



ZAMBIA
DEVELOPMENT
AGENCY

Investment for Prosperity



AGRICULTURE SECTOR PROFILE

2024



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1. ZAMBIA FACT SHEET



Population (2022)
19.6 million



Annual GDP
Growth Rate (2023)
5.8 %



Average
Exchange Rate
(2023)
ZMW 1 = USD 20.21



Inflation Rate
(March, 2024)
13.7 %



Land-Linked Country

8 + 1 Neighboring
Countries

**Malawi, Botswana,
Zimbabwe,
Tanzania, DRC,
Angola, Namibia,
Mozambique and
South Africa**



Member of the
Southern African
Development
Community

**SADC Population =
345 million**



Member of the
Common Market for
Eastern and Southern
Africa

**COMESA Population =
560 million**



**Trade Surplus (2023):
USD 306.8 million**



Ease of getting credit (2021)
Africa: 1st, World: 4th



**Working-age
Population (2022)**
10.4 million





2. SECTOR OVERVIEW

Agriculture is one of the key drivers of economic transformation and job creation in Zambia as espoused in the Eighth National Development Plan (8NDP). The sector contributed 2.8 percent to the country's Gross Domestic Product (GDP) in 2023 and employs about seventy (70) percent of the population. In line with the Sustainable Development Goal (SDG) No. 2 which aims to eradicate poverty by 2030, Government has gazetted land across the country which it is developing into Farm Blocks. This measure will enhance private sector investment in the Farm Blocks, as well as stimulate development in rural areas.

Zambia has 42 million hectares of arable land of which only 1.5 million hectares are actively farmed each year, this large gap presents an opportunity for growth in the sector. Government has established farm blocks in each of the 10 provinces of the country with each farm block having 100,000 hectares of land. The country also hosts over 40 percent of the total water resources in the Southern African Development Community (SADC), resources which are ample for irrigation.

The main crops grown in Zambia are maize, wheat, sorghum, millet, cassava, soybeans, along with various vegetables and fruits. Maize is the staple food crop. The agricultural landscape is

predominantly characterized by smallholder farmers who mainly employ subsistence farming techniques. The sector is faced with a limited uptake of modern agricultural techniques and technologies presenting investment opportunities in advanced technology.

Livestock farming plays a crucial role in Zambia's agricultural sector, bolstering food production and household earnings. The country's major livestock includes cattle, goats, sheep, pigs, and poultry. Cattle ranching is particularly noteworthy due to the nation's expansive grasslands. While small-scale farmers are predominant, commercial operations account for about 10 percent of total output in the sector.

Aquaculture has been gaining traction as a strategy to diversify food production and enhance protein availability. The main species of fish in Zambia is Tilapia. Other species include: Catfish; Lates angustifrons/Buka Buka; Sardines; Momyrids/Mintesa etc.

Government's commitment to food security has been demonstrated through the implementation of reforms in the agriculture sector. These reforms are aimed at enhancing productivity, promoting value addition, and improving market access for farmers.

3. SECTOR OPPORTUNITIES

Agriculture plays a significant role towards achieving the country's economic transformation and job creation agenda as espoused in the

8NDP. This objective can be achieved through the adoption of modern technologies, and value addition

3.1 UNLOCKING GROWTH POTENTIAL THROUGH MECHANIZATION

The sector is largely non-mechanized and is mainly rain-fed. Investment opportunities within this sector encompass large-scale farming, provision of agricultural inputs and equipment, implementation of irrigation systems, development of agro-processing facilities, and

facilitation of commodity trading. Production in this sector is largely attributed to small scale farming which accounts for about 82 percent of total output. Enhancing mechanization would be a critical driver for bolstering the sector's productivity and efficiency.



3.2 KEY REGIONAL AND INTERNATIONAL TRADE AGREEMENTS

Zambia's membership to regional markets such as the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) allows for easy access

to regional and international markets for its products. Additionally, the country is a member of AGOA and has ratified the African Continental Free Trade Area (AfCFTA).

3.3 STRATEGIC POSITION AND INTERNATIONAL TRADE AGREEMENTS

Its geographical advantage, combined with preferential trade agreements and market integration initiatives, places it in a better position to trading in agricultural commodities such as maize, soybeans, and sugar in the region and global markets. Additionally, Zambia's

participation in international trade fora and agreements enhances market access and diversification opportunities for its agricultural products, contributing to income generation and economic growth.

3.4 EMPOWERING LOCAL AGRICULTURE THROUGH ENHANCED CONSTITUENCY FUNDS

The sector is privy to financing mechanisms such as the enhanced Constituency Development Funds (CDF) which support agricultural initiatives at the grassroots level. The CDF provides localized funding for community-driven projects, including agricultural infrastructure, input subsidies, and training programs aimed at enhancing

smallholder productivity and livelihoods. By channeling resources directly to constituencies, the CDF empowers local communities to address their unique agricultural challenges and capitalize on emerging opportunities, thereby promoting inclusive growth and poverty alleviation.

3.5 LEVERAGING REGIONAL AND INTERNATIONAL PARTNERSHIPS FOR AGRICULTURAL DEVELOPMENT

Further, Zambia has access to regional and international financing agreements and facilities which enable it to mobilize additional resources for agricultural development. This includes partnerships with multilateral institutions, development banks, and donor agencies enabling the country to access concessional loans, grants,

and technical assistance for priority agricultural projects and programs. These financing agreements support investments in critical areas such as irrigation, mechanization, and agribusiness development, catalyzing sustainable growth and competitiveness in the agriculture sector.

3.6 EMBRACING TECHNOLOGICAL INNOVATIONS FOR AGRICULTURAL ADVANCEMENT

Lastly, Zambia utilizes advanced technology as a catalyst for agricultural transformation. From precision farming techniques to digital extension services and agri-tech startups, technological innovations offer new pathways for enhancing productivity, resilience, and sustainability in

agriculture. By leveraging data-driven solutions, remote sensing technologies, and climate-smart practices, Zambia can optimize resource use, mitigate risks, and adapt to evolving market dynamics, thereby improving farmers' incomes and food security outcomes.

3.1.1 ZAMBIA'S REGIONAL COMPARATIVE ADVANTAGES

Zambia being a land-linked country with 8 + 1 neighbouring countries and a member of the Regional Economic Communities (RECs) SADC and COMESA avail the country with opportunities to excel in comparison with its neighbours by harnessing its comparative advantages. The following are a few of Zambia's comparative advantages in the mining sector;

- i. numerous water bodies accounting for over 40 percent of all the water resources in the SADC region;
- ii. favorable climatic conditions which are suitable for agriculture;
- iii. vast arable land; and
- iv. peaceful and stable political environment.

4. PROFILED PROJECTS

For existing profiled projects in the sector, please scan the QR code.



5. INVESTMENT INCENTIVES

The Investment, Trade and Business development (ITBD) Act No. 18 of 2022 offers the following fiscal incentives for companies investing in any priority sectors or rural area:

Table 2: Incentive Eligibility Criteria

Investor Type	Shareholding Structure	Investment Threshold
Local Investor	100 percent shareholding	USD 50,000
Citizen owned Company	50.2 percent or greater Zambian shareholding	USD 100,000
Citizen Empowerment Company	25.1 percent-percent Zambian shareholding	USD 150,000
Citizen Influenced Company	5 percent – 25 percent Zambian shareholding	USD 500,000
Foreign Investor	100 percent foreign shareholding	USD 1000,000

Source: Zambia Development Agency

5.1 TAX INCENTIVES

The Act No. 18 of 2022 offers the following incentives for companies investing in any of the priority sectors;

- i zero percent import duty rate on capital equipment and machinery for five years;
- ii accelerated depreciation on capital equipment and machinery.

While the following incentives are specific to the Information and Communication Technology sector;

- i. 10% income tax on farming profits;
- ii. Zero tax on dividends from farming profits for the first five years;
- iii. Zero-rating of taxable agricultural products and supplies;
- iv. 0% tax on profits from sales of corn starch up to 2033; and
- v. 0% Withholding tax on dividends declared from profits made from local sales of corn starch up to 2033.
- vi. Guaranteed input tax claim for four years prior to commencement of production for vatable agricultural businesses.
- vii. Zero rating of taxable agricultural products and supplies when exported
- viii. VAT deferment on importation of some agricultural equipment and machinery.
- ix. Income taxed at a reduced rate of 10%.

- x. Farm improvement allowance at 100% on fencing, appropriate to farming and farm dwelling occupied by farm workers whose original cost is not in excess of K20,000.
- xi. Farm works allowance at 100% for the full cost of stumping and clearing, works for prevention of soil erosion, boreholes, wells, aerial and geophysical surveys and water conservation.
- xii. Dividends paid out of farming profit are exempt from tax for the first five years the distributing company commences farming.
- xiii. Development allowance is given for any person who incurs expenditure on the growing of tea, coffee, or banana plant or citrus trees or other similar plants or trees. An allowance of 10% of such expenditure shall be deducted in ascertaining the gains or profits of that business.
- xiv. Increase capital allowance rate to 100% from 50% for implements, plant and machinery used in farming and agro – processing.



5.2 NON-FISCAL INVESTMENT INCENTIVES

Foreign and local investors who invest in any sector or product under the Act are entitled to non-fiscal incentives as follows;

- i. investment guarantees and protection against state nationalization;
- ii. free facilitation for application of immigration permits, secondary licenses and land acquisition;
- iii. facilitation of business and partnership linkages; and
- iv. investment advisory on Zambia's Investment Climate, regulatory regime and investment opportunities.

6. LICENSES AND PERMITS

In order to operate a business in Zambia, an investor must obtain authorizing documentation from the following;

- i. The Patents and Companies Registration Agency (PACRA) in order to obtain a Certificate of Incorporation; and
- ii. Zambia Revenue Authority (ZRA) which assigns Tax Payers Identification Number (TPIN) Certificates.

For an investor to operate in the Agriculture Sector, they may also be required to obtain

licenses and permits from the Zambia Environmental Management Agency (ZEMA), and the Department of Water Affairs (WARMA).

Investors may opt to obtain a Certificate of Registration (CoR) from the Zambia Development Agency (ZDA), which is a statutory body mandated by Government to promote and facilitate trade, investment and business development.

APPENDIX I: STEPS TO BUSINESS ESTABLISHMENT

1.0 PRIMARY REGISTRATION AND LICENSES



2.0 UTILITIES AND SECONDARY LICENSES

- 
 Zambia Electricity Supply Corporation (ZESCO)
 - Electricity
- 
 Immigration Department
 - Immigration/work Permits
- 
 Local Authorities
 - Business Levy • Fire Certificate • Health Permits • Occupancy Licence
- 
 Zambia Environmental Management Authority
 - Environmental licenses
- 
 Zambia Information and Communications Technology Agency
 - Telecoms Licences
- 
 National Pension Scheme Authority

APPENDIX II: APPLICATION PROCESS AT ZAMBIA DEVELOPMENT AGENCY

STEP 1: CONSULTATION



General consultation through a meeting with a ZDA officer

Investor prepares necessary documents and submits to ZDA officer

Investment Promotion officer reviews documents and advises if there are any missing documents. For complete applications, investor proceeds to the next step

STEP 2: SUBMISSION OF APPLICATION



Investor pays processing fees and brings a receipt to the ZDA officer

Officer files the application on the system server

A senior investments officer screens the application and checks for suitability

Certificate processing

Approval letter is issued

Application is processed and recommended for approval

Signing of the Certificate by the Director General

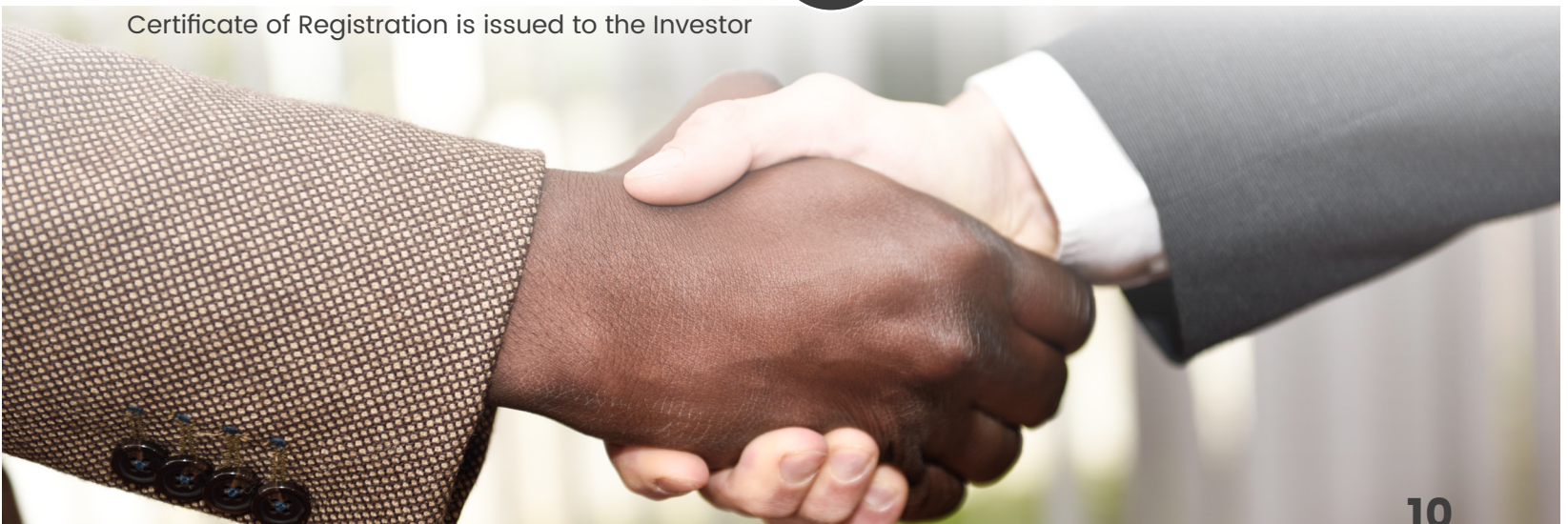
Signing of the Certificate by the Board Secretary/Legal Counsel

Secretary/Legal Counsel

STEP 3: ISSUANCE OF ZDA COR WITJIN 30 DAYS



Certificate of Registration is issued to the Investor



APPENDIX III: PROCEDURE FOR MULTI-FACILITY ECONOMIC ZONE LICENCE, INDUSTRIAL CLUSTER OR RURAL AREA PERMIT

How does a company qualify to develop an MFEZ?

Company identifies land for the development of the MFEZ and seeks approval in principle from ZDA for an area that is suitable

Once approval of suitability is obtained, Company prepares a master plan of the MFEZ

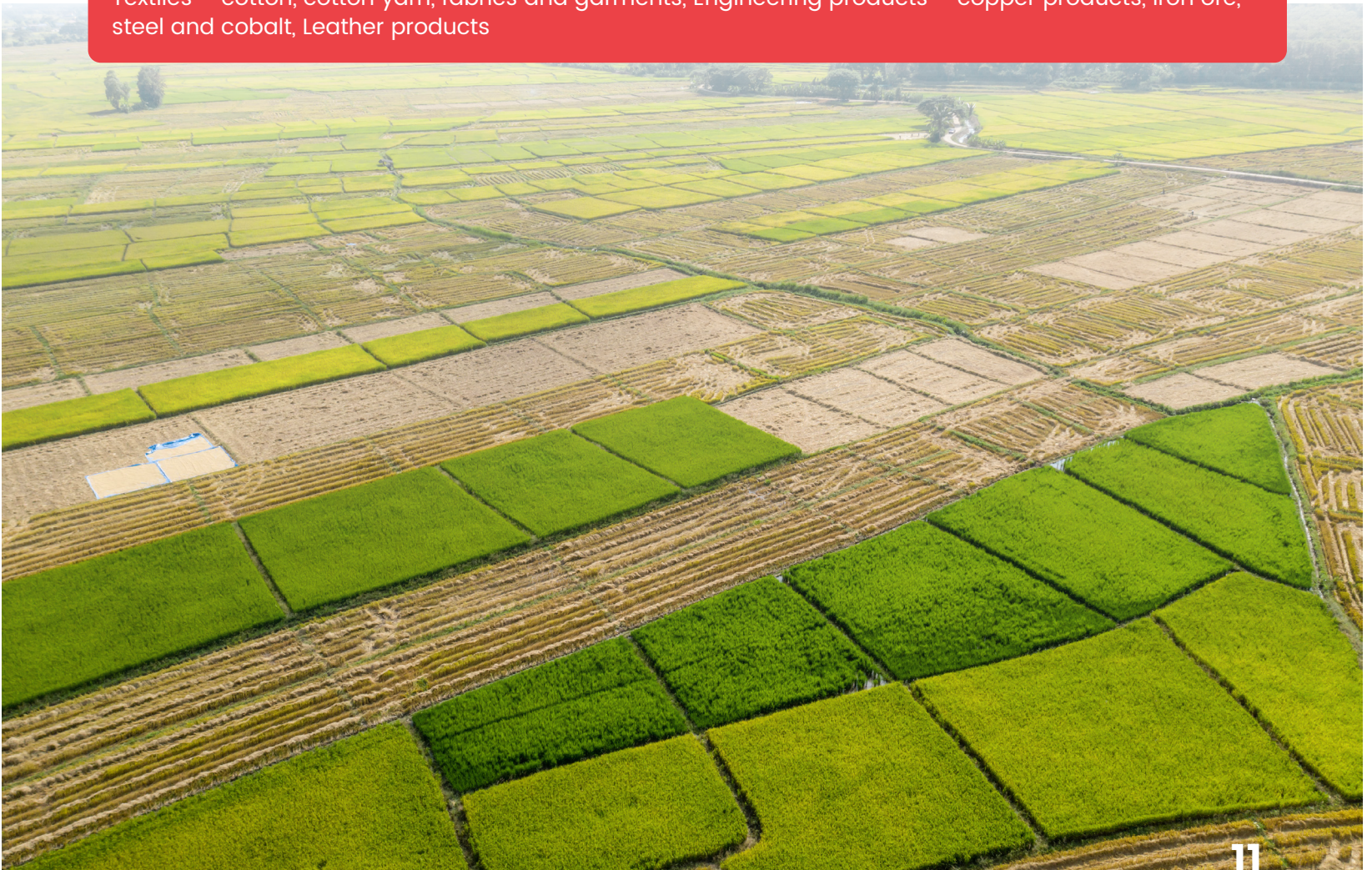
Company submits application for MFEZ Development Permit to ZDA. Application must demonstrate that the project will generate an investment of not less than US\$500,000

ZDA scrutinizes the application with a multisectoral team of local experts, in consultation with the applicant company

The application is then submitted to the ZDA Board for approval

Once the application is approved, ZDA recommends to the Ministry of Commerce that it should issue a Statutory Instrument for declaring the MFEZ

The projects located in the MFEZ that will qualify for incentives are those with investments of US\$500,000 or more. They must be engaged in production of the following products in priority sectors: Floricultural and horticultural products, Processed foods, Beverages and stimulants – tea and coffee, Textiles – cotton, cotton yarn, fabrics and garments, Engineering products – copper products, iron ore, steel and cobalt, Leather products





How does a company qualify to operate in an MFEZ?

Investor engages with Zone Developer or Zone Management Entity for leasing of land

Investor enters into Lease Agreement with Zone Developer

Zone Developer or Zone Management Entity recommends to the ZDA that the Investor be issued with an MFEZ Permit to operate in the Zone/ Industrial Park

Company submits application for an MFEZ Operator Licence

Company pays K100 (US\$10) upon collection of MFEZ operator licence. which takes approximately 10 days from date of application

The application is then submitted to the ZDA Board for approval

Once application is approved, the ZDA Board issues Applicant with an MFEZ Licence

ACCOMPANYING DOCUMENTS FOR MFEZ OPERATOR LICENCE

- Certified copy of company registration/incorporation
- Certified copy of certificate of share capital
- Certified copy of the list of shareholders and/or directors
- Business plan and/ or feasibility study
- Verifiable evidence of project finance
- Brief resumés/CVs for shareholders and /or directors
- Letter from MFEZ Developer welcoming the project to be located in the MFEZ/industrial cluster or rural area
- Clear statement on how the project, if approved, will contribute to the country's economic growth and development.

APPENDIX IV: USEFUL CONTACTS

Zambia Environmental Management Agency

P.O. Box 35131, Lusaka
Tel: +260 211 2541301/
Fax: +260 211254164
Email: zema@zema.org.zm
Website: www.zema.org.zm

Lusaka Stock Exchange

P.O. Box 34523 Lusaka
Tel: +260 211 228537/ 228391
Fax: +260 211225969
E-mail: luse@zamnet.zm

Immigration Department Kent Building

P.O. Box 50300, Lusaka
Tel: +260 211252650
Fax: +260211254393/252008

Ministry of Commerce, Trade and Industry

P.O. Box 31968, Lusaka
Phone: +260 211 2283019
Fax: +260 211 226984
Email: mcti@gov.co.zm
Website: www.mcti.gov.co.zm

Patents and Companies Registration Agency

P.O. Box 32020, Lusaka
Tel: +260 211255127255127/
Fax: +260 211 255426
Email: pro@pacra.org.zm
Website: www.pacra.org.zm

Zambia Development Agency

P O Box 30819 Lusaka
Tel: +260 211220177223859/
Fax: +260 211 225270
E-mail: info@zda.org.zm
Website: www.zda.org.zm

Zambia National Tourist Board

P.O. Box 30017 Lusaka
Tel: +260 211 222714
Fax: +260 211 225174
E-mail: zntb@zamnet.zm
Website: www.zambiatourism.com

Zambia Revenue Authority

P.O. Box 35710, Lusaka
Tel: +260 211 223754/ 2292148-
Email: advice@zra.org.zm
Website: www.zra.org.zm

National Pension Scheme Authority Levy Business Park

Cnr. of Church and Kabelenga Roads
P O Box 51275, Lusaka
Tel: +260 211 2280468
Fax: +260 211 221195
Email: infor@napsa.co.zm
Website: www.napsa.co.zm

Zambia Association of Chambers of Commerce & Industry

P.O. Box 30844, Lusaka
Tel: +260 211 252369
Fax: +260 211 252483
E-mail: zacci@zamnet.zm

Zambia Export Growers Association

P.O. Box 31705, Lusaka
Tel: +260 211 221895
Fax: +260 211 221895
E-mail: zega@zamnet.zm

Zambia Association of Manufacturers

P.O. Box 31992, Lusaka
Tel: +260 211 229364/ 222709
Fax: +260 211 229371
E-mail: zam@zamnet.zm

Zambia Federation of Employers

P.O. Box 31941, Lusaka
Phone: +260 211 29554182
Fax: +260 211 295582
Email: zfe@zamnet.zm

Zambia Business Forum Plot 4 United Nations Ave. Long Acres

P.O. Box 37202, Lusaka
Tel: +260 211 257166/252063
Fax: +260 211 257167

Zambia National Farmers Union Showgrounds

P.O. Box 30395 Lusaka
Tel: +260 211 223222
Fax: +260 211 222736
E-mail: znfu@zamnet.zm