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## Zimbabwe

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### Grain and Feed Annual

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#### Report Highlights:

Corn production in Zimbabwe is expected to drop by 35 percent to 900,000 MT in the 2012/13 MY, due to unfavorable weather conditions. As a result, Zimbabwe's corn imports are expected to be around 400,000 MT in the 2012/13 MY. Zimbabwean's wheat production in the 2012/13 is expected to decrease due to institutional constraints. Post's estimate for wheat production in the 2012/13 MY is 20,000 MT from an area of 10,000 hectares, after 23,000 MT was produced from 12,000 hectares in the 2011/12 MY. Hence, Zimbabwe will continue to rely on wheat imports to meet consumption requirements. Wheat imports for the 2012/13 MY are expected to reach 250,000 tons.

## **Executive Summary**

Post's corn production estimate for the 2012/13 MY is 900,000 MT on a harvested area of 960,000 hectares compared to 1.4 million MT produced in the 2011/12 MY from a harvested area of 1.6 million hectares. Initial projections are that corn imports in 2012/13 MY will be about 400,000 MT. In the 2011/12 MY, Zimbabwe imported 465,048 MT of corn, mainly from Zambia.

Wheat production in the 2012/13 MY is expected to decrease after an estimated 23,000 MT was produced from about 12,000 hectares in the 2011/12 MY. Post estimates that Zimbabwe will produce 20,000 MT of wheat in the 2012/13 MY from an area of 10,000 hectares. As a result, Zimbabwe will continue to rely on wheat imports to meet consumption requirements. Wheat imports for the 2012/13 MY are expected to be about 250,000 tons.

## Corn

### Production

A late start to the rainfall season in most parts of Zimbabwe, resulted in an approximately 20 percent decrease in planted area in the 2012/13 MY. Furthermore, due to erratic rainfall, 340,000 hectares or about a quarter of the total planted corn area of 1.3 million hectares has totally failed. As a result, post's corn production estimate for the 2012/13 MY is 900,000 MT on a harvested area of 960,000 hectares compared to 1.4 million MT produced in the 2011/12 MY from a harvested area of 1.6 million hectares. The Zimbabwean government official estimate for the 2012/13 MY corn crop is 968,041 MT from a harvested area of 967,051 hectares. A domestic corn deficit of about 400,000 MT is projected to be met through imports by government, private sector and the humanitarian community.

### Consumption

Generally corn and corn meal are readily available in Zimbabwe. In the grain belt, households are now consuming corn from their own harvests, while for the majority of households in the grain deficit areas, purchases from the market constitute the main source of corn consumed. The Grain Marketing Board (GMB) depots around the country are also important sources of corn for purchase, particularly in grain distressed areas. Grain in take by the GMB in the 2011/12 MY is estimated at about 250,000 MT. To assist the rural consumers, the Zimbabwean government, at the end of 2011, introduced a grain loan scheme under which consumers could borrow grain from the GMB and then return the grain after harvest in May 2012. However, due to the poor rainfall that affected corn performance in the 2012/13 MY, government extended the grain repayment period under the scheme to May 2013.

Currently, major commodity traders are paying farmers between US\$230/MT and US\$270/MT for corn. The GMB corn floor price was increased from US\$275 to US\$285/ton in May. However, the GMB currently has no funds for purchasing corn and is receiving very little, if any corn deliveries. Zimbabwe's corn requirement, based on a population of 12.6 million people and an annual per capita consumption of 120 kg corn, is estimated at 1.5 million MT. For feed production, the requirement is about 100,000 MT, thus total corn requirement in Zimbabwe is estimated at 1.6 million MT.

### Trade

Data from Zimbabwe National Statistics Agency (ZIMSTAT) shows that in the 2011/12 MY, Zimbabwe imported 465,048 MT of corn mainly from Zambia. Table 2 shows corn imports by Zimbabwe from the key import destinations.

**Table 2: Monthly corn imports to Zimbabwe in MY2011/12**

Year and month	Origin and quantity of imports (MT)				Total (MT)
2011	Zambia	Malawi	South Africa	Others	

May	20,093	6,549	61	120	26,823
June	14,925	3,227	24,654	0	42,806
July	7,369	1,812	171	0	9,352
August	9,465	1,225	226	62	10,978
September	20,099	4,190	136	0	24,425
October	27,587	1,838	99	0	29,524
November	34,565	4,830	136	0	39,531
December	45,934	7,338	123	0	53,395
<b>2012</b>					
January	39,119	30	11	0	39,160
February	55,664	60	102	89	55,915
March	69,011	0	65	116	69,192
April	63,740	0	207	0	63,947
<b>Total</b>	<b>407,571</b>	<b>31,099</b>	<b>25,991</b>	<b>387</b>	<b>465,048</b>

Source: ZIMSTAT, Ministry of Finance

Initial projections are that corn imports in 2012/13 MY will be about 400,000 MT. The source of the imports is likely to be countries in the region (Zambia, Malawi and South Africa), where Zimbabwe has been importing large volumes of corn in the last few years.

**Table 3: PSD table for corn**

Corn Zimbabwe	2010/2011		2011/2012		2012/2013	
	Market Year Begin: May 2010		Market Year Begin: May 2011		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,350	1,350	1,600	1,600	975	960
Beginning Stocks	25	25	25	25	25	390
Production	1,000	1,000	1,400	1,400	900	900
MY Imports	300	300	100	465	300	400
TY Imports	300	300	100	465	300	400
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1,325	1,325	1,525	1,890	1,225	1,690
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	50	50	50	50	0	100
FSI Consumption	1,250	1,250	1,450	1,450	1,200	1,500
Total Consumption	1,300	1,300	1,500	1,500	1,200	1,600
Ending Stocks	25	25	25	390	25	90
Total Distribution	1,325	1,325	1,525	1,890	1,225	1,690

1000 HA, 1000 MT, MT/HA

## Wheat

### Production

Wheat is planted between April and mid-May under irrigation, but this year Zimbabwe's recommended winter wheat planting deadline of 15<sup>th</sup> May passed with very little wheat planting activity on the ground. The Ministry of Agriculture had planned to provide farmers with US\$20 million worth of input loans for seeds and fertilizers to produce 75,000 tons of wheat from a target area of 26,280 hectares in 2012. Inputs were to be distributed at cost price through GMB depots.

However, local fertilizer companies did not release fertilizers targeted for the US\$20 million wheat support program, due to the government's failure to settle a US\$50 million debt dating back several seasons. Hence, the majority of farmers, who traditionally rely on government inputs support to produce wheat, failed to plant the crop this season. Although information on area of wheat planted is not yet available, the most likely scenario is that it may be similar to or lower than in 2011. Hence, wheat production in 2012 is expected to either remain stagnant or decrease after an estimated 23,000 MT was produced from about 12,000 hectares in the 2011/12 MY. Post's estimate for wheat production in the 2012/13 MY is 20,000 MT from an area harvested of 10,000 hectares.

Wheat production is on a declining trend since 2001, when Zimbabwe produced more than 300,000 MT. A number of constraints, such as unreliable power supplies for irrigating the crop, dilapidated irrigation infrastructure, and late payments by the GMB, have contributed to the declining trend in wheat production. The GMB still owes money to the majority of growers for unpaid wheat deliveries made in October 2011. In addition the financial sector is only able to offer short-term credit of up to 90 days for purchasing inputs, mainly due to unavailability of credit because of Zimbabwe's high country risk status. Furthermore, the Zimbabwean government's policy requiring foreign owned companies to have at least 51 percent native shareholding has negatively affected foreign direct investment and contributed to the unavailability of long term and affordable financing facilities from banks. Without huge investment in maintenance and upgrading of irrigation systems wheat production will remain low in future.

## **Consumption**

Zimbabwe's wheat consumption is estimated at 270,000 MT per annum. Bread is an important food source particularly in the urban areas. Local price of bread has remained stable throughout the year with a standard loaf costing US\$0.85 and a superior loaf costing US\$1.00. Wheat flour is readily available in rural and urban markets and its price is generally stable.

## **Trade**

For the 2012/13 MY, Zimbabwe will continue to rely on wheat imports to meet national requirements due to on-going low production levels. Wheat imports for the 2012/13 MY are expected to be about

250,000 tons.

According to data collected from the Zimbabwe National Statistics agency (ZIMSTAT), between October 2011 and April 2012 (2011/12 MY), Zimbabwe imported 110,910MT of wheat from a number of countries that include Argentina, Brazil, Russia and Australia. Table 4 below shows the wheat imports from October 2011 to April 2012. Imports are expected to reach 250,000 MT in the 2011/12 MY.

**Table 4: Wheat import destinations and quantities (October 2011 to April 2012)**

Import supplier	Import quantity (MT)
Argentina	22,907
Russia	25,722
Singapore	23,283
United Kingdom	8,199
South Africa	7,505
Germany	4,012
USA	2,927
China	1,452
Australia	1,500
Others	13,403
Total	110,910

**Source:** ZIMSTAT; Ministry of Finance

### Prices

Local commodity brokers are currently offering prices of between US\$390 and US\$460 per ton of wheat while the import parity price as at 9 May was US\$361 per ton.

**Table 5: PSD table for wheat**

Wheat Zimbabwe	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	5	10	5	12	5	10

<b>Beginning Stocks</b>	5	5	8	8	20	11
<b>Production</b>	18	18	18	23	18	20
<b>MY Imports</b>	250	250	250	250	250	250
<b>TY Imports</b>	250	250	250	250	250	250
<b>TY Imp. from U.S.</b>	11	11	0	0	0	0
<b>Total Supply</b>	273	273	276	281	288	281
<b>MY Exports</b>	0	0	0	0	0	0
<b>TY Exports</b>	0	0	0	0	0	0
<b>Feed and Residual</b>	0	0	0	0	0	0
<b>FSI Consumption</b>	265	265	256	270	278	270
<b>Total Consumption</b>	265	265	256	270	278	270
<b>Ending Stocks</b>	8	8	20	11	10	11
<b>Total Distribution</b>	273	273	276	281	288	281
<b>1000 HA, 1000 MT, MT/HA</b>						