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Zimbabwe

Grain and Feed

Monthly Update

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Report Highlights:

Zimbabwe's corn crop planted in 2006 and now being harvested is estimated at 600,000 tons, well short of domestic requirements. The small crop is mainly due to an El Nino drought coupled to a shortage of inputs. The shortfall will have to be imported but foreign exchange is in short supply and the economy is in trouble. In MY 05/06 Zimbabwe was still able to import more than a million tons from South Africa alone but this dropped to 112,000 tons in MY 06/07. Fortunately both Zambia and Malawi are able to supply non-GMO white corn in bags, which should cut import costs.

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

SUMMARY

The 2006/7 season rainfall was largely erratic and below average in most parts of the country. The El Nino weather phenomenon that is associated with drought in the southern hemisphere, affected most of Zimbabwe particularly in the second half of the season resulting in below average rainfall in most parts of the country, especially the southern parts of the country. Poor spatial and temporal rainfall distribution resulted in widespread crop failure.

The 2007 corn harvest is estimated to be around 600,000 MT and will not be adequate to meet optimal national requirements estimated at 1.4 million MT. The country faces a large corn deficit that must be covered through imports. Zimbabwe's capacity to import grain to meet the food gap will be limited by the shortage of foreign currency affecting the country.

Preparations for wheat production are gathering momentum. Estimates are for a wheat crop produced on between 40,000 to 45,000 hectares.

Exchange rate: Z\$250 = US\$1 (official)
 Z\$20,000 = US\$1 (parallel market)

CORN

PSD Table

Country	Zimbabwe								
Commodity	Corn								
1000 HA	2005 Revised			2006 Estimate			2007 Forecast		
	USDA	Post	Post	USDA	Post	Post	USDA	Post	Post
1000 MT	Official	Estimate	Estimate	Official	Estimate	Estimate	Official	Estimate	Estimate
Market Year Begin	05/2006	05/2006	05/2006	05/2007	05/2007	05/2007	05/2008	05/2008	05/2008
Area Harvested	1300	1300	1300	1200	1100	1200	0	0	1250
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	900	900	900	600	600	600	0	0	1000
MY Imports	200	200	112	450	450	450	0	0	250
TY Imports	671	900	671	350	350	350	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	1100	1100	1012	1050	1050	1050	0	0	1250
MY Exports	0	0	0	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0	0	0	0
Feed Consumption	75	75	52	50	50	50	0	0	50
FSI Consumption	1025	1025	960	1000	1000	1000	0	0	1200
Total Consumption	1100	1100	1012	1050	1050	1050	0	0	1250
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	1100	1100	1012	1050	1050	1050	0	0	1250

Production

Zimbabwe's rainfall season ended in April. The 2006/7 season has been generally poor. Rainfall was poorly distributed and although below 100% of mean, most parts of the country had accumulated rainfall of above 75% of normal. Only seven out of 75 stations recorded above 100% of normal rainfall. Accumulated rainfall in parts of Harare, the extreme southern parts of Matebeleland North and South, Manicaland, and most of Masvingo province recorded below 75% of normal.

Long dry spells that prevailed during the months of February and March across most of the country, particularly in areas to the south of Harare, reduced prospects of good harvests.

April was very dry, dashing hopes of any meaningful yields from the later planted corn crops (late and post December plantings). The early-planted crops (planted before mid December) are now mature and harvesting is in progress. Generally, the corn crop performed poorly due to a combination of the El Nino induced drought and a shortage of critical inputs. The national average yield will be around 0.5 t/ha. There are reports that all of the country's eight provinces will have food deficits even in Mashonaland West and Mashonaland Central provinces that would normally produce surplus. The southern parts of the country (Matebeleland South,

Matebeleland North, Midlands, part of Masvingo and southern Manicaland provinces) suffered the worst drought and the worst crop failure.

The results of the crop assessment carried out from mid to end of March by combined AREX other relevant stakeholders have not been officially released. However, there is a general agreement that the national corn harvest will not exceed 650,000 MT. Our estimate is for a national corn crop of about 600,000 MT.

This year, the World Food Program (WFP) as well as the Food and Agriculture Organization (FAO) are to undertake a joint crop and food security assessment mission (CFSAM) in Zimbabwe. Crop assessments will be from 29 April to 9 May and the report presentation is expected on 17 May.

Consumption

Per capita consumption of corn is estimated at 120 kg per year. Human and feed requirements are estimated at about 1.4 million MT of corn annually, but this has not been reached lately and is unlikely to be reached in MY 07/08. Domestic demand is limited by the emigration of people to neighboring countries particularly South Africa as well as the shrinking disposable income due to the prevailing hyper-inflationary environment. A sizable percentage of Zimbabweans (perhaps up to 25%) have reportedly left the country in search of better living conditions.

Trade

The corn deficit for MY 2006/7 was about 500,000 tons and the government was expected to cover this gap through imports. Imports from South Africa only reached 112,000 tons. Zimbabwe is currently still importing corn from South Africa although shipments are very slow. The high corn prices in South Africa have forced Zimbabwe to consider other options. Zimbabwe has plans to import about 400,000 MT of corn from Malawi during MY07/08 and this has started. Malawi has surplus corn of about 1.1 million MT from two good years of corn production. Imports are also being sourced from Zambia.

The following table contains shipments of corn from South Africa to Zimbabwe since 1 May 2006, (preliminary seasonal figures).

EXPORTS	MY 03/04	MY 04/05	MY 05/06	MY 06/07
White corn	May/April	May/April	May/April	May/April
Zimbabwe	399,460	209,682	1,034,743	111,399
Yellow corn				
Zimbabwe	16281	653	10,727	264
Total	415,741	210,335	1,045,470	111,663

Only 112,000 MT out of the intended 480,000 MT of corn have been imported from South Africa during MY 06/07 compared to 1.045 million tons in MY 05/06. Zimbabwe's ability to import enough corn to cover the food deficit is doubtful and will be seriously constrained by the critical shortage of foreign currency facing the country.

WHEAT

Production

Preparations for planting winter wheat are in progress.

The country has wheat seed stocks of about 9,000 MT. At the recommended seeding rate of 120kg/ha, this seed is adequate for a crop size of 75,000 hectares. Seed uptake by farmers is still quite slow and to date seed houses have sold around 3,000 MT, enough to plant 25,000 hectares to farmers. The recommended planting dates for the winter wheat varieties are from 1st to May 31 in the highveld (altitude >1200m), 7 May to 20 May in the middleveld (altitude 900 –1200m) and 25 April to 10 May in the lowveld (<altitude 900m).

The Zimbabwe National Water Authority (ZINWA) has reported that the country's dams have adequate capacity to support 76,000 hectares of irrigated winter crops. However, current irrigation facilities can support a maximum 45,000 hectares of winter wheat out of a possible 65,000 hectares due to vandalism of some of the irrigation infrastructure following the land reform.

This year, the government target is to provide financial support for the production of 30,000 hectares of wheat. So far, loans for about 12,000 hectares have been processed. Major constraints to wheat production include inadequate fuel supplies and tillage capacity, late planting, absence of a producer price for the commodity, high production cost, interruptions in power supplies, controlled market for the commodity, and inability by the GMB to make timely payments to farmers.

Consumption

Zimbabwe consumes about 350,000 tons of wheat annually. The country produced 135,000 MT and the shortfall of 215,000 MT will have to be imported to meet domestic needs. About 50,000MT of hard wheat is also imported annually to blend with the locally produced wheat in order to improve baking quality of the local flour.

Trade

Although Zimbabwe needs to import 60% of its wheat requirements to augment national production, foreign currency constraints have affected wheat imports. In April the country did not import any wheat from and through South Africa.