditions apply.

NEWS FROM THE REGIONS

CENTRAL REGION

MKUSHI COUNCIL/MFA AGREE TO RECOGNISE MOU ON LEVIES

Mkushi District Council has officially recognised a Memorandum of Understanding with Mkushi Farmers Association on paying of levies. The mutual agreement to use the existing MoU between the two parties, unlike following the SI on grain levy as directed by Ministry of Local Government, was reached during a meeting held on November 26, 2015. The parties agreed that the MoU should remain in force until December 31, 2015 there after the parties shall review the two documents. This means all farmers in Mkushi are not to be subject to grain levy for the year 2015. Speaking during the meeting, Mkushi Council Chairperson Mr. Topson Kunda praised the farming community for showing commitment to supporting the local authority. Speaking on behalf of the farming community, MFA Chairperson Mr. Nico De Kock praised the local authority for recognising the MoU, as failure to do so would have stained the relationship between the two parties. Last year, Mkushi farmers entered into a legal agreement to pay levies through the per hectare basis in place of all other levies such as livestock movement and loading fees among others.

MINISTRY OF AGRICULTURE HOLDS NATIONAL EXTENSION SERVICES STRATEGY WORKSHOP

The Ministry of Agriculture in collaboration with key stakeholders held a workshop to review and finalise the draft National Extension Services Strategy (NESS) before considering it as policy document. The first ever NESS has been drafted taking into account various Government agricultural development policy documents including the National Agricultural Policy (NAP) and National Agricultural Investment Programme (NAIP) among others; with the aim of providing a framework for delivery of harmonised and effective pluralistic extension services. The ZNFU contributed to the final outlook of the document and was recognised as an effective organisation with extension service models which drive the farming as business concept effectively.

SERENJE DC ENCOURAGES FARMERS TO MECHANISE

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The Serenje District Commissioner has encouraged farmers to mechanise their farming. Speaking during the SARO Machinery Demo held recently at the farmers training centre in Serenje district, Mr Kennedy Mungendenge encouraged farmers to access equipments through the ZNFU/ Natsave Bunjimi Asset Plus loan facility. He further praised SARO and ZNFU for exposing farmers to appropriate technologies.

FISP E-VOUCHER SYSTEM PLEASES CHIBOMBO FARMERS

Farmers in Chibombo district are pleased with the implementation of e-Voucher system in this year's Farmer Input Support Program (FISP). The excited farmers who recently interacted with the Zambian Finnish Ambassador and official from Finnish embassies from other countries, commended government for taking such a bold step of ensuring that only genuine beneficiaries participate in the program. They also commended the ZNFU for playing a pivotal role in implementing the program. During the visit, farmers from ten different cooperatives showcased the effectiveness of the new system by swiping for their inputs. Farmers in the district are busy collecting inputs using their visa cards.

COPPERBELT REGION

ERRATIC RAINS WORRY COPPERBELT FARMERS

Farmers on the Copperbelt are worried about the erratic rains being experienced in the area. Farmers in most parts of the Copperbelt have, however, started planting maize and other crops after the first two heavy rains received a fortnight ago. But it appears the germinating crop might be lost due to the persistent dry spell being experienced.

NORTHERN REGION

FISP DISTRIBUTION EXCITES FARMERS

Farmers in Northern have expressed happiness at the manner in which the distribution of Farmer input support Programme is progressing. Despite the exercise starting only last week, over 50% of the beneficiaries in Kasama District have received their farming inputs. The process in most of the district has been overwhelming, and going by the pace at which the distribution is moving, most of the farmers will receive their inputs before the end of December, 2015 provided Food Reserve Agency pays the farmers before 15th December, 2015.

S3P LAUNCH STAKEHOLDERS PARTNERSHIP IN NORTHERN

The Small Holder Productivity production Programme held a two day stake holders meeting in Kasama to introduce the three stakeholders who have come on board to implement S3P programme in the 3 Provinces namely; Northern, Luapula and Muchinga. The objective of the Programme is to enhance productivity and production among the Small Holder Farmers in four crops; Rice, Beans, Cassava and Groundnuts. The objective of the workshop is to bring together key S3P stakeholders in order to initiate the establishment of firm foundation for partnership and collaborations. ZNFU Northern was among the discussants to explain how the partnership will benefit the farmers. The stakeholder are; Total Land Care, NIRAS Zambia and COMACO. Each stakeholder will implement different activities. NIRAS Zambia will capacity belt all the Cooperatives and Farmers Organization, COMACO and Total Land Care will partner in the provision of agricultural and agribusiness advisory services in the S3P operational areas.

NORTHERN RECEIVE RAINS

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Northern Province has started receiving rains and farmers have commenced cultivating and preparing their fields. Most of the farmers have expressed happiness with the coming of the rains. Their only worry is the high cost of inputs. So far the high cost of inputs this farming season will cause farmers to reduce their hectareage, as they cannot afford the high cost of inputs. A bag of fertilizer is now costing K390 per 50kg bag while a 10kg seed is ranging from K240 to 350. This will likely affect the production for the 2015/16 farming season.

MUCHINGA REGION

THE LONG AWAITED NATSAVE BANK OPENS ITS BRANCH IN MPIKA

The long-awaited National Savings and Credit Bank (NATSAVE) has finally opened its branch in Mpika district of Muchinga Province to service its clientele better. The bank was officially launched and opened by Minister of Finance Alexander Bwalya Chikwanda on Monday November 23, 2015 at a colorful ceremony. Hon Chikwanda praised NATSAVE Bank for taking banking facility and services to remote areas closer to the people.

Speaking earlier, NATSAVE Bank Country Managing Director Mr. Caphas Chabu said the Mpika branch had opened at the time when the bank had come up with many innovative, affordable and tailor-made products to satisfy its clients' needs and wants. He said that the bank was not just bringing its physical presence to Mpika but also very good products, which were now proving to be very popular in all the branches countrywide. He cited the BUNJIMI ASSET PLUS, a partnership with ZNFU, as one that would benefit many farmers in Muchinga province and Mpika district in particular. He further said that NATSAVE and its products and services were now becoming a household brand name.

The ZNFU Mpika district staff who spoke to farmers present at official opening of NATSAVE branch had expressed happiness with the coming of the bank to Mpika. A farmer speaking on behalf of ZNFU members present, Mr. Henry Chileshe of Chisanga information centre, said the farmers had long waited for the branch in the district for they want to acquire farming machineries and implements on BUNJIMI ASSET PLUS LOAN. The event was characterized by many farmers applying for and opening personal accounts.

NORTH WESTERN REGION

PANNAR, PIONEER SEED COMPANIES AND MUSIKA TO PILOT A FOUR (4) YEAR PROJECT CALLED ZAMSAP

Pannar, Pioneer seed companies with Musika have put efforts together to pilot a four (4) year project called Zambia Marketing Seed Adoption Programme (ZAMSAP) in the North-Western Province. ZAMSAP project is aimed at changing the mind set of farmers still using open pollinated varieties (OPVs) to divert into hybrid varieties. This project will be piloted in four districts of North-Western namely; Solwezi, Kasempa, Mufumbwe and Kabompo. According to information received from Mr. Aaron Nyendwa, a Pannar agronomist for the project, the programme targets 60% of women and youth participation. For this farming season, with Demo packs for Pannar and Pioneer seeds targeting farmers using OPVs will be distributed in Ministry of Agriculture agricultural camps and information Centres under the District Famers' Associations.

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SOUTHERN A REGION

CHOMA AND MWINILUNGA FOREST AND FARM PRODUCER GROUPS UNDERGO GRANT PROPOSAL WRITING TRAININGS

Between 24th November and 3rd December, 2015, the Forest and Farm Facility programme (FFF), which is jointly implemented in Zambia by the Food and Agriculture Organisation (FAO), Forestry Department (FD) and the Zambia National Farmers' Union (ZNFU), is conducting small grant proposal writing trainings involving Forest and Farm Producer Organisations (FFPOs) in Choma and Mwinilunga districts. This week, the implementing team held trainings in Choma with representatives from 20 FFPOs who applied for grants to implement forest and farm projects. The team will then move to Mwinilunga next week where the same trainings will be held with representatives from 28 shortlisted FFPOs.

As part of the works for 2015, the FFF programme planned to provide small grants to forest and farm producer organisations. A call for proposals was released in August 2015 for concept ideas from producer organisation for small grants support in both Choma and Mwinilunga. A total of 89 proposals were received of which 50 came from Mwinilunga and 38 came from Choma. District stakeholders meetings were held in both Choma and Mwinilunga to evaluate the proposals submitted and a total of 48 potential proposals were shortlisted.

The trainings in proposal writing arose after stakeholders realised that the calibre of the concepts received from most FFPOs was not good and some ideas were not coherent. It is against this background that trainings were proposed for capacity building of the producer organisations in writing proposals. The outcome of the first round of trainings in Choma was very successful as the participants identified their weaknesses in writing grant proposals and promised to write good quality proposals which will qualify to receive grants.

WESTERN REGION

E-VOUCHER CREATING COMPETITION

More than 2,000 e-vouchers will this week be activated for the purpose of redeeming agricultural inputs in Mumbwa district. Looking at the input providers visited, such as seed and fertiliser suppliers, this has created a lot of competition prompting suppliers wanting to reach out to where farmers are in order to clinch the highest sales. This will bring relief to the farmers who used to travel long distance in order to get inputs.

KAOMA DFA INTERESTED IN DISTRIBUTING RELIEF FOOD

Kaoma DFA has been earmarked to be one of the organisations to participate in the relief food distribution under the Disaster Management and Mitigation Unit of the vice President's office. In response, Kaoma DFA chairperson Mr. Joseph Mungandi wrote to the District Commissioner's office showing interest and getting ready take up the task.

Kaoma District is one of those in the country that was hit by dry spells last farming season leading to crop failure in some instances.

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