

AMDP Update and Implementation Issues

Agricultural Marketing Act
Concept Paper

Objectives

- Consolidate and harmonize existing individual commodity legislation
- Realign Government regulatory and market support functions
- Provide a neutral policy advisory capability
- Clearing house for all Government interventions in agricultural markets

Key Elements

1. Promotion of grades and standards
2. Provision of market information
3. Administration of public storage facilities
4. Registration of farmers and other market participants
5. Coordination of stand-alone legislation
6. Provision of policy direction and advice

Promotion of grades and standards

- Grades and standards not applied at smallholder and small-scale trader levels
- Foregone quality premium opportunities in local markets and limited access to export markets
- Double handling, bagging and other inefficiencies
- Promotion rather than “policing”

Provision of market information

- Harmonise the many existing market information systems and other efforts
- Focus on market intelligence that links buyer and seller, not only price information
- Link dissemination of information to registration of market participants

Administration of public storage facilities

- As market participant, FRA has a conflict of interest
- Administration of public storage facilities no longer core function of FRA
- Administration and maintenance of storage infrastructure best contracted out to property experts for competitive results

Registration of farmers and other market participants

- So far, registration of traders and processors only, not farmers
- Registration to focus on targeting market support services
- Other purposes of registration include:
 - Information gathering
 - Regulatory inspections

Coordination of stand-alone legislation

- Many commodity-specific acts and other legislation, often inconsistent. Need to review and harmonise legislation
- Will improve market coordination within and among sub-sectors
- Will create clearing house for all Government (or statutory body) interventions in agricultural markets.

Provision of policy direction and advice

- Will provide neutral forum and clearing house for sub-sector policy issues
- Example: Trade
 - To recognise international trade protocols and conventions to which Zambia is signatory
- Example: Maize marketing
 - To guide the decision making on FRA purchasing, sales, and pricing modalities, and the form and size of reserve stocks...

Provision of policy direction and advice (continued...)

- Current situation:
FRA determines:
 - Purchase location
 - Purchase pricing mechanism (pan-territorial and pan-seasonal pricing, i.e. fixed prices)
 - Purchase price level (not always market price)
 - Food reserve stock level and form of stock
 - Sales location
 - Sales pricing mechanism (e.g. tender)

Provision of policy direction and advice (continued...)

- Under consideration:
External guidelines for FRA operations and actions which have broad consequences beyond the food reserve management mandate