

PROSPECTS FOR REGIONAL MAIZE MEAL EXPORTS FROM ZAMBIA

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by

Peter Cottan
Vice Chairman
Millers Association of Zambia (MAZ)

Introduction

- Millers Association of Zambia (MAZ) has 33 members engaged in the commercial milling of maize meal, flour and stockfeeds.
- Our members are located across the country, though concentrated along the line of rail.
- MAZ supports the local farmers by providing a ready market for their products, and offering fair prices to both the commercial and small-scale farmers.

Current and Prospective Export Markets

The surplus crop of maize achieved this year presents an opportunity to export value added products to the region, thereby increasing demand for the local produce, which will in turn raise the maize prices for the farmers.

In the recent years, Zambia has exported maize meal to DRC, Angola, Zimbabwe and Malawi.

Current indications are that in addition to the above countries, the exports are likely to be extended to Namibia and East Africa.

Indicative Export Quantities of Maize Meal

In the last few years, the quantities exported are as follows:

COUNTRY	METRIC TONNES
CONGO (DR)	250
ANGOLA	90
ZIMBABWE	60
MALAWI	5

Source: Export Board of Zambia

Indicative Export Quantities of Wheat Flour

In the last few years, the quantities exported are as follows:

COUNTRY	METRIC TONNES
CONGO (DR)	1,990
MAURITIUS	242
ZIMBABWE	60
SOUTH AFRICA	34
UAE	22
GERMANY	19
MOZAMBIQUE	0.05

Source: Export Board of Zambia

Indicative Export Parity Prices

The indicative FOB export prices currently prevailing are as follows:

- Breakfast Maize Meal – US\$368/mt
- Roller Maize Meal – US\$240/mt
- Wheat Flour – US\$530/mt

The above prices are based on the trade missions and market survey visits.

Regional Competition

As it can be seen from the previous slides, DRC has the largest export potential, but lack of signed bilateral trade agreements between Zambia and DRC is restricting the formal flow of exports. The estimated population for the Katanga province including Lubumbashi is 9.5 million.

However, there is very stiff competition mostly, mainly from South Africa and Tanzania for both Maize Meal and Wheat Flour.

The Zambian millers should therefore find ways and means to minimise the cost of production in order to remain competitive on the export markets.

The major single factor contributing to the high cost of producing Wheat Flour is the 15% import duty imposed on wheat. Issuance of export permits is another problem.

Prospects for Imports and Re-exports

- For the Wheat Flour, the situation is that some of the wheat is imported as the local wheat production is yet to reach the self-sufficiency level. In effect, we are importing, and after value addition, re-exporting. As earlier stated, the 15% import duty is a major constraint.
- As for Maize Meal, it would be difficult to import maize for Maize Meal exports due to the high cost of imported maize, which would render such exports highly uncompetitive. This situation would occur during the maize deficit periods.