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Report Highlights:
Zimbabwe's corn production estimate for the 2010/11 marketing season is forecast at 900,000 MT on 1.35 million hectares. This is an improved corn harvest compared to the 2009/10 marketing season. However, Post projects a national corn deficit of 400,000 MT which will be covered through commercial and food aid imports. Zimbabwe will have to import nearly 95 percent of its wheat requirements. The 2010/11 marketing year wheat crop is estimated at 13,000 MT on 4,300 hectares while national demand is approximately 228,000 MT per annum.

Executive Summary:

Corn production for the 2010/11 marketing season started well, but a mid-season drought negatively affected the crop, especially in the southern parts of the country. However, estimates are that the 2010/11 marketing year corn harvest will be an improvement compared to the 2009/10 marketing season. The forecast for the 2010/11 marketing season is 900,000 MT on 1.35 million hectares. The projected corn deficit of about 400,000MT is expected to be met through commercial and food aid imports.

The area under winter wheat for the 2010/11 marketing year is not expected to exceed 4,500 hectares and is the smallest national wheat crop in years. The outlook for wheat production in Zimbabwe is bleak as producers are quickly moving out of wheat production citing poor viability and inconsistent power supplies as reasons. The 2010/11 marketing year winter wheat production of 13,000 MT falls far short of the national demand of about 228,000 MT per annum.

General Information:

Author Defined:

Corn

Production

The start of the 2010/11 marketing year's rainfall was timely with onset of the rains around mid- November for most parts of the country. Most of the 2010/11 marketing year corn crop was planted between mid-November and mid-December. Rainfall was well distributed up to mid-December when dry conditions set in throughout the country. The dry conditions ended in January in the traditional grain producing areas in northern parts of the country (Mashonaland West, Mashonaland Central and parts of the Midlands Provinces), but was pro-longed and more severe in the southern and south-eastern parts of the country where it persisted into February 2010 and adversely affected corn production. When rainfall resumed in late February, it was too late to salvage the corn crop in the Southern areas. The Crop and Livestock Assessment carried out by the Zimbabwe government, from January to February 2010, estimated that 200,574 hectares of corn would be written-off due to the mid-season drought.

For the 2010/11 marketing season, there was an estimated 35,000 MT of corn seed (mostly hybrid) available which is adequate to plant about 1.4 million hectares at the recommended planting rate of 25kg/ha. This is in

contrast to 2009/10 marketing season when there was a general shortage of corn seed. Approximately 60 percent of the 2010/11 marketing year's seed was from local production while the balance was imported mainly from South Africa, Zambia and Malawi. According to data from the Central Statistical Office (renamed ZIMSTATS) a total of 15,322 MT seed was imported from other southern African countries as shown in the table below.

Table 1: Corn seed imports for corn planting for the 2010/11 marketing season

Country of import	Corn seed quantity (MT)
South Africa	8,856
Zambia	5,599
Mozambique	671
Malawi	196
Total	**15,322**

Source: Central Statistical Office (now ZIMSTATS)

Although corn seed was available, access to seed, especially by small scale farmers, was limited due to liquidity problems. The 2010/11 marketing season government inputs scheme, with loans for input purchases, replaced free-handouts that had characterized the previous seasons. However, an FAO coordinated inputs support facility, supported by 12 donors and implemented by 63 civic organizations, benefitted 742,000 smallholder households out of the 1,302,000 national communal households. The inputs support was in the form of grain seed (maize, sorghum and millet), fertilizer and a legume for an average area of 0.5 hectares per recipient. The input support programs accounted for approximately 22,672 MT of corn seed planted. Planting from carry over seed and retained grain covered a significant area, estimated at 49 percent of planted area by the First Crop and Livestock Assessment Report (February 2010).

Compound fertilizer availability also improved in the 2010/11 marketing season compared to the previous season. Fertilizer supply for the 2010/11 marketing season was estimated at 280,000 MT and half of this was supplied by the local industry. The total estimated requirement for all crops is 750,000 MT. Around 62,647 MT basal fertilizer and 80,652 MT top dressing fertilizer were distributed through different input support programs compared to only 19,000 MT basal fertilizer and 12,500 MT top dressing the previous season.

The table below shows quantities of corn seed and fertilizer contributed by various inputs support programs.

Table 2: Inputs contributed by various input support programs

Input support program	Corn seed (MT)	Basal fertilizer (MT)	Top dressing fertilizer(MT)

Government	13,972	37,597	27,852
FAO	6,800	14,000	41,000
Farmers unions		7,250	8,000
Presidential	1,900	3,800	3,800
Total	**22,672**	**62,647**	**80,652**

Source: Ministry of Agriculture, Mechanization and Irrigation Development

Post forecasts an improved corn harvest in 2010/11 marketing season compared to the 2009/10 marketing season. The improvement is mainly attributed to better availability of seed and fertilizer at the start of the season. However, the poor rainfall, particularly in the southern parts of the country, resulted in a significant area of corn being written off. Also, whilst fertilizer availability was better in the 2010/11 marketing season, it was inadequate for the corn crop planted. The corn production estimate for the 2010/11 marketing season is 900,000 MT from 1.35 million hectares with an average yield of 0.67t/ha. An estimated 193,887MT small grain comprising of 131,644 MT sorghum and 62,243 MT millets were also produced for the 2010/11 marketing season.

The Zimbabwean government estimate for the 2010/11 marketing year a corn crop of 1,327,572 MT from an area planted of 1,803,542 hectares with an average yield of 0.7t/ha. This forecast represents a 3 percent increase from last year's production estimate of about 1,242,586 MT. Government projects the largest proportion (25 percent) of the 2010/2011 marketing year corn harvest to come from Mashonaland West Province whilst the Midlands Province is expected to contribute 21 percent of the nation's corn harvest. In Mashonaland West Province, the higher production has been attributed to both relatively large planted areas and high average yields, whilst the Midlands Province's production has been attributed to large area planted.

The bulk of corn producers in Zimbabwe now are communal and small scale subsistence farmers (A1 sector) who according the Second Crop and Livestock Assessment Report (April 2010) are anticipated to produce respectively 40 percent and 22 percent of the country's corn harvest, whilst the medium to large scale producers (the A2 sector) are expected to contribute 20 percent of the country's corn production. The large scale commercial sector's contribution is estimated to be 5 percent mainly because of under-utilization of land in this sector as evidenced by the large tracts of fallow land. Insecurity of tenure remains an issue in this sector with farm invasions still continuing. Also, most of the farms in the sector have been redistributed and converted into smaller A1 and A2 farms whose beneficiaries lack access to capital to fully utilize this productive land.

Corn seed production outlook is good. Attractive returns following dollarization of the economy and the

removal of price controls have boosted local corn seed production. Farmers in high potential areas are increasingly taking up corn seed production and yields of seed crops increased from 2MT/ha to 4.5MT /ha this season. The country will most likely be self-sufficient in corn seed and imports are projected to be eliminated next season. However, commercial production of GMO corn is still illegal in Zimbabwe.

The Zimbabwean government requested FAO to conduct a post-harvest crop and food supply assessment mission (CFSAM) for a third consecutive year. However, this year FAO has proposed to send a smaller team from its headquarters in Rome to verify the government production estimates and the national cereal balance sheet. The CFSAM report is expected towards the end of July 2010.

With liberalization of the market, the Grain Marketing Board (GMB) now competes with the millers to purchase corn. With effect from 1 April 2010, the GMB increased its maize floor price from US$265/ton to US$325/ton, effectively making Zimbabwe's corn the most expensive in the region. However, the GMB has recently revised the corn price back to US$ 265/ton. In the 2009/10 marketing season, although GMB offered the highest floor price cash-flow problems hindered them from readily buying grain. Other buyers are offering FOB import-parity related prices averaging about US$180 per ton.

Policy

The Zimbabwean government has re-introduced the Agricultural Marketing Authority (AMA) to regulate, supervise, develop and administer the marketing of produce in the country. AMA will work closely with the Ministry of Agriculture and other marketing institutions to enhance production and marketing of agricultural products. AMA was first established in 1967 and abolished in 1993 after the government adopted the Economic Structural Adjustment Program.

Consumption

Corn consumption is estimated at 120kg per person per year. Computation of Zimbabwe's human domestic consumption is complicated by the country's population estimate. The lack of official data on the extent of emigration from Zimbabwe over recent years has resulted in different population estimates being used by different organizations. The Central Statistical Office has the lowest estimate of 350,000 emigrants whilst the Ministry of Finance has the highest estimate of about 4 million emigrants. The Central Statistics Office projects a national population estimate of 12,336,046 for 2010. For the 2010/11 marketing season human consumption of corn, the two extreme scenarios are considered. Based on a population estimate of 12 million, human consumption is estimated at about 1.4 million MT of corn, while for the population estimate of 8

million, human consumption is much lower at an estimated 960,000MT per annum. Calculations are based on the average between these two scenarios and estimated human corn consumption at 1.200 million MT. Zimbabwe's fourth population census will be conducted in August 2012.

Annual feed use in Zimbabwe is estimated at 50,000 MT. Both the beef and dairy sectors are in decline following the culling of livestock in recent years mainly as a result of land reform and in response to droughts. The dairy herd has declined from about 192,000 cows in 1990/91 to about 22,000 cows currently. The commercial beef herd has also gone down from about 800,000 heads pre-land reform to about 200,000 heads currently. However, the growth in the poultry and pig production sectors compensates for the decline in feed use in the cattle sector.

Corn seed requirement is estimated at a maximum of 50,000 MT per annum adequate to plant 2 million hectares at the recommended rate of 25kg/ha.

Thus, the total corn consumption in 2010/11 marketing year is estimated at 1.300 million MT. A national corn deficit 400,000 MT is estimated that will be covered through commercial and food aid imports. The Ministry of Agriculture has already requested for funding from the Ministry of Finance to import corn through the GMB for the national Strategic Grain Reserve.

Consumption of newly harvested grain from own production has started in most corn producing areas, contributing to improving the food security situation in rural areas to some extent. Food security in urban areas has been positively influenced by the dollarization of the economy, liberalization of grain trade and the waiver of import duties on basic foods that brought price stability and good market availability of corn meal and food in general.

Trade

The liberalization of grain trade and the removal of import restrictions in September 2008 has seen the private sector playing a key role in imports of corn grain and corn meal. Major millers and some poultry and livestock-based concerns have been actively importing large volumes of white and yellow corn from South Africa if it was cheaper than locally produced grain. Supermarket chains and other retail outlets have mainly concentrated on imports of corn meal. However, the scrapping of import duties, waiver of import permits and the involvement of private sector, traders and individuals in corn trade, makes monitoring of corn imports difficult.

The table below shows monthly corn imports to Zimbabwe by South Africa from May 2009 to April 2010 as

captured by SAGIS.

Table 3: Monthly corn imports by Zimbabwe from South Africa from May 2009 to April 2010

Year and Month	Corn imports (MT)
2009	
May	7,029
June	6,356
July	11,985
August	6,001
September	4,296
October	3,325
November	7,484
December	1,247
2010	
January	4,552
February	14,856
March	18,344
April	17,721
Total	**103,196**

Zimbabwe imported 103,196 MT corn through South Africa. Data from Central Statistical Office shows that an additional 8,777 MT corn comprising of 6,419 MT from Zambia and 2,358 MT from Malawi was imported into the country between May 2009 and April 2010.

PSD Table Corn

Corn Zimbabwe	2008/2009			2009/2010			2010/2011		
	Market Year Begin: May 2008			Market Year Begin: May 2009			Market Year Begin: May 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested	1,300		1,300	1,100		1,100	1,300		1,350
Beginning Stocks	0		0	0		0	0		0
Production	525		525	650		650	750		900

MY Imports	500		500	550		550	500		400
TY Imports	500		500	550		550	500		400
TY Imp. from U.S.	0		0	0		0	0		0
Total Supply	1,025		1,025	1,200		1,200	1,250		1,300
MY Exports	0		0	0		0	0		0
TY Exports	0		0	0		0	0		0
Feed and Residual	50		50	50		50	50		50
FSI Consumption	975		975	1,150		1,150	1,200		1,250
Total Consumption	1,025		1,025	1,200		1,200	1,250		1,300
Ending Stocks	0		0	0		0	0		0
Total Distribution	1,025		1,025	1,200		1,200	1,250		1,300
Yield	0.		0.40	1.		0.59	1.		0.67

Wheat

Production

Zimbabwe will have to import nearly 95 percent of its wheat requirements. The government target for winter wheat in 2010 is 45,000 hectares. However, winter wheat plantings have made a very slow start and only a very small wheat crop has been planted in the recommended planting period. For optimal wheat yields, planting should be completed by 15 May although it can continue up to the end of May. The Ministry of Agriculture estimates that by the end of May only 4,328 hectares of wheat out of the prepared area of 8,000 hectares had been planted. It is unlikely that much more wheat will be planted as the recommended planting period has passed. Planted area is unlikely to surpass 5,000 hectares. Our preliminary estimates are for a wheat crop planted on 4,300 hectares and a production of about 13,000 MT. This production forecast falls far short of the national demand of about 228,000 MT per annum.

A major constraint to production is poor viability of wheat production. This year farmers' interest in producing

wheat is very low and the country is quickly moving out of wheat production. Lack of capital to purchase inputs, high water tariffs, poor irrigation infrastructure and high production costs are other major constraints to wheat production. Frequent power outages in the country have also discouraged wheat production. Wheat is fully irrigated and heavily depends on availability of electricity to power irrigation pumps. The country is experiencing frequent power outages largely due to low local power generation. Late payments by GMB for the 2009 wheat deliveries were also a disincentive for wheat production. Most farmers have not yet received proceeds from the sale of 2009/10 marketing season commodities to re-invest in the 2010 winter wheat production.

Government largely stopped subsidizing farmers in 2009 advising them to structure their own funding arrangements with financial institutions. Most farmers failed to raise money to fund purchases of wheat inputs (seed, fertilizer, chemicals and fuel). The liquidity crunch facing local financial institutions has limited funding options to mostly short-term borrowing (30 -90 day loans) that are inappropriate for wheat production where returns are expected long-term. The bulk of deposits held in local lending institutions are short-term in nature and this creates difficulties to structure long-term loans required by the farming industry. The government set aside US$10 million to finance wheat production in 2010 through the provision of subsidized seed and fertilizer at GMB depots but the subsidized inputs generally became available after the recommended planting dates. Farmers had to source own funds for additional production requirements.

Consumption

Using the official population estimate of 12 million and a consumption rate of 19 kg per person per year, the country's estimated annual requirement for wheat is about 228,000 MT whilst the 2010 national wheat production forecast is estimated at about 13,000 MT. The deficit will have to be met through imports.

The liberalization of grain trade and removal of price controls have stabilized supplies of wheat and flour. Bread is now widely available and prices have stabilized at between US50 cents and US$1.00 per loaf.

Trade

From July 2009 to May 2010 wheat imports to Zimbabwe as captured by SAGIS amount to 206,792MT mainly from Germany, Brazil, South Africa and Poland as shown on the table below.

Table 4: Wheat imports by Zimbabwe from July 2009 to May 2010

Import destination	Wheat Quantity MT

Germany	122,532
Brazil	27,202
South Africa	27,180
Poland	26,521
Australia	1,984
USA	1,373
Total	**206,792**

According to data from the CSO, a further 8,037 MT wheat was imported from Zambia and 6,708 from Mozambique for the period under review. This brings total wheat grain imports for the period July 2009 to May 2010 to 221,537 MT. In addition, considerable quantities of flour are being imported mainly from South Africa and sold through local retail outlets.

PSD Table: Wheat

Wheat Zimbabwe	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: July 2008			Market Year Begin: July 2009			Market Year Begin: July 2010		
	USDA Official Data		New Post Data	USDA Official Data		New Post Data	USDA Official Data		New Post Data
Area Harvested	9		9	9		10			4.3
Beginning Stocks	100		100	100		100			100
Production	38		38	38		18			13
MY Imports	200		200	200		220			215
TY Imports	200		200	200		220			215
TY Imp. from U.S.	0		0	0		1			1
Total Supply	338		338	338		338			328
MY Exports	0		0	0		0			0
TY Exports	0		0	0		0			0
Feed and Residual	0		0	0		0			0
FSI Consumption	238		238	238		238			228
Total Consumption	238		238	238		238			228
Ending Stocks	100		100	100		100			100
Total Distribution	338		338	338		338			328
Yield	4.2		4.2	4.2		1.8			3.02