

# Invest in Zambia's Agriculture Sector



## Farm Blocks



Ministry of Agriculture



His Excellency, President of the Republic of Zambia, Mr. Hakainde Hichilema during the Agri Tech Expo

## BACKGROUND

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Agriculture has been identified as an engine for wealth and job creation in Zambia. This is against the background of the ever growing demand for food stocks that extends beyond Zambia to the neighboring countries and the world. Zambia has a unique opportunity to not only meet this demand but also position the agriculture sector to contribute to the national GDP and contribute to the economy by providing food for itself and well beyond its borders.

It is recognised that the Zambian Government alone cannot meet this demand in the immediate to medium term. Infact, with the advent of the AfCFTA it is clear that there is need for more partners in Zambia's agriculture. Currently, the agriculture sector contributes less than 3% to the GDP and yet statistics by the Ministry of Agriculture shows that there is over 42 million hectares of arable land in Zambia. This shows the huge opportunity that is available in Zambia taking into consideration the good rainfall patterns as well as access to fresh water.

Against this background, the Zambian Government has to put in place measures to invite both local and foreign investors to be part of the country's rapidly developing economy. As one of the most import sectors, Agribusiness has extensive investment opportunities at various levels from primary agriculture to agribusiness value chains.

Opportunities are in agriculture production, processing of raw materials into final products, and also for sale both to local and foreign markets.

In order to expedite and promote the growth of agriculture sector, the Zambian Government developed the concept of Farm Blocks. Under this Concept, the Government set aside land for agricultural production and value chain development through farm blocks.

## Farm Block Configuration:

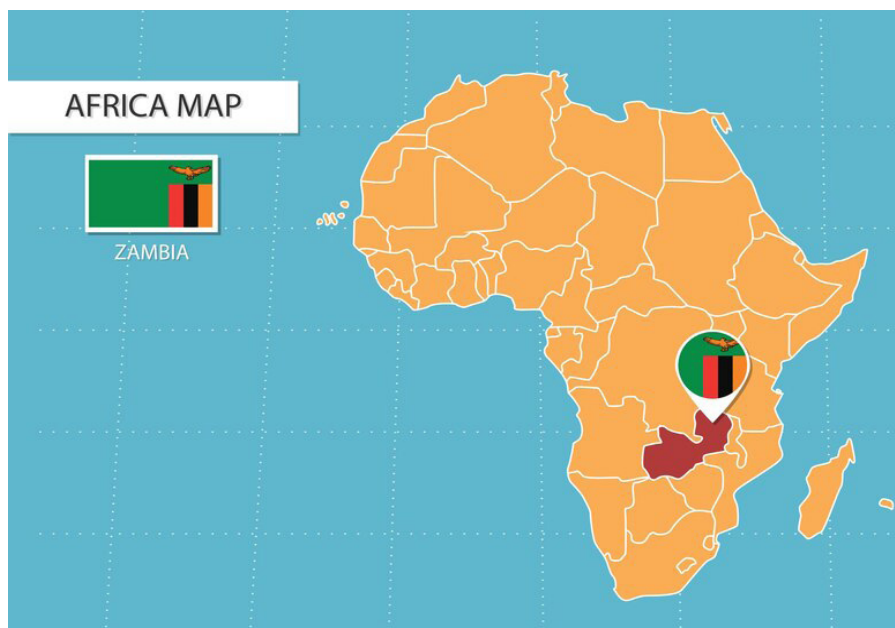
The total land area for each Farm Block is at least 100, 000 hectares with each block designed to have four categories of farms Core venture farm, large comm

**Opportunities:** Viable farmland to investment in primary agriculture production and agro-processing.

**Other Opportunities:** Invest in support infrastructure such as energy, logistics, water, and telecommunications infrastructure.

**Basic Backbone Infrastructure:** Funding has been secured to build basic infrastructure such as access roads, electricity, dams and communication among other requisites.

**Market Access:** With its central location, Zambia serves as a land linked business hub to eight neighbouring countries plus 1 (Rwanda). The market includes the entire economic regions in Southern, Eastern and entire Africa with the coming on board of the Africa Continental Free Trade Area (AfCFTA).



## INVESTMENT INCENTIVES

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Zambia is a renowned investment destination due to its unmatched investment climate, Stable political System; Stable macroeconomic fundamentals; Private sector driven economic policies; Re-invigorated focus on promoting Public Private Partnerships; Pro-business reforms by Government; Investment guarantee and securities and its central location with wide market access.

### Fiscal Incentives in Agriculture

Some of the incentives that make Zambia attractive include the following:

- VAT deferment on importation of some agricultural equipment and machinery;
- Corporate Income Tax on businesses in agriculture and agro-processing is at a reduced rate of 10%;
- Development allowance at the rate of 10% for any person who incurs expenditure on the growing of tea, coffee, or banana plant or citrus trees or other similar plants or trees;
- Businesses carrying on agro processing of selected local raw materials such as Cassava, Pineapple and Mango are entitled to a 2% local content allowance for income tax purposes.

### Fiscal Incentives in Agro-processing

- Suspension of duty on key manufacturing inputs that are not locally available;
- Customs duty exemption for a period of 5 years on machinery, equipment and other goods specified in a bill of quantities for the developer of a multi-facility economic zone or industrial park;
- Capital allowance deductible from total income, on any new implement, plant or machinery

- Reduced Income tax for a rural enterprise for the first five charge years for which that business is carried on (one-seventh of 30%).
- Income from organic and chemical manufacturing of fertilizer is taxed at a reduced rate of 15%
- Businesses allowed to claim capital expenditure on buildings, equipment, plant and machinery
- Carry over losses for up to 5 subsequent years from the charge year in which the loss is incurred.

### Fiscal Incentives in Manufacturing

- Zero percent (0%) income tax for a period of ten years, on profits made on exports
- Half (15%) of the standard income tax rate (30%) on profits earned in years eleven to thirteen
- Three quarters (22.5%) of the standard income tax rate (30%) on profits earned in years fourteen and fifteen
- Zero percent (0%) per annum, for ten years on dividends from profits on exports



## FARM BLOCKS

The country has a total of ten (10) Farm Blocks, one in each of the ten provinces of the country. However, four (04) farm blocks are currently being promoted for investment namely: Shikabeta, Luena, Kalumwange and Kalungwishi.

**Crops:** cassava, maize, soya, wheat, cotton, tea, cashew, macadamia, avocado, bananas, tomatoes

**Livestock:** cattle, goats, sheep, poultry, aquaculture

No.	Farm Block	Town	Province
1	Luena	Kawambwa	Luapula
2	Shikabeta	Rufunsa	Lusaka
3	Kalumwange	Kaoma	Western
4	Kalungwishi	Mporokoso	Northern
5	Nansanga	Serenje	Central
6	Luswishi	Lufwanyama	Copperbelt
7	Chikumbiro	Lundazi	Eastern
8	Manshya	Shiwanga'ndu	Muchinga
9	Musokotwane	Kazungula	Southern
10	Mushindamo	Mushindamo	North Western

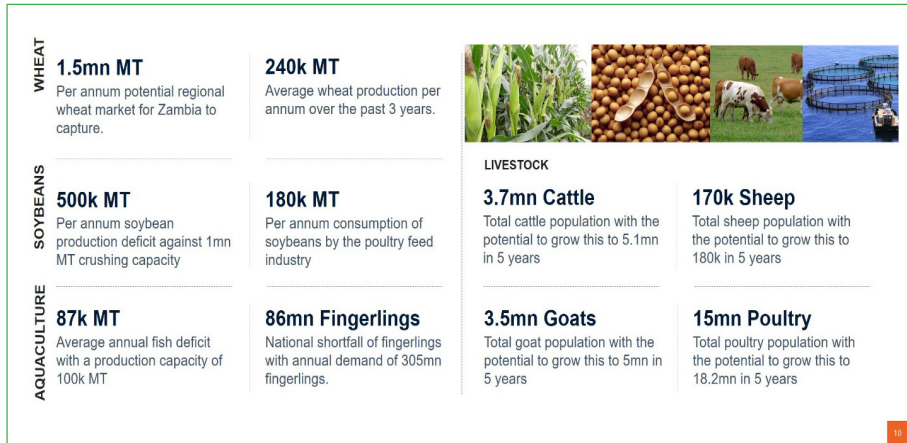
### Categories of Farm

No.	Category	Farm Size Hectors
1	1	5 – 10
2	2	11 – 101
3	3	101 – 1,000
4	4	1,001 – 5,000
5	5	5,001 – 10,000
6	6	Above 10,000

## VALUE CHAINS

### Crops, Livestock & Aquaculture

Below is an illustration of some of the value chains that can be done in the Farm Blocks.



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## Consideration Fees:

Consideration fees for agricultural land only payable by Zambians, Corporate Body and Non-Zambians

No	Category	Farm Size (ha)	Zambian Individual Amount in ZMK	Corporate Body Amount in ZMK			Corporate Body/ Individual
				Zambian Empowered	Zambian Influenced	Citizen Owned	Non Zambian
1	1	Up to 50 ha	3,833.40	3,833.40			Market Value
2	2	50- 150	4,791.30	4,791.30			Market Value
3	3	150-250	5,749.80	5,749.80			Market Value
4	4	250-500	6,708.30	6,708.30			Market Value
5	5	500-1000	7,666.50	7,666.50			Market Value
6	6	Above 1000	9,583.20	9,583.20			Market Value



## INDIVIDUAL FARM BLOCKS



## SHIKABETA

### Location and General Description

- Shikabeta Farm Block has a spatial extent within longitude 29.077° E to 29.354° E and from latitude 14.867° N to 15.106° N.
- Shikabeta farm block is located in Rufunsa district of Lusaka Province about 135km from Lusaka City;
- The farm block is accessed through the Great East Road from Lusaka and
- The farm block covers an area of approximately **36,900ha** in the Luano valley where it borders Luano District in Central Province.

### Elevation and Water Resources

- Shikabeta farm block is generally flat in some areas and hilly in some other areas.
- The main river in the area is Lunsemfwa River as shown on the map

- The main streams in the farm block are Mwapula, Malambo, Mtendeshi and Chasonsa
- Streams/Rivers with potential for damming are Lunsemfwa, Mwapula and Chasonsa

### Soils and Crop suitability

Soil types in Shikabeta include heavy clay soils in areas with Mopani forest, sodic soils, sandy loams and alluvial deposit soils along the Lunsemfwa River. The major crops suitable for the area are: Sorghum, Cotton, Maize, Horticultural crops, Groundnuts, Soy beans and Mangoes.

### Opportunities

- Shikabeta farm block is the closest farm block to Lusaka of all the farm blocks;
- The proximity to Lusaka City provides an opportunity for affordable and quick access to the market for agricultural produce and
- Lunsemfwa and Mwapula Rivers provide a huge potential for irrigation of crops.





## LUENA

### Location and General Description

- This Farm Block has a spatial extent within longitude 29.087° E to 29.622° E and from latitude -9.593° N to -10.195° N
- Luena Farm Block is situated in the Northern part of Zambia called Luapula Province;
- It has a total area of 186,000 ha planned into farms of various sizes;
- It has a total number of 45 planned farms with total area of 66,722 ha.
- The remainder of 119,300 ha is partly covered with an extensive network of marshlands.
- It has a number of perennial rivers and streams.
- Characterized by mean annual rainfall of above 1,000mm while the growing period ranges from 120 - 150 days.

## Elevation and Water Resources

- Luena farm block has a flat land with an extensive network of streams, rivers and wetlands.
- The lowest areas are about 1,200m above sea level and highest areas are about 1,350m above sea level
- The main rivers in the area are Lufubu, Mupoposhi and Kalungwishi
- Extensive network of wetlands.

## Soils and Crop suitability

Influenced by strongly leached reddish to brown clayey to loamy soils, derived from acid rocks (miombo). It has a FAO classification of othic/xanthic ferralsol.

The major crops suitable the area are: Soybeans, Maize, Groundnuts, Sorghum, Cassava and Tree crops (Mangoes, avocado and Macadamia).

## Electricity and Roads

- Network of gravel roads with a total length of approximately 198.6 Km of roads within the farm block.
- It is serviced with an all-weather bituminous trunk road that cuts across the farm block.
- Part of the farm block is serviced by 10 km of 1.5 Megawatt power line.
- Plans underway to extend this power line to cover an additional 40 km.



## **KALUNGWISHI**

### **Location and General Description**

- Its location falls within a spatial extent of longitude 29.738° E to 30.423° E and latitude -9.484° N to -9.946° N.
- Kalungwishi farm block located in Lunte District of Northern Province about 165km from Kasama Town.
- The farm block covers an area of approximately 202,927 ha with 181 farms.

### **Elevation and Water Resources**

- Kalungwishi farm block is generally flat area with a high density of streams
- The lowest areas are about 1275m above sea level and highest areas are about 1500m above sea level
- The main rivers in the area are Luangwa and Kalungwishi
- The main streams are Fibale, Lupansa, Chikulu and Mwitwa
- Streams/Rivers with potential for damming are Kalungwishi, Luangwa, Lupansa and Chikulu

## Soils and Crop suitability

Soil types in Kalungwishi is dominated by Acrisols which are characterized by the dominance of stable low activity clays and low base saturation. The major crops suitable the area are: Soya beans, Maize, Groundnuts, Sorghum, Cassava and Tree crops (Mangoes, avocado and Macadamia).



## KALUMWANGE

### Location and General description

- The Spatial extent of the farm block falls within longitude 24.601° E to 25.149° E and latitude -13.997° N and latitude -14.545° N.
- Kalumwange farm block is located in Kaoma district of Western Province about 470km from Lusaka.
- The farm block is accessed through the D301 road from Kaoma district. It starts from the Sitwa stream (40km from Kaoma) and

ends on Lalafuta River (80km from Kaoma) along the D301 road from Kaoma District.

- The farm block covers an area of approximately 159,800ha. This includes the Kalumwange Resettlement Scheme (21,410ha) which is located inside the farm block.
- Kalumwange Resettlement Scheme has 1221 plots that range in size from 4ha to 179ha

## Elevation and Water Resources

- Kalumwange farm block is generally a flat area; the lowest areas are about 1100m above sea level and highest areas are 1240m above sea level;
- The main river in the area is Lalafuta as shown the map;
- The main streams are Kafufula, Chihili, Nyansola and Mwalisopo;
- Satellite images for the Kalumwange show that the farm block has some large dambos in some areas, especially in the western part of the farm block and
- Streams/Rivers with potential for damming are Lalafuta, Kafufula and Chihili.





## Soils and Crop Suitability

- Kaoma district falls in Agro-ecological region IIb where it receives annual rainfall of between 800mm- 1000mm.
- Kalumwange soils are predominantly a well-drained sandy loam soils
- The major crops suitable for Kalumwange are; Tobacco, Maize, Groundnuts, Sorghum, Soybeans, Tree crops (mango, citrus, avocado and macadamia) and possibility of Rice (requires survey of dambos in the farm block)



## APPLICATION FOR FARMS

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1. Notwithstanding anything to the contrary contained in any other Law, instrument or document, but subject to the Lands Act Cap 184, all land in Zambia shall be vested absolutely in the President and shall be held by him in perpetuity for and on behalf of the people of Zambia.
2. Subject to Section (3) of subsection (4) and to any other law, the President may alienate land vested in him to any Zambian.
3. Subject to any other provisions and procedures relating to alienation of land, the President may alienate land to a non-Zambian under the following circumstances:
  - a) Where the non-Zambian is a permanent resident in the Republic of Zambia;
  - b) Where the non-Zambian is an investor within the meaning of the Investment Act or any other law relating to the promotion of investment in Zambia;
  - c) Where the non-Zambian has obtained the President's consent in writing under his hand;
  - d) Where the non-Zambian is a company registered under the Companies Act, and less than twenty-five per centum of the issued shares are owed by non-Zambians;
  - e) Where the non-Zambian is a statutory Corporation created by an Act of Parliament;

- f) Where the non-Zambian is a co-operatives society registered under the Co-operatives Societies Act and less than twenty-five per centum of the members are non-Zambians;
- g) Where the non-Zambian is a body registered under the Land (Perpetual Succession) Act and is a non-profit making, charitable, religious, educational or philanthropic organization or institution which is registered and is approved by the Minister for the purpose of this section;
- h) Where the interest or right in question arises out of a lease, sub-lease, or under-lease, for a period not exceeding five years, or a tenancy agreement;
- i) Where the interest or right in land is being inherited upon death or is being transferred under a right of survivorship or by operation of law
- j) Where the non-Zambian is a Commercial Bank registered under the companies Act and the Banking and Financial Services Act.

More information on Agribusiness opportunities, farm blocks, tax incentives, tax rates, licences and permits needed to operate in a Farm Block is readily available on the Zambia Development Agency (ZDA) website [www.zda.org.zm](http://www.zda.org.zm) or you can call us and to speak to anyone from our Investments team. We'll be glad to talk to you



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**ZDA INVESTMENT CERTIFICATE OF REGISTRATION CHECK LIST FOR  
SUBMISSION OF NEW APPLICATION (2023)**

S/N	REQUIREMENTS	Official Use!
1	<b>Application letter</b> for Investment Certificate of Registration addressed to Director General, Zambia Development Agency (ZDA), indicating the project type, sector, proposed location if any, pledged investment amount, pledged number of jobs, and 3 contact details of the key people in the company and their location (base) i.e.: Proprietors, Company Secretary, Consultant.	
2	<b>Application Form</b> for Investment CoR – <i>Fully filled-in (Typed)</i>	
3	<b>Certificate of Incorporation</b> - <i>Certified Copy</i>	
4	<b>Certificate of Share Capital</b> - <i>Certified Copy</i>	
5	<b>PACRA Computer Print-out</b> - ( <i>Shareholders &amp; Directors List/ Nature of Business</i> ) stamped by PACRA	
6	<b>Identity Documents</b> for All Shareholders (NRC for Zambians/ Passport for foreigners)– <i>Clear and Certified Copies</i>	
7	<b>Immigration Status:</b> Foreign Promoters currently located in Zambia must attach stamped endorsement passport page as proof of immigration status; – <i>Clear and Certified Copies</i>	
8	<b>Profiles</b> of Promoters and key staff of the project	
9	<b>Proof of Project location</b> ( <i>Attach a copy of either the land title or contract of sale of property or a valid tenancy agreement to confirm location of the project</i> )	
10	<b>Proof of Finance</b> or Evidence of existing capital available for the investment amounting to at least <b>USD 1,000,000.00</b> for Foreign Investors and the following Citizen Companies: <b>Citizen wholly owned Company with at least USD 50,000 (100% Shareholding)</b> <b>Citizen Owned Company with at least USD 100,000 (50.1% + Shareholding)</b> <b>Citizen Empowered Company with at least USD 150,000 (25.1 % - 50% Shareholding)</b> <b>Citizen Influenced Company with at least USD 500,000 (5%- 25% Shareholding)</b>	
	<b>EITHER (OR COMBINATION OF):</b>	
10.1	Current Bank Statement with aforementioned amounts <b>OR</b>	
10.2	Verifiable Cash flows and receivables, e.g. Latest Bank Statement for at least 3 months to application date <b>OR</b>	
10.3	Latest Audited Financial Statements or Management accounts prepared by a certified, licensed and practicing ZICA member (For Businesses existing more than 1 Year) <b>OR</b>	
10.4	Funding agreement (e.g. Loan, Grant, etc) <b>OR</b>	
10.5	Letter of commitment from Financier with traceable contact details and evidence of financial capacity <b>OR</b>	
10.6	List of Assets - ZRA Form CE20 - showing description and value of goods/equipment to the tune of proposed investment <b>OR</b>	
10.7	Any other legitimate source of finance	
11	<b>Detailed Business Plan</b> ( <i>see ZDA guide on Business Plan in the Investment Guidelines provided</i> )	
12	Valid General <b>Tax Clearance Certificate</b> from Zambia Revenue Authority (ZRA)	
13	<b>NAPSA Registration</b> <i>if any</i> (National Pensions Scheme)	
14	<ul style="list-style-type: none"> <li>• <b>Receipt of Payment</b> of Non-Refundable Processing Fee (ZMW 2,133.00). [<i>If certificate is approved, there will be a Certificate of Registration Fee (ZMW 12,783.00)</i>] <b>OR</b></li> <li>• Receipt of Payment of Permit Fee for MFEZ / Industrial Park (ZMW 166.50)</li> </ul>	
15	<b>Recommendation Letter</b> from MFEZ/IP ( <i>For MFEZ/IP Applications Only</i> )	

**NOTE: Timeline for feedback on all Applications is within 30 Days.**

*[According to The ITBD Act No. 18 of 2022 under Part V Section 18 (2) "The Agency shall, within thirty days of receipt of an application under subsection (1), approve or reject the application. (3) The Agency shall, where the Agency rejects an application under subsection (2), notify the applicant in writing and give reasons for the rejection within fourteen days of the day of the decision"]*

**FOR OFFICIAL USE ONLY:**

A.R.R. No \_\_\_\_\_

Checked and Recommended for payment by:

Full Names: .....

Signed.....

Position: .....

Date: .....





