

Zambia May Ban Wheat Imports To Protect Local Industry

Zambia is considering a ban on wheat imports to protect the local industry from unfair competition, vice president Guy Scott said late Monday.

He made the remarks while launching the 2011-12 planting season, when he urged farmers to diversify crop production.

"The Patriotic Front government will strive to protect every farmer in the country, be it large or small scale" he said. "the government will pay particular attention to farmers as they are the genesis of the food production value chain."

According to Zambia's Wheat Farmers Union, the country now produces enough wheat for the country's domestic market and can even export to regional southern African markets if the government can provide the sector with more incentives and ban cheap imports.

Last week, Zambia's finance and planning minister announced a 48% increase in the agriculture funding for 2012.

President Michael Sata's Patriotic Front party, which won the presidential and parliamentary elections in September, has announced a range of policy legislations to deliver on populist campaign promises.

The government is in talks with the Bakers Association of Zambia on measures to eliminate unnecessary costs in the wheat value chain and make the industry more competitive.

Last month, Sata rejected a proposal from the bakers' body to increase the price of bread by 7%, saying it wasn't justifiable.

Bread is a staple food for most urban residents in Africa's top copper producer.

Last year, Zambia produced at least 220,000 metric tons of wheat, enough to meet local demand, but farmers now face competition from cheap imports.

Source: CME