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Report Highlights:

Zimbabwe's corn crop for the 2020/21 MY is estimated at 907,628 tons, 17 percent higher thanthe 2019/20 MY's corn crop of 776,635 tons. However, Zimbabwe still recorded below average yields due to an extremely challenging and climatically sub-optimal summer crop season. The 2020/21 MY is the second consecutive year Zimbabwe recorded a below average corn harvest, and food insecurity is of severe concern. As a result, Post estimates that Zimbabwe will have to import about 1.0 million tons of corn in the 2020/21 MY. Late in 2019, Zimbabwe lifted restrictions on the importation of genetically engineered (GE) corn. This paved the way for South Africa, with a bumper corn crop, to be the main supplier of corn to Zimbabwe.

Summary

Zimbabwe's 2020/21 MY's summer crop season was extremely challenging and climatically sub-optimal, which impacted negatively on crop yields. The Zimbabwe government estimates the corn crop for the 2020/21 MY at 907,628 tons. Despite being 17 percent higher than the 2019/20 MY's corn crop of 776,635 tons, Zimbabwe still recorded below average yields in the 2020/21 MY. The 2020/21 MY is the second consecutive year Zimbabwe recorded a below average corn harvest, and food insecurity is of severe concern.

Post estimates Zimbabwe's annual corn requirement for human consumption at around 1.6 million tons. In addition, 300,000 tons of corn is required for livestock feed. Corn stocks at the end of the 2019/20 MY were at very low levels. As a result, Post estimates that Zimbabwe will have to import at least 1.0 million tons of corn in the 2020/21 MY to meet local demand. South Africa is in a perfect position to supply Zimbabwe with corn, after producing a bumper corn crop of more than 16.0 million tons in 2020. Zimbabwe also lifted restrictions on the importation of genetically engineered (GE) corn, supporting increased corn imports from South Africa.

Corn

Production

Zimbabwe's 2020/21 MY's summer crop season had been characterized by erratic and late rains, followed by extended periods of drought, with improved rainfall in January and February. The below-average October to December rainfall severely impacted crop prospects, causing area planted to decrease by 5 percent from the previous season to 1.5 million hectares. The Matebeleland South province had been affected the most by low planted areas (see also Figure 1 for an indication of Zimbabwe's provinces), followed by Masvingo and Matebeleland North provinces. After prolonged dry spells, a short burst of rainfall in mid-January across the high producing Mashonaland provinces improved crop and pasture conditions. Mashonaland West, Mashonaland Central and Mashonaland East contribute almost 70 percent of the total corn production in Zimbabwe. A heavy rainfall system arrived in the first week of February across Zimbabwe that reduced the rainfall deficits and resulted in improved crop conditions. As a result of these late rains, the Zimbabwean government estimates the 2020/21 MY's corn crop at 907,628 tons, 17 percent higher than the 2019/20 MY's corn crop of 776,635 tons. Nonetheless, these two years fall short of ideal output, as in the 2018/19 MY, Zimbabwe produced a corn crop of 1.7 million tons (see also Table 1 that indicates the area harvested, yield and production of corn in Zimbabwe for the past three marketing years).

However, despite the rainfall improvements in February, cumulative rainfall still remained below-average across the country and even among the high producing provinces of Mashonaland West, Mashonaland Central, and Manicaland. As a result, Zimbabwe recorded a 20 percent below average yield of 0.59 tons per hectare in 2020. Zimbabwe's long term (20 years) average corn yield is calculated at 0.74 tons per hectare (see also Figure 2). This is the second consecutive year Zimbabwe recorded a below average corn harvest, and food insecurity is of severe concern.

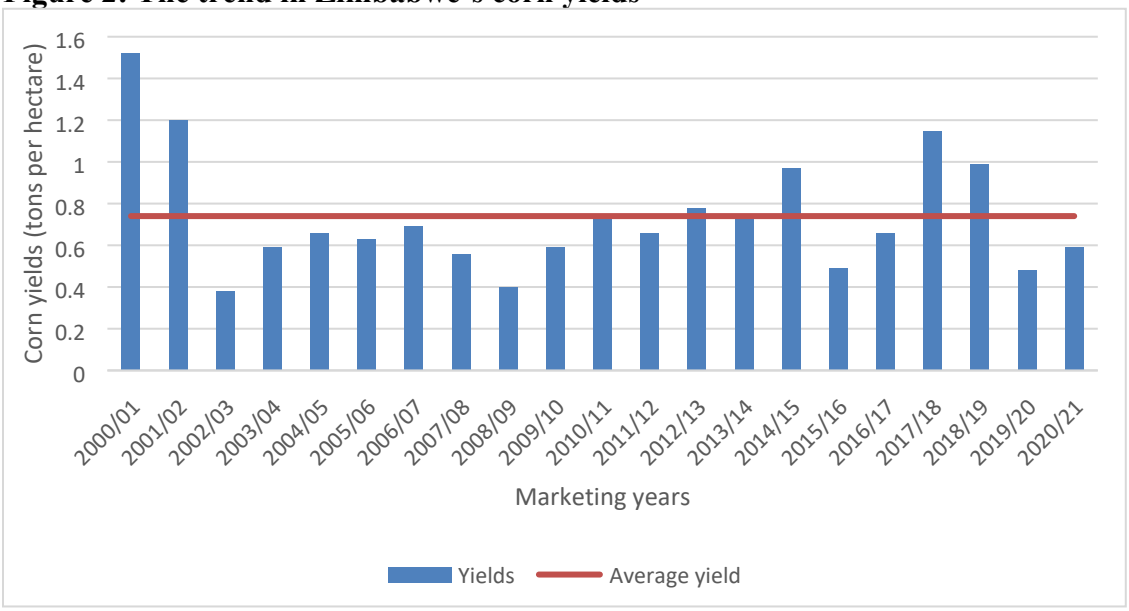
Table 1: Area harvested, yield and production of corn in Zimbabwe

MY	Area (1,000 hectares)	Yield (tons/ha)	Production (1,000 tons)
2018/19	1,723	0.99	1,701
2019/20	1,624	0.48	777
2020/21 (estimate)	1,549	0.59	908

Sources: Zimbabwean Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement

Figure 1: Map of Zimbabwe indicating the different provinces

Figure 2: The trend in Zimbabwe's corn yields



In addition to climatic challenges, most producers' purchases of farm inputs were limited by high prices and cash availability. Fertilizer was also in short supply due to foreign exchange challenges. In an effort by Treasury to contain spending, the Zimbabwean government could not optimally roll out its producer support programs: The Presidential Input Scheme and the Special Maize and Soybean Program for Import Substitution (Command Agriculture). As a result, farm inputs were generally inadequate to meet the requirements and the bulk of the inputs were also distributed late in the season.

The Presidential Input Scheme supports 1.8 million small-scale and communal farmers by distributing free inputs for corn production. The communal sector accounts for the largest area under corn (58 percent) in Zimbabwe. In contrast, the "Command Agriculture" program aims at supporting larger farmers to produce approximately two million tons of corn to cover Zimbabwe's annual requirement for human consumption and livestock feed. Similar to a contract arrangement, each farmer participating in the program receives a "loan" in the form of a full production input package, including seed, fertilizers, chemicals and fuel, to plant corn in a specified area. After harvesting the corn, the farmers have an obligation to deliver a specified tonnage to the Grain Marketing Board (GMB) as repayment for the loan. The corn area planted under the Command Agriculture for the 2020/21 MY was 113,365 hectares or only 7 percent of the total area under corn.

Adding to Zimbabwe's challenging agricultural season, the Fall Armyworm pest has also been reported across most of the country, with African Armyworm incidences reported in parts of the Midlands province. A number of registered chemicals have been recommended for control of the pest and are available on the market. However, the high costs of chemicals hampered the control, and pest infestation levels ranged from 1 percent to 10 percent in individual fields. Fortunately, no locust outbreaks were reported as in East Africa. Notwithstanding these pest and climatic challenges, the cultivation of GE corn in Zimbabwe is still prohibited.

Consumption

Corn is the main staple food crop for the majority of Zimbabweans. Following the poor corn harvest of the last two years, Zimbabwe's corn supplies are critically low. In addition, the poor macroeconomic environment and the COVID-19 lockdown continues to drive food insecurity in the country.

White corn is used for human consumption as the staple diet, while the livestock industry utilizes yellow corn in the manufacturing of stock feed. Per capita consumption of corn is estimated at about 110kg per annum. At a population of almost 15 million, Post estimates Zimbabwe's annual corn requirement for human consumption at around 1.6 million tons. In addition, 300,000 tons of corn is required for livestock feed. Thus, Zimbabwe's total national demand for corn is estimated at 1.9 million tons. Given Zimbabwe's negative economic growth, liquidity constraints and high inflation rate, the consumption of corn is unlikely to increase.

Trade

Production and productivity of grain crops in Zimbabwe has been on the decline since the early 2000's, due to policy influences, e.g. aggressive land reform. After previously enjoying the status of a surplus producer of corn, Zimbabwe has become a net food importer over the past 15 years. This trend will continue in the 2020/21 MY as Post estimates that Zimbabwe will have to import about 1.0 million tons of corn, due to a below average crop. In fact, Zimbabwe is in such a need of corn supplies that it lifted restrictions on the importation of GE corn late in 2019. As a result, South Africa increased corn exports to Zimbabwe too such an extent that Zimbabwe emerged as South Africa's main corn market in the 2019/20 MY (May 2019 to April 2020). South Africa exported almost 340,000 tons of corn to Zimbabwe in the 2019/20 MY. South Africa also continued corn exports despite the COVID-19 lockdown (also see South Africa continues corn exports amidst COVID-19 lockdown). Post estimates Zimbabwe imported in total about 800,000 tons of corn in the 2019/20 MY, which also included corn imports from Mexico, Tanzania and Zambia.

Assuming Zimbabwe maintains its acceptance of GE corn imports, South Africa will continue to be Zimbabwe's main supplier of corn in the 2020/21 MY (May 2020 to April 2021). South Africa's commercial corn crop for 2020 is estimated at 15.6 million tons, which is the second highest in history and 38 percent higher than the previous season crop. South Africa's commercial white corn crop is estimated at 9.1 million tons, 64 percent higher than the previous season and the commercial yellow corn crop at 6.5 million tons, 14 percent higher than the previous season. Subsistence corn production is estimated at 544,000 tons. Thus, total corn production for South Africa in 2020 is estimated at 16.1 million tons, 36 percent higher than the previous season's corn crop of 11.8 million tons. As a result, South Africa should have enough corn to export about 2.2 million tons in the 2020/21 MY. Harvesting of this bumper corn crop started in June 2020.

Stocks

The GMB has the mandate to maintain a minimum strategic reserve of 500,000 tons of grain in physical stock. More than 90 percent of the strategic grain reserve consists of corn. Corn stock levels ended at about 460,000 tons in the 2018/19 MY. However, low production has made it difficult for the GMB to maintain the strategic grain reserves at the 500,000 tons level. Ending stock levels for the 2019/20 MY is estimated at less than 150,000 tons and much lower than the mandated minimum strategic reserve of 500,000 tons. For the 2020/21 MY, corn ending stock levels will again fall well short of the minimum strategic reserve, due to another below average corn crop and a lack of government finance to increase corn imports.

Table 2: PS&D table for corn

Corn	2018/2019		2019/2020		2020/2021	
Market Begin Year	May 2018		May 2019		May 2020	
Zimbabwe	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1723	1723	1624	1624	1500	1549
Beginning Stocks	458	458	459	459	336	136
Production	1701	1701	777	777	850	908
MY Imports	200	200	1000	800	1000	1000
TY Imports	200	200	1000	800	1000	1000
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	2359	2359	2236	2036	2186	2044
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	300	300	300	300	300	300
FSI Consumption	1600	1600	1600	1600	1600	1600
Total Consumption	1900	1900	1900	1900	1900	1900
Ending Stocks	459	459	336	136	286	144
Total Distribution	2359	2359	2236	2036	2186	2044
Yield	0,99	0,99	0,48	0,48	0,57	0,59
(1000 HA), (1000 MT), (MT/HA)						

Attachments:

No Attachments