



ZAMBIA

DIRECT LINE CALL

Zambia: A Snapshot of Commercial and Investment Opportunities

- **Political stability since independence in 1964; Peaceful Democracy**
- **13 million people – 39% urban population;**
- **Positive economic growth for 13 years (7.3% in 2012);**
- **World Bank ranks Zambia among the best African countries to do business and among the fastest growing economies in the world;**
- **Growing middle class in population centers;**
- **Strong monetary and fiscal policy with low inflation (around 7%);**
- **Liberalized prices, interest and foreign exchange rates, and no currency controls;**
- **B+ rating from Fitch and Standard & Poors (equal to Kenya, Angola and Ghana); and**
- **Successfully issued a \$750 million sovereign bond to support new infrastructure projects.**



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Bonsmara in Zambia

Agriculture Opportunities in Zambia



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OUTLINE OF PRESENTATION

- Some Facts about Zambia
- Map showing agro-ecological regions in Zambia
- Livestock Sector
- Fisheries Sector
- Crops Sector
- Forestry Sector
- Conclusion



Land

- Zambia has a total land surface of about 752, 614 Km square **290,586 square miles (slightly larger than Texas)**
- Arable Land: 58% classified as medium to high potential for agricultural production.
- So far only 14% Agricultural land is currently utilized.

- **TOTAL IRRIGATION POTENTIAL:**
2.7 million hectares, out of which about 156,000 hectares or 6% currently under irrigation.
- The agricultural sector in Zambia is holistic and it includes livestock, crops, fisheries and forestry.



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Zambia has 3 Agro-ecological regions

- Region I (Less than 800mm)
- Region II a (800 - 1000 mm)
- Region II b (800 - 1000 mm)
- Region III (Above 1000 mm)





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Livestock Sector.

- Livestock sector comprise beef cattle, dairy, poultry, pigs, goats among others.
- Livestock is a key economic sector in Zambia. In 2009 and 2010 respectively, it contributed 6.4% and 7.4% to the country's GDP.
- About 45-47% of the rural population in Zambia depend on livestock for their livelihood with 39.2% of their income coming from the sector. Currently, Zambia produces over 3m cattle and over 43m chickens.

Livestock

Beef Subsector

- ✓ Beef production in Zambia is a profitable business both for choice and standard meat.
- ✓ Choice meat prices range from \$2.20 to \$3 / kg live weight compared to \$0.48/kg and US\$0.38/kg live weight for choice and standard meat in 1999.
- ✓ Beef exports have risen.

Investment opportunities

- Abattoir facilities for animal slaughter;
- Semen production ;
- Livestock infrastructure to combat cattle disease control and veterinary services.
- Pasture development for feed.
- Veterinary drugs & Vaccine production



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Livestock Sector Cont.

Dairy Subsector

- ✓ Zambia's dairy sub-sector is growing due to increased local demand arising from human population growth.
- ✓ Milk consumption in Zambia is around 19 litres per person against the 200 litres per person recommended by World Health Organisation (WHO).

Investment Opportunities

- Investment in milk collection centres;
- Huge demand in regional export markets (Congo DR, Zimbabwe etc)
- Pastures growing for supply to dairy farmers in Zambia;
- Veterinary services.



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Livestock Sector Cont.

Pigs subsector

- ✓ Pig production in Zambia is slowly increasing with increased demand for pork in the country and in the region. Established abattoirs are currently slaughtering more than 200,000 pigs per month
 - ✓ But domestic production is unable to meet demand.
- **Investment Opportunities**
 - Supplying of breeding stocks to pig farmers;
 - Veterinary services to pig producers;
 - Pork processing facilities for value addition.



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Fisheries Sector

Fish subsector

- ✓ Zambia has a total annual production of 80,000 metric tonnes of fish, and the sector plays a vital role in poverty reduction and rural economic growth.
- ✓ The fisheries sector employs over 300,000 people in Zambia, with fish products contributing over 20% of animal protein.

Investment Opportunities

- Establishment of cold storage facilities;
 - Availability of water and land makes it attractive for fish farming ventures;
 - Guaranteed export markets in the region for fish and fish products.



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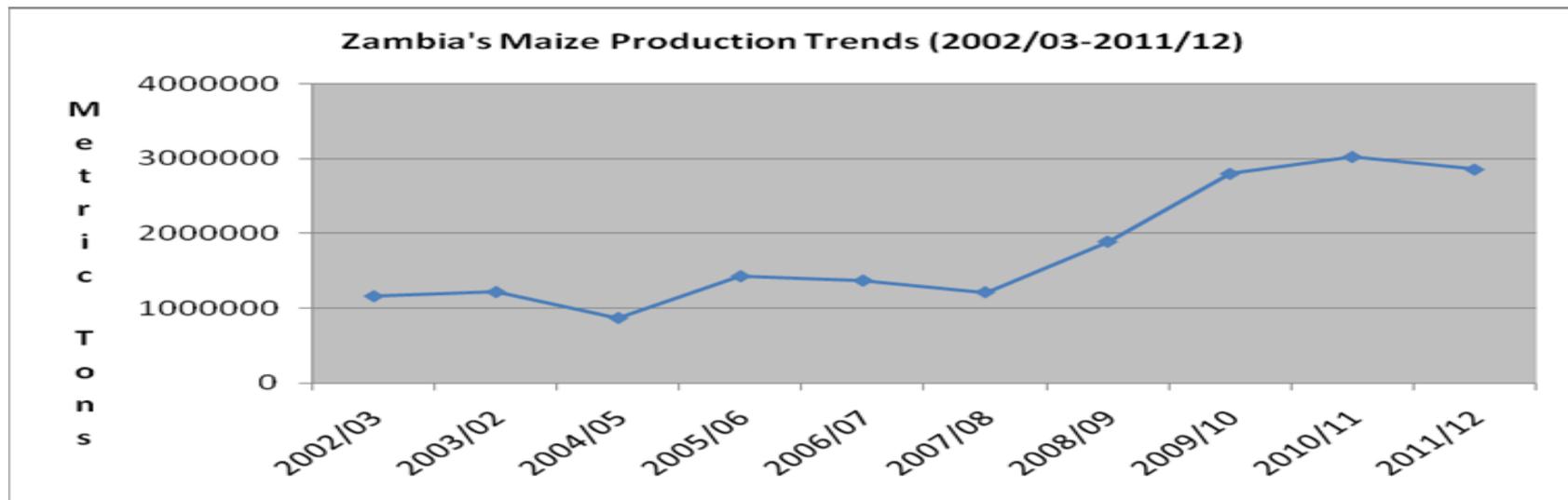


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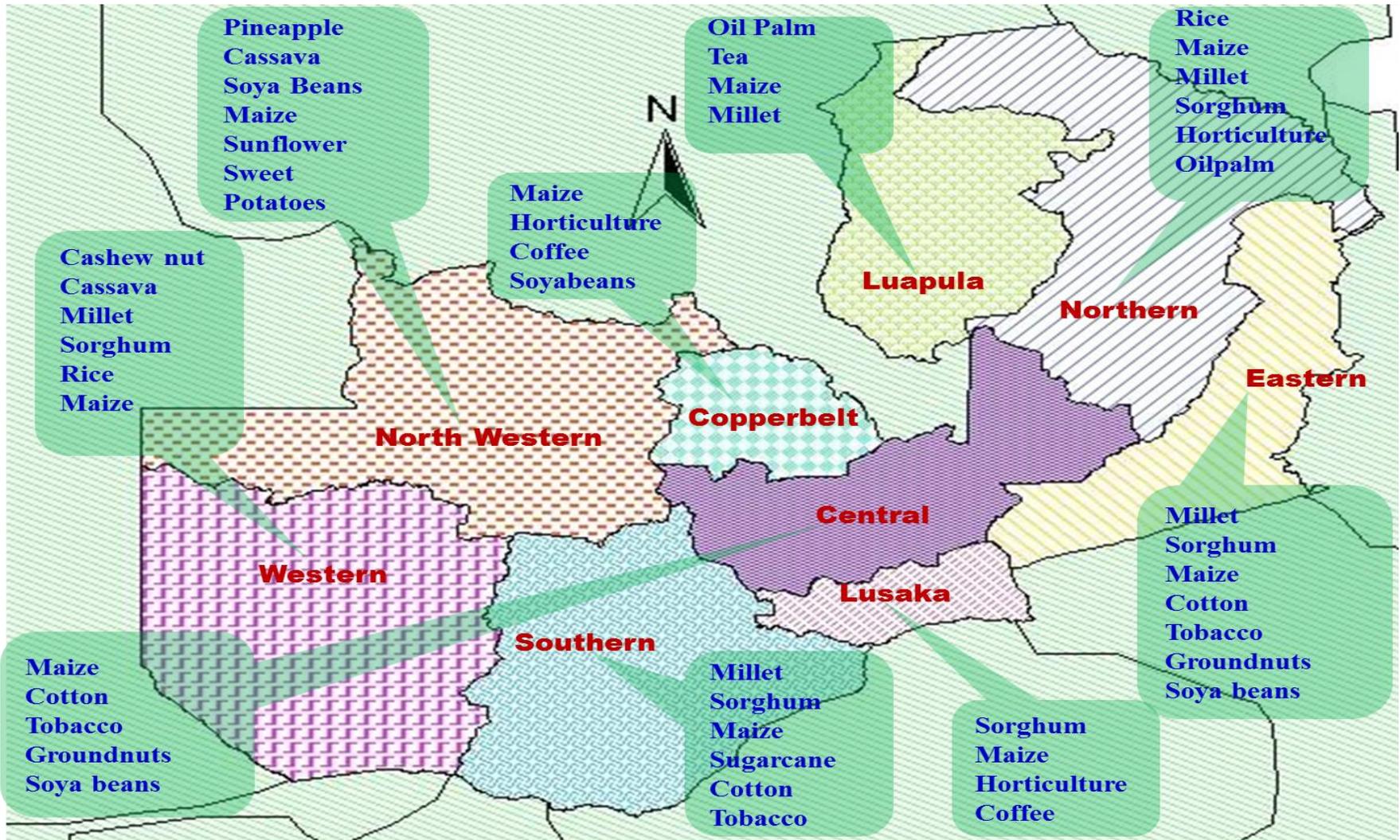
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Crops Sector

- ✓ Zambia's crop farming is diverse and the major crops can be grouped as Grains (maize; wheat; rice), oilseeds and other high value crops.
- ✓ Maize prod(staple food) has risen significantly in the past 3 yrs (2.8 mln mt this yr).



INVESTMENT OPPORTUNITIES CROPS





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Investment Opportunities in Maize

- Storage facilities

- Stock feed processing for livestock production.

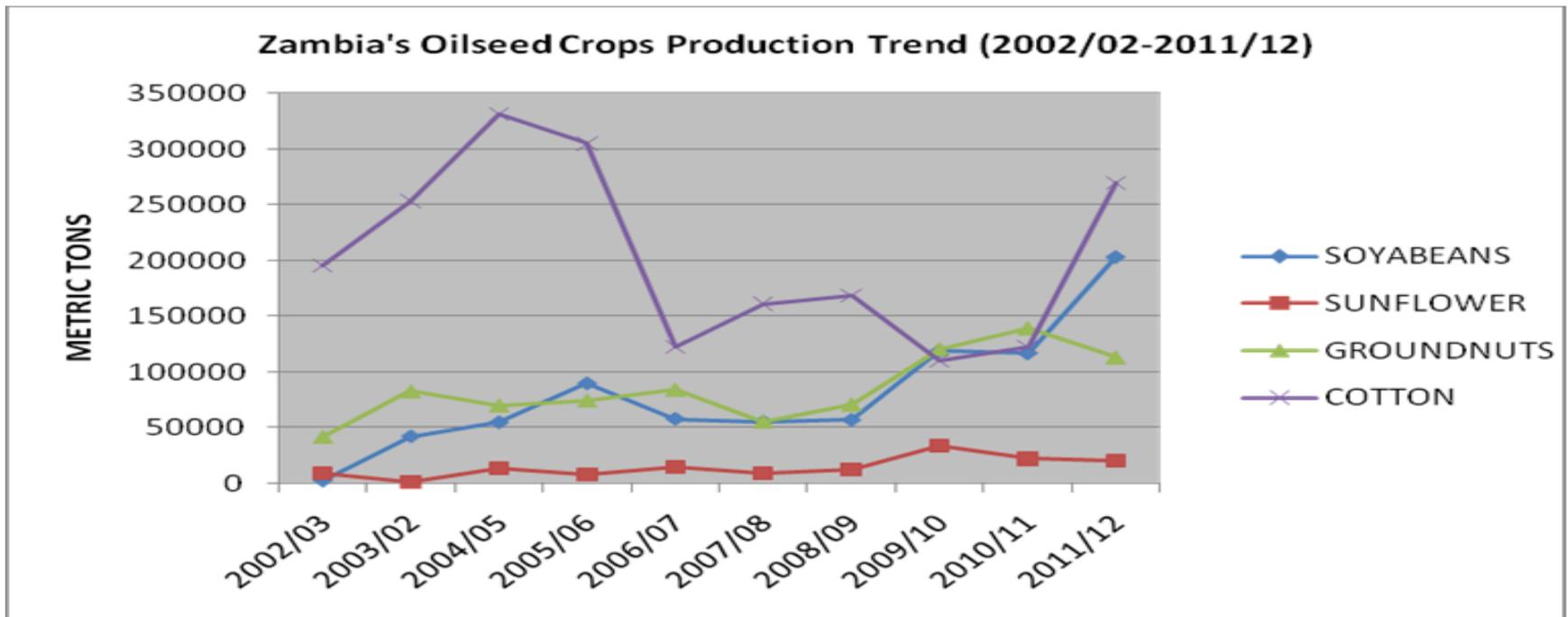
- Readily available markets into the regional export markets like Congo, Zimbabwe and other East and Southern African countries.



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Oilseeds

- ✓ Investments in oilseeds have also continued to yield higher returns for farmers and processors, with cotton production hitting over 250,000 Mt in 2012.





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Investment Opportunities in Oilseeds

- Processing facilities for edible oils (lacking)

- Out grower schemes leading to higher production

- Cotton ginning opportunities;
 - Access to regional markets in SADC and COMESA.

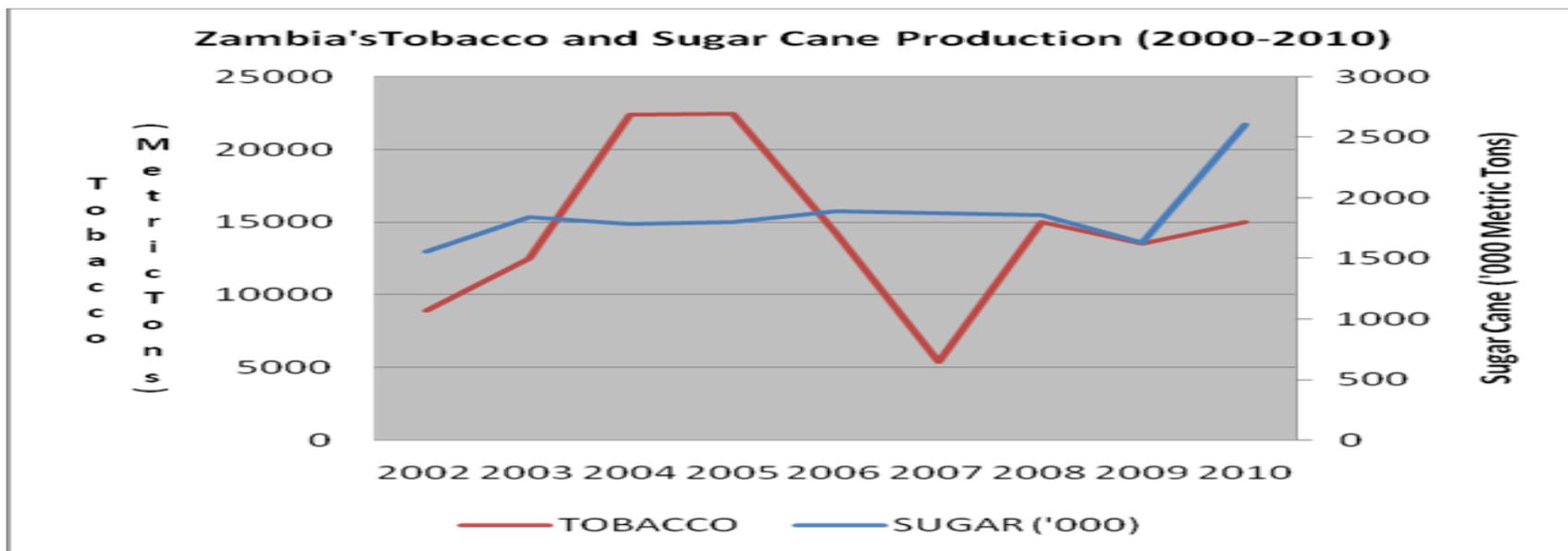


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Sugar Cane and Tobacco

- ✓ Sugar cane and tobacco production have continued to rise due to increasing demand both locally and in international markets (EU).



Opportunities in Sugar Cane and Tobacco.

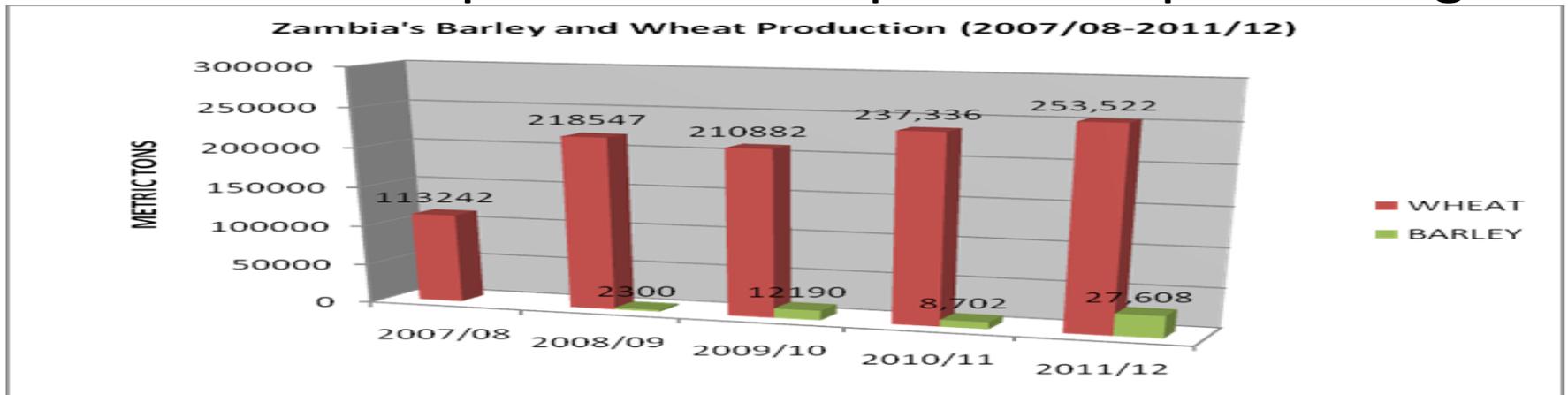
- Plenty of land and water for new ventures in primary production of sugar cane and tobacco
- Tobacco processing plants are currently lacking in the country
- Access to guaranteed sugar export markets in the EU.



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Wheat and Barley

- ✓ Wheat and Barley production have continued to show an upward trend for the past five years.
- ✓ Current production: Wheat 253,522mt and Barley 27,608mt.
- ✓ Zambia is self sufficient in wheat while barley production is new.
- ✓ Viable for expansion for exports and processing.



Investment opportunities in Wheat and Barley

- Abundance of land and water for wheat & barley farming done under irrigation. Supply of irrigation facilities and equipment
- Easy access to regional markets as both wheat and barley are in short supply in the regional markets;
- Supply of modern milling and bakery plants for processing.
- Barley is exported for processing and imported again as malt for the brewery.



Forestry Sector

Forestry subsector

- ✓ As a carbon sink, forestry production in Zambia has immense benefits:
- ✓ Avenue to mitigate the effects of climate change through carbon markets.
- ✓ increase family incomes by selling forestry products.

Investment Opportunities

- Wood and wood products
- Vast land for forestry production
- Establishment of milling plants to produce paper
- Production of carbon credits for selling in carbon markets

COMMERCIALIZATION OF AGRICULTURAL LANDS

Farm Block Development

- Government has embarked on a programme to open up viable Farm Blocks in various parts of the country to be involved in primary production and value addition.
- Government to provide basic infrastructure such as roads, bridges, and electrification.
- Farm Block design— one core venture (10,000 ha), commercial farms (1,000 – 5,000 ha), Smallholdings (30 – 300 ha)



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FARM BLOCKS

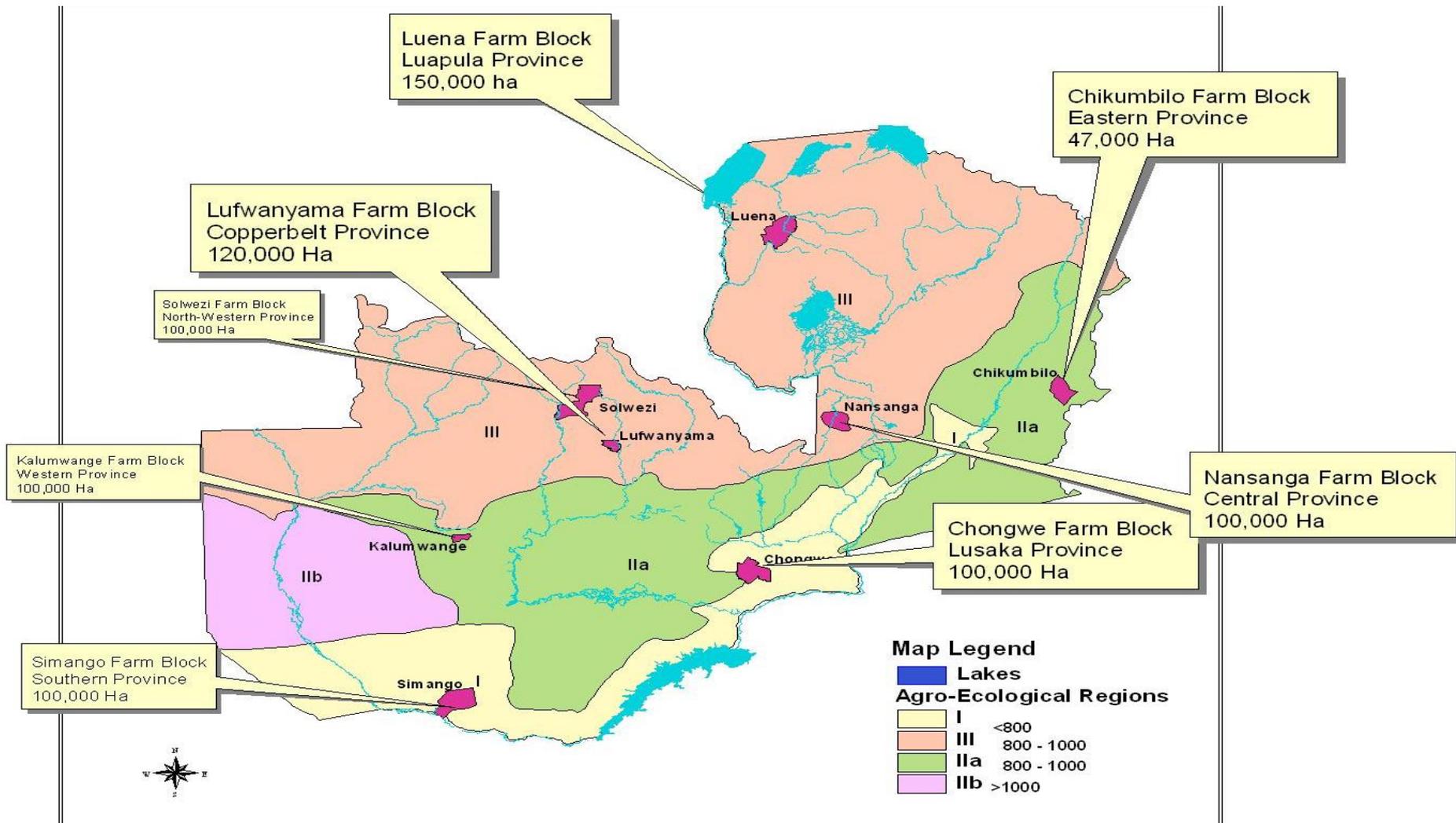
	Farm Block	Province	District	Size (Ha)
1	Nasanga	Central	Serenje	155 000
2	Kalumwange	Western	Kaoma	100 000
3	Luena	Luapula	Kawambwa	100 000
4	Manshya	Northern	Mpika	147 000
5	Mikelenge/Luma	North-Western	Solwezi	100 000
6	Luswishi	Copper-Belt	Lufwanyama	100 000
7	Chongwe	Lusaka	Chongwe	*45 000
8	Simango	Southern	Kazungula	100 000
9	Zumwanda	Eastern	Lundazi	100 000



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FARM BLOCKS



NASANGA FARM BLOCK

Electrification



Roads and Bridges



NASANGA FARM BLOCK

Bulk Water Supply



OPPORTUNITIES IN VALUE ADDITION- AGRO-PROCESSING

Agro-Processing:

- Animal or Stock feed production
- Cassava Processing (food and other industrial products)
- Cashew nut Processing
- Grain Milling (Rice, Maize, Wheat etc.)
- Edible oil Production
- Fruit Canning and Juice Extraction
- Meat, dairy, leather and leather products
- Fish canning and fish meal production
- Cotton Spinning and Textiles
- Bio-diesel production and ethanol production

LAND TENURE

TRADITIONAL LAND:

(Under customary/Traditional Leadership)

- Mostly small scale farmers

STATE LAND:

(Under Commissioner of Lands – Central Government)

- Mostly commercial farmers
- Foreign Individuals may not own land but corporates may lease land on long term

Conclusion

- Land availability, favourable weather conditions and access to vast water resources make the agriculture sector in Zambia a key driver for accelerated economic growth.
- The sector is a main source of income and employment for the majority of Zambians.
- Realizing Zambia's maximum Agriculture potential has lagged because of limited investments in high value agro-processing.
- Zambia offers vast opportunities in this sector.

Agritech Expo Zambia

April 4-5, 2014

GART Research Centre, Chisamba, Zambia

The Future of Zambian Agriculture



Agritech Expo 2014 is a professional business fair, presenting offers of leading representatives of the arable farming industry, ranging from seeds, through fertilizers, crop protection products, and manufacturers of farming machinery and post-harvest technology equipment. The event showcases specially prepared experimental plots and presentations of the latest farming equipment in real field conditions. Attending this event will give you the opportunity to access the most current knowledge and innovations in the industry.

Contact: www.agritech-expo.com

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THANK YOU

American Chamber of Commerce in Zambia



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Trade and
Investment in
Zambia***

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OUR MISSION

- Promote the flow of trade and commerce between the U.S. and Zambia
- Advocate on behalf of its members in public policy forums
- Collect and disseminate information on trade, investment, and doing business in Zambia

OUR MEMBERS

75 organizations representing American and Zambian firms in mining; agriculture; manufacturing; finance, insurance, and banking; travel and tourism; retail; project management; and NGOs in health and education, including Cargill, Catholic Relief Services, Citibank, Coca Cola, General Electric, Intercontinental Hotels Group, JHPIEGO, KPMG, Pioneer Dupont, Phelps Dodge, PricewaterhouseCoopers, Radisson Blu, among others...

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NETWORK & INFORMATION

Business Directory
Information Clearinghouse
Interactive website access & social media
Trade Resource Center

BUSINESS SERVICES

Business and Investment Consulting
Regulatory & Policy Compliance Review
B-2-B Personalized Matching
Corporate Sponsorships
Promotions

EVENTS

Trade Missions to/from US and Zambia
Roundtable Forums with Key Officials
Bimonthly Networking Receptions
Golf Days, Chipolopolo Matches

PROFESSIONAL DEVELOPMENT

SME Development Workshops
Corporate Intern Program
Cross Sector Engagement (CSR)
Forums

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U.S. Embassy Lusaka Commercial Services



- **Gold Key Services**
- **International Partner Searches**
- **International Company Profiles and**
- **Contact Lists**

Website:

<http://Zambia.USEmbassy.gov/business.html>

Contact: **CommercialLusaka@state.gov**

Q&A