

ZamPalm Pioneers Zambia's First Palm Oil Plantation

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Zampalm in Mpika is Zambia's first ever palm plantation. The plantation boasts 2,800 hectares of palm plants, which when harvested will produce crude palm oil that is the basic ingredient in most vegetable oils on the market in Zambia.

The locally produced palm oil will enable government to cut back on crude palm oil imports which currently stand at over US\$70 million annually.

With its first nursery set up 20 km away from the main plantation site, near Chief Kopa's palace, Zampalm was keen to get the community involved from the very start.

"This was something new and on a scale that has never been done in the area before so there were concerns on the part of the local community. However, with the help of Chief Kopa were able to communicate what was happening," said Trusted Mwiinga, who has been in the agriculture sector for over 25 years and has worked on the project from its inception by Zambeef Products in 2009 as Zampalm's plantation manager



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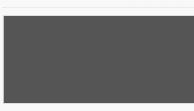


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ty hikes subscription f Getting the plantation up and running was no easy task with little infrastructure in place and at a site that was cut off from the rest of Zambia, so management had its work cut out and only after overcoming the initial setbacks was the project truly able to move forward.

"We had the first seedlings fail due to water stress. Farming requires dedication, especially if the crop is one that has not been farmed before. The seedlings tend to suffer in the winter period but after three years they are able to adjust and cope with the weather conditions. With the help of an expert advice the challenges were addressed," explained Mr Mwiinga. "Mpika is a sparsely populated area; what you can see now if you visited the plantation is endless neat rows of palm trees. The landscape looks very different compared to the time when we first came here. It was much like the Kafue plains; full of grass, anthills and the ground was very rough. There was no need for tree cutting because the place was virtually tree-free and no deforestation resulted from it," he recalls.

"We had no communication network, one had to go to the Boma to make a phone call, which can be very difficult on the family man as that was only possible once a week in the beginning. We also didn't have five star accommodation or power," he said of the early days.

The success of the project has resulted in improvement in social amenities such as accommodation, water and power on the plantation and surrounding areas. Over the three years of its existence in the area, Zampalm has employed local people in its nursery, plantation and workshop. There are currently 120 permanent employees and 400 seasonal workers with these numbers expected to rise as the harvesting and production begin.

With an untrained workforce comprised mostly of small-scale farmers, fishermen and hunters, absenteeism and time-keeping posed a problem at first, but with time employees understood the work requirements and adjusted their lifestyle.

And the community residents were able to benefit from skills training in various areas such as weeding, spraying, chipping and construction, all of which were needed for the plantation to operate smoothly. Given that the machinery in question was something that they had never seen before, the training was imperative for a safe working environment.

"The plantation is taking shape and harvesting will commence in a few months and we will be able to see the fruit of our work. There's been improved accommodation, water reticulation, roads, and I am very happy to be a part of this legacy," said Mr Mwiinga.

The Zampalm project was launched in 2009 and currently has some 370,900 palms planted over an area of 2,612 hectares in the main plantation, with another 39,000 seedlings in the main and pre-nursery. Zampalm owns 20,238 hectares of titled land, and the intention is to plant a total of 4,812 hectares in 2017 and similar areas in subsequent years as the business grows.

A 2-tonnes-per-hour crushing mill was built this year, with plans for a second 2-tonne plant in 2017 and a further 10-tonne plant in the following year, taking crude palm oil production up to 17,000



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tonnes a year.

The total investment cost is estimated at US\$41.5 million, of which Zambeef has spent US\$20 million so far. At current prices the average production of crude oil of 3 to 3.5 tonnes per hectare could generate more than US\$170 million in revenue over the next decade.

The market for edible oils in Zambia, of which palm oil is one component, is estimated at 120,000 tonnes per year, and this is expected to continuing growing as the country develops further. More than half of Zambia's edible oil consumption is imported from the Far East, East Africa and South Africa.

Palm oil is the world's most used vegetable oil and has many different uses in addition to cooking oil. Palm oil and its derivatives are found in foods such as margarines and ice cream, used as a thickener, preservative and antioxidant; as well as in personal care products such as shampoo, and cosmetics; industrial products such as lubricants paints and inks; and as a renewable fuel. Once fully operational the plantation will contribute to substituting 70,000 tonnes of cooking oil imported into Zambia, saving the country around US\$70 million (K511 million) in foreign exchange outflows every year.

While Zambia is not a traditional growing region for palm oil, lower yields are expected to be outweighed by the competitive advantage of being closer to consumers in the region given that the cost of importing edible oil from the Far East can account for around a third of its retail price.

In addition to the commercial and economic benefits of the Zampalm plantation the initiative has provided a number of social and environmental benefits, including the creation of employment and infrastructure in the remote community in the area, which has high poverty levels.

Traditionally, the Bisa people in the sparsely populated area of Senior Chief Kopa were fishermen, hunters or cassava farmers. Since Zampalm was launched there are now shops springing up and economy growing, changing livelihoods.

People can educate their children and improve their houses, with thatched roofs replaced with iron sheets; some children are now going to high school; people can buy new clothes; and health has improved, said Mr Mwiinga.

There are two government health posts that are 15 and 20 km away but Zampalm has provided transport to the clinics, including an ambulance to Kopa clinic and Mpika District Hospital. Zampalm is also planning an outgrower scheme with the company providing seedlings. It has already given the nearby school 100 seedlings to plant.







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