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Zimbabwe

Grain and Feed

Monthly Update

2005

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Report Highlights:

Zimbabwe's corn crop planted in 2004 and now harvested is an even bigger disappointment than the previous two crops. In addition to land reform failures and input shortages, the crop also suffered from a mid-season drought. This means that at least 750,000 tons will have to be imported before the next harvest in March 2006. Since foreign exchange is limited, food aid will have to play a major role to alleviate shortages. The current wheat crop is also short and substantial imports will also be needed.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Pretoria [SF1]
[RH]

Summary

The 2004/05-summer rainfall throughout Zimbabwe was well below average. The summer cropping season started late, with effective planting rains only falling in December and January in most parts of the country. About 91% of the maize crop was planted after these rains. The prolonged dry spell that stretched from mid-January to early March affected the crop at the critical reproductive stage. The weather cannot solely be blamed for the crop failure as the land reform program and input shortages etc. also impacted on the yield attained.

Maize harvesting started in March and is largely completed. The estimate of the 2004 (year of planting, MY 2005/06) crop is now between 500,000 MT and 600,000 MT. Post-harvest estimates carried out at the beginning of May put the crop at 591,472 MT.

The country will have to import about 1.2 million MT of maize to satisfy the annual domestic maize requirements, but this goal is unlikely to be attained. Importation will be hampered by the serious shortage of foreign currency.

The Government of Zimbabwe has announced a producer price of Z\$2,248,024/MT for MY 2005/2006 up from Z\$750,000/MT in MY 2004/2005. However, farmers are not selling much to the Grain Marketing Board. On-farm retention is expected to be high due to the drought, farmers preferring to retain grain for household food security or local informal trading.

Many parts of the country are facing a critical food shortage. The Zimbabwe Vulnerability Assessment Committee (ZIMVAC) is carrying out a survey to determine the number of people in need of food aid.

The erratic rainfall that has characterized much of this season is unlikely to affect winter wheat production as most dams for irrigation currently hold enough water to sustain the crop. However, some of the smaller farm dams have low water levels after irrigating the summer crops. Availability of irrigation equipment remains a major constraint to wheat production.

Corn

PSD Table

Country	Zimbabwe					
Commodity	Corn					
Year of planting	2002	Revised	2003	Estimate	2004	Forecast
1,000 ha. 1,000 MT	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	05/2003		05/2004		05/2005	
Area Harvested	1400	1355	1300	1365	1200	1200
Beginning Stocks	81	90	46	130	46	130
Production	800	800	900	900	550	550
TOTAL Mkt. Yr. Imports	415	750	300	700	650	750
Oct-Sep Imports	625	625	233	600	650	500
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1296	1640	1246	1730	1246	1430
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	50	100	25	125	25	125
TOTAL Dom. Consumption	1250	1510	1200	1600	1200	1430
Ending Stocks	46	130	46	130	46	0
TOTAL DISTRIBUTION	1296	1640	1246	1730	1246	1430

Production

The summer 2004/05 maize production season has ended. Harvesting started in March and is either in progress or is now completed. The season started late, with most parts of the country receiving effective planting rains in December and January. Consequently, about 91% of the maize crop was planted during the months of December and early January.

The 2004/05-production season was characterized by erratic and poor distribution of rainfall. Most parts of the country received below average rainfall. A prolonged dry spell that stretched from mid-January to end of March affected most of the maize crop at the critical reproductive stage. Generally, the dry land crop performed poorly with low average yields of around 0.4MT/ha.

The areas most affected by the moisture stress are in the southern half and eastern parts of the country (Matebeleland, Midlands, Masvingo and Manicaland Provinces) where no meaningful rainfall was received this season. A post-harvest assessment completed in mid-May estimates the national maize output at 591,472MT.

Policy

In an effort to increase grain production, the Government is making funds available to growers at 5% interest.

Consumption

Under ideal conditions the country would consume about 5,000 tons of maize a day, or about 1.8 million tons annually. The crop of between 500,000 and 600,000 tons falls far short of the estimated domestic demand. The deficit up to the next harvest in March 2006, amounts to about 1.2 million tons. Over the past few seasons consumption did not reach the ideal due to shortages and it is also not likely to make it this season. Consumption is more likely to reach about 1.4 million tons presuming and including substantial food aid shipments.

The Zimbabwe Vulnerability Assessment Committee (ZimVAC) is currently carrying out crop, food supply and vulnerability assessments. The results of this survey will be available around mid June.

Trade

The country needs to import about 1.2 million tons of maize to cover the grain deficit before next season's harvest in March 2006. This aim is not likely to be achieved.

Currently, Zimbabwe is importing maize from South Africa but the shortage of foreign currency is a major limiting factor. The following table contains weekly shipments of maize from South Africa to Zimbabwe since January 1, 2005.

2005, Week	Metric tons
01/01 – 01/07	1,616
01/08 – 01/14	8,682
01/15 – 01/21	8,753
01/22 – 01/28	15,642
01/29 – 02/05	11,830
02/06 – 02/11	6,014
02/12 – 02/18	5,191
02/19 – 02/26	7,778
02/26 – 03/ 04	8,562
03/05 – 03/11	8,557
03/12 – 03/18	5,401
03/26 – 04/01	7,041
04/02 – 04/08	7,522
04/09 – 04/15	5,877
04/16 – 04/22	9,430
04/22 – 04/29	9,134
04/30 – 05/06	7,709
05/07 – 05/13	13,314
05/14 – 05/20	46,032
05/21 – 05/27	9,512
TOTAL IN 2005	203,597
Season to date since May 1, 2004	274,188

Prices

The maize producer price of Z\$ 2,248,024 per ton for the 2004 crop was announced on May 4, 2005. The producer price for the crop harvested last year (i.e. the 2003 crop) was Z\$ 750 000/ton (Z\$6200 = USD\$1). The Grain Marketing Board's price to millers remains at Z\$ 600,000/MT, amounting to a subsidy of Z\$ 1.6 million/MT as the Board is selling maize to the millers at a substantial discount to what it pays for the stocks.

Wheat

PSD Table

Country	Zimbabwe					
Commodity	Wheat					
Year of planting	2002	Revised	2003	Estimate	2004	Forecast
1,000 ha. 1,000 MT	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	07/2002		07/2003		07/2004	
Area Harvested	38	38	30	30	35	35
Beginning Stocks	100	10	100	0	100	0
Production	150	160	90	90	140	140
TOTAL Mkt. Yr. Imports	110	110	170	170	130	130
Jul-Jun Imports	110	110	170	170	130	130
Jul-Jun Import U.S.	17	0	6	0	0	0
TOTAL SUPPLY	360	280	360	260	370	270
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	260	280	260	260	270	270
Ending Stocks	100	0	100	0	100	0
TOTAL DISTRIBUTION	360	280	360	260	370	270

Production

Planting of the 2005 winter wheat crop is nearly complete. The Government of Zimbabwe has provided Z\$600 billion (Z\$6200 = US\$1) for production of 80,000 hectares of wheat in 2005. Stringent lending conditions have slowed disbursements of the funds and it is unlikely that this target crop area will be achieved.

Inadequate irrigation facilities and the unavailability of inputs such as ammonium nitrate fertilizer are some of the major constraints to production. Tillage services cannot match the demand by farmers, thus delaying planting. The planting deadline for wheat is mid-May. Planting beyond this period results in loss of yield potential of 10 to 15% for every week's delay thereafter.

The producer price of wheat for 2005 is also yet to be announced despite the start of the season. This could have a negative impact on production, as growers will not be motivated to grow a crop whose profitability is unknown. High production costs (Z\$8 million/ha) have also discouraged wheat production with some potential producers opting to grow contract barley for private companies providing inputs.

The newly resettled farmers who make up the bulk of wheat producers have little experience in growing the crop with the result that the average wheat yields have declined from about 4.5MT/ha to about 2MT/ha.

Consumption

Ideal annual domestic consumption of wheat is estimated at 350,000 MT. but this target has not been met recently. In 2004 the country produced 140,000,MT. The difference is made up through imports, mainly from South Africa. From June 2004 to mid February 2005, imports from and through South Africa amounted to 72,600,MT compared to 102,600,MT for the full previous season.

Due to the limited availability of maize, consumers are substituting maize with wheat. Weekly demand for wheat by millers has increased from 8,000MT to 9,000MT, but they are unable to supply.

