

GOVERNMENT OF ZAMBIA

**ACT**

No. 20 of 2005

Date of Assent: 28th September, 2005

**An Act to amend the Food Reserve Act**

[ 7th October, 2005

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Food Reserve (Amendment) Act, 2005 and shall be read as one with the Food Reserve Act, in this Act referred to as the principal Act.

Short title  
Cap. 225

2. Section *four* of the principal Act is amended in subsection (2), by the—

Amendment  
of  
section 4

(a) deletion of paragraphs (b) and (c) and the substitution therefor of the following paragraphs:

(b) establish a market information system of stocks for the national strategic food reserve; and

(c) promote the use of approved standards of weighing and grading for designated agricultural commodities in accordance with the Weights and Measures Act and the Standards Act;

Cap. 404  
Cap. 403

(b) insertion in paragraph (d) after the word “ facilities ” of the words “ and equipment ”;

(c) deletion of paragraph (e); and

(d) renumbering of paragraphs (f) and (g) as (e) and (f) respectively; and

(e) by the deletion of subsection (4) and the substitution therefor of the following:

(4) The Agency shall, in addition to such other actions as may be necessary to administer the national strategic food reserve, purchase, import, sell or trade in a designated agricultural commodity.

3. The principal Act is amended by the repeal of Part IV and the substitution therefor of the following:

Repeal and  
replacement  
of Part IV

PART IV  
CROP MARKETING

Marketing  
and  
trading of  
designated  
agricultural  
commodities

10. (1) The Agency shall engage in the marketing and trading of designated agricultural commodities.

(2) In conducting activities under subsection (1) the Agency shall—

- (a) announce in the *Gazette* the designated agricultural commodities, the quantities, places, procurement methods and methods of payment for the purchase of designated agricultural commodities;
- (b) identify and enter markets in rural areas;
- (c) establish or determine prices and create markets for designated agricultural commodities in rural areas where involvement by the private sector is minimal;
- (d) operate through established market centres in rural areas or farmers' organisations such as co-operatives and associations of farmers; and
- (e) export or process designated agricultural commodities.

Functions of  
A g e n c y  
related to  
designated  
agricultural  
commodities

11. (1) The Agency shall—

- (a) establish and maintain a market information system for the benefit of the consumer and for any person engaged in the production, marketing and processing of each designated agricultural commodity; and
- (b) in establishing the market information system under this section, consult representatives of consumers, producers, traders, processors and any other person engaged in the production, marketing and processing of a designated agricultural commodity.

(2) The Agency shall collect and disseminate information relevant to the marketing of designated agricultural commodities, including information on domestic sales and export sales of a designated agricultural commodity for the purposes of the requirements of consumers, producers, traders, processors and any other persons engaged in the production, marketing or processing of such designated agricultural commodities.

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| <p>11A. Subject to the Agricultural Credits Act, the Agency shall, prior to purchasing a designated commodity, inspect all relevant records to determine if the trader or processor selling the designated commodity has previously pledged the commodity as security or whether a charge or lien has been registered under that Act.</p> | <p>Power to inspect records<br/>Cap. 224</p>                  |
| <p>11B. Any registered trader and processor who sells any designated commodity in disregard of a registered charge or lien on the designated commodity referred to in section <i>eleven A</i> commits an offence and shall be liable to a penalty under the Agricultural Credits Act.</p>   | <p>Penalties for disregarding charge or lien<br/>Cap. 224</p> |
| <p>4. Section <i>thirteen</i> of the principal Act is amended by the deletion of the words “ten penalty units” and the substitution therefor of “fifty thousand penalty units, or to imprisonment for a term not exceeding six months, or to both”.</p>   | <p>Amendment of section 13</p>                                |
| <p>5. The principal Act is amended by the repeal of Part VI and the substitution therefor of the following new Part:</p>  | <p>Repeal and replacement of Part VI</p>                      |

**PART VI**

**MANAGEMENT AND LEASE OF STORAGE FACILITIES AND EQUIPMENT**

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| <p>14. (1) The Agency shall manage, lease and maintain such storage facilities and equipment, to be used for designated agricultural commodities, as it may consider necessary.</p> <p>(2) The Minister may, by statutory instrument, make regulations for the better carrying out of the functions of the Agency specified in subsection (1).</p>   | <p>Functions related to storage facilities and equipment</p> |
| <p>15. (1) The Agency shall collaborate with other institutions to facilitate the operations of markets and agri-business activities.</p> <p>(2) In this section, “agri-business activities” include—</p> <p>(a) the operation of a system where a farmer obtains inputs on credit and agrees with the lender to recover the loan in full from the sale of the farmer’s produce, and pay the farmer the difference, if any, for the recovery of credit; and</p> <p>(b) the maintenance of a system which allows a farmer or any person to obtain credit against agricultural commodities held in a bonded warehouse.</p> | <p>Agri business activities</p>                              |

- Amendment of principal Act
6. The Principal Act is amended by the deletion of the term—
- (a) “designated commodity” wherever it appears and the substitution therefor of the term “designated agricultural commodity” and
  - (b) “national food reserve” wherever it appears and the substitution therefor of the term “national strategic food reserve”.
- Amendment of Schedule
7. The Schedule to the principal Act is amended—
- (a) in paragraph 2 by—
    - (i) the repeal of subparagraphs (1) and (2) and the substitution therefor of the following:
      - (1) The Agency shall consist of the following part-time members:
        - (a) a representative of—
          - (i) the small scale farmers;
          - (ii) the Zambia National Farmers Union;
          - (iii) the Millers Association of Zambia; and
          - (iv) the Bankers Association of Zambia;
        - (b) one person from a co-operative;
        - (c) two senior officials from the Ministry responsible for agriculture and co-operatives; one of whom shall be from the Division responsible for marketing and co-operatives and the other from the Division responsible for agriculture;
        - (d) one senior official from the Ministry responsible for commerce, trade and industry;
        - (e) one senior official from the Ministry responsible for finance and national planning; and
        - (f) a representative of the Attorney-General.

(2) The members referred to in subparagraph (1) shall be nominated by their respective organisations or Ministries and appointed by the Minister.

(ii) the repeal of the proviso and the substitution therefor of the following:

Provided that the Chairperson shall not be elected from the members appointed under clauses (c), (d) or (e).

(b) in paragraph 9 by the deletion of subparagraph (2) and the substitution therefor of the following:

(2) Any person who knowingly contravenes the provisions of subparagraph (1) commits an offence and shall be liable, upon conviction, to a fine not exceeding ten thousand penalty units or to imprisonment for a term not exceeding three months, or to both.

(c) in paragraph 10 by the—

(i) deletion in subparagraph (2) of the full stop at the end of clause (c) and the substitution therefor of a semi-colon; and

(ii) insertion before subparagraph (3) of the following new paragraph (d):

(d) lease storage facilities and equipment.

