

PROPOSED AGRICULTURAL MARKETING ACT (AMA) CONCEPT – UPDATE NOTES

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The Agricultural Consultative Forum

FSRP/MATEP

OBJECTIVES OF AMA

- To provide for a comprehensive agricultural marketing legislation
- To realign Government regulatory and market support functions
- To identify new strategic roles of the FRA
- To harmonize and consolidate existing agricultural marketing related Acts.

KEY ELEMENTS

- Current Role of Food Reserve Agency
- Registration of farmers and other market participants
- Promotion of grades and standards for agricultural commodities
- Provision of marketing information
- Management of public storage facilities
- Harmonization and coordination of agricultural commodity Acts

Current role of FRA

- Administration of National Strategic Food Reserves,
- Management of public storage facilities
- Assessment of requirements for storage facilities of designated commodities,
- Buyer of last resort?

Housing of FRA

- Is the maintenance of strategic food reserves a marketing function?
- Or is it a food security function?
- Where is the best place to place food security functions?
- Could the Office of the Vice President be an option?
- Other possible options?

Financing FRA

- FRA budget over-shadowing other MACO activities,
- Could be better reflected either under OVP or Head 21: Loans and Investments under MoFNP?
- Need to make known the total budgetary requirement – avoid “eating” into other activities later in the year.

Registration of market players

- Registers for dealers and processors are provided for as part of licensing
- Registers of farmers exist for those who are members of cooperatives/farmer organizations
- Registered players expected to comply with obligations and conditions of service
- Farmer registration to be done as and when they apply for services – not a stand alone
- Procedures and forms for registration to be harmonized across various government agencies, who takes the lead?

Grades and standards

- Standards for agricultural inputs are certified and regulated
 - Strict adherence need to be enforced with realistic goals
- Export market demands that crops purchased be graded
 - Role of arbiters to be institutionalized to protect parties
- Local processors less demanding of commodity grades
 - Promotion of grades will improve smallholder farmer welfare

Provision of market information

- Coordinate and harmonize the many existing market information systems and other providers
- Focus on market intelligence that links buyer and seller
- Improve coverage, quality assessment and timely dissemination of information
- Link dissemination of information to registration of market participants

Management of public agricultural storage facilities

- FRA functions to exclude management of storage facilities,
- However, FRA to be given first opportunity to lease storage to maintain strategic food reserves
- But, FRA should pay for these facilities
- The other remaining storage facilities should be leased to other market participants.
- The storage facilities should be exclusively used for agricultural purposes only.
- Housing of Storage facilities?

Harmonization of legislation

- Many agricultural related legislation, and often inconsistent.
- Need to review and harmonize these pieces of legislation
- Will improve market coordination among the market players,
- Will enhance investor confidence

Agricultural marketing council

- Rationale for a council provided for in AMDP
- Council to monitor and analyze agric market performance
- lean body, both public & private representation,
- Diverse group of experts in better position than single player to advise

Agricultural marketing council

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- To investigate and advise on all statutory interventions in the market
- Membership to be appointed by Minister in consultation with stakeholders
- Proposal in conflict with current MACO functions, refer to MACO/stakeholders' October 2006 Fringila Retreat,
- Requires further MACO restructuring to suit proposed functions

Policy Direction

- To recognize international trade protocols and conventions to which Zambia is a signatory
- Support free trade within Domestic, Regional and International market
- However, interest in safety, public health, and food security should be adhered to.
- Continue to support inter and intra district commerce for agricultural goods and services.

Road Map to the agricultural marketing legislation process

- Update draft of concept paper – end of Nov 2006
- Summary of concept paper(for policy dialogue) – end Nov 2006
- Provincial consultation – Mid December 2006
- Stakeholders consultative meeting – end December 2006
- Complete final Concept Paper – January 2007
- Submission to Ministry of Justice/Cabinet – February 2007
- Enactment of the Act – mid 2007?

THANK FOR YOUR ATTENTION

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