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FOOD PRICE HIKES AMIDST COVID-19 COULD PUSH MILLIONS OF ZAMBIANS INTO EXTREME POVERTY

Poverty and food insecurity has been a primary concern in most developing countries and the advent of COVID-19 is with no doubt worsening the problem. The pandemic has potential to derail progress made towards achieving United Nation Sustainable Development Goal number 2, which aims to achieve “zero hunger”. A World Bank brief report on global food security and COVID-19 state that, the global agriculture commodity price index as of July 2021 was approximately 30% with maize, wheat, and rice prices about 43%, 12% and 10% respectively, all above their January 2020 levels.

Like in many other countries, Zambia has not been spared from the negative impacts of the pandemic. Covid-19 food production and supply chain disruptions, coupled with unfavorable kwacha exchange rate heighten food price hikes, seriously raising food insecurity concerns across the country. Zambia’s average food price inflation rate during the pandemic period January 2020 to March 2021 averaged around 18.5%, while annual inflation rate for the year 2020 averaged around 15.7%. As of July 2021, food inflation stood at 31.3% and annual inflation was at 24.6%.

Befalling at a time when the country’s economic recovery is sluggish, food price hikes combine with reduced incomes and unfavorable exchange rates, can significantly affect households’ ability to afford the required quantity and quality of food consumption per day and millions could be pushed into extreme poverty. This risk has the potential to derail progress already made in promoting sustainable diets for all, especially among the most vulnerable households living in areas with high poverty rates. Therefore, there is need to promote sustainable agriculture food production and supply chain, and technology solutions and innovations that can transform the agriculture sector and change people’s livelihoods.

Small scale farmers and entrepreneurs in particular have been vulnerable to the economic effects of the pandemic in the areas of production and supply chain disruption. However, having but not limited to -agriculture technology solutions can help to overcome these challenges by enabling digital banking, digital marketing platforms and facilitating innovation for efficient use of Agric inputs to increase factor production. Research has confirmed the role that technology and innovation plays in raising productivity and efficiency among firms and among nations and how digital marketing platforms can help to maintain market continuity amidst Covid-19. However, as the Centre for Trade Policy and Development (CTPD), we are saddened to note the low knowledge levels and digital technology usage among small-scale farmers and traders in Zambia. For example, the Zambia Development Agency 2020 export audit survey report shows that a significant number of Zambian traders about 96% do not have

knowledge of the online Zambia Export Trade Portal compared to only 4% with this knowledge. The lack of knowledge and low levels of digital technology usage especially in rural areas in Zambia could mean among other things lack of or weak pro-poor and inclusive innovation and technology transfer. Challenges and setbacks to promoting technology and innovation in Zambia include among other things, limited or no access to rural information and technology infrastructure, high poverty and illiteracy levels, imperfect and limited access to information and technology.

Government should be concerned with extending the information and benefits of innovation and technology to formerly excluded groups across the county, especially in rural areas where access to network and internet connectivity is limited or absent. As CTPD, we encourage public-private partnership (PPP) between network service providers such as Airtel Zambia, Zamtel and MTN and government to enhance investment in digital technology by introducing new digital platforms, installation of new network digital infrastructures in rural areas, developing digital skills, and creating an enabling regulatory environment for farmers and entrepreneurs in Zambia.

We further recommend Government policy aimed at improving ICT infrastructure; and establishing ICT resource centers in rural areas to promote micro, small and medium-sized enterprises' (SMEs') technological externalities within the agriculture sector,

Finally, as CTPD, we would like to strongly urge the government and all political leaders that will emerge victorious after 12th August 2021 general election to embark on national strategies for universal access to electricity, innovations, technology, internet connectivity and irrigation agriculture systems in order to facilitate resurgence and strengthen resilience of the agriculture production and supply chain as highlighted in this article.

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Editor's Note

The Centre for Trade Policy and Development (CTPD) is a not-for-profit, membership based trade policy and development think tank. The organization was established in 1999 and existed as the civil society trade network (CSTNZ), until 2009 when it was rebranded as the Centre for Trade Policy and Development (CTPD).

The mandate of CTPD is to influence pro-poor trade and investment reforms at national, regional and multilateral levels as well as facilitate the participation of various stakeholders including member organizations in ensuring that trade is used as a tool for poverty eradication.

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