

Press Release

9th July 2013

JCTR URGES GOVERNMENT TO TACKLE ESCALATING COST OF FOOD

In May 2013, government sequentially scrapped off fuel and maize subsidies contending that the measure would free resources for infrastructure development and poverty reduction among others. This change in subsidies has generated a debate with various actors voicing varying views.

At household level, the effects of the subsidies removal on prices of basic commodities are still being felt two months afterwards. According to Daniel Mutale, Social conditions programme manager, “the effects of removal of subsidies on basic food items are deepening.” This calls for an urgent response to address the rising food costs.

The cost of living for the month of June 2013 as measured by the *JCTR's Basic Needs Basket* for an average family of five living in Lusaka stood at **K 3,684.46**. The *Basic Needs Basket* total has increased by **K 59.26** compared to May 2013 when the basket was **K 3,625.20**. Evidently this increase is almost double the *Basic Needs Basket* total increase from April to May which was **K 31.60**. From the time the subsidies were removed in May, a cumulative increase in the *Basic Needs Basket* total of **K 90.86** has been seen. The total cost of essential food items contributed most to this increase by **K 41.78** while that of essential non food items increased by **K 17.48**. Increases in unit price of food commodities such as Mealie meal, beans, dry fish and beef by **K 3.18**, **K 1.49**, **K 24.62** and **K1.13** respectively, explain the increase.

“The fact that it is the basic food items whose prices are affected is worrisome as these are integral to the diet of the majority poor,” notes Mr. Mutale. Not only is the cost of basic food items such as mealie meal, which on average costs **K 59.28**, unaffordable but the price is steadily rising as evidenced by an increase of approximately **K 3** in the month of June 2013. Data from the *Satellite Home Survey* carried out by the JCTR in some high density areas within Lusaka show that a great number of families rely heavily on mealie meal for their basic meals. Thus the current and potential future increase in its cost and those of other basic food items will both constrain the already struggling families and pose a threat to household food security.

In view of the fact that so far no well articulated framework has been put in place to ensure that the poor do not suffer adverse shocks of price changes, the JCTR strongly urges government to tackle rising cost of basic commodities. It is imperative that clear measures, such as zero rating some food products, be put in place to mitigate the increasing cost of food items.

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