



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 4/1/2005

GAIN Report Number: RH5002

Zimbabwe

Grain and Feed

Monthly Update

2005

Approved by:

Rachel Bickford

U.S. Embassy, South Africa

Prepared by:

Herman Germishuis

Report Highlights:

Zimbabwe suffered a dry spell during February and March, which reduced corn yields in the southern and southeastern production areas. Combined with the other negative factors, which impacted on the crops, Zimbabwe is facing another serious threat to its food security. After the Government won the recent general election the question of food aid remains unresolved.

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

Summary

The hot and dry weather that extended from February into most of March has caused permanent damage to some of the dry land maize crop and has reduced the expected yields. Zimbabwe faces another season of poor harvests and a shortfall in production that is posing a serious threat to the country's food security. The Department of Agricultural Research and Extension Services (AREX) has yet to released their report on crop assessments carried out in March.

The forecast is for FAS 2004, MY 2005/06, crop of about 800,000 MT compared to the previous season's 900,000 MT.

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. Availability of irrigation equipment remains a major constraint to wheat production.

CORN**PSD Table**

Country	Zimbabwe
Commodity	Corn

	2002	Revised	2003	Estimate	2004	Forecast
1000 ha.	USDA Official	Post Estimate	USDA Official	Post Estimate	USDA Official	Post Estimate
1000 mt.						
Market Year Begin	05/2003		05/2004		05/2005	
Area Harvested	1400	1355	1300	1365	1200	1200
Beginning Stocks	81	90	131	130	131	130
Production	800	800	900	900	800	800
TOTAL Mkt. Yr. Imports	750	750	700	700	600	600
Oct-Sep Imports	625	625	600	600	600	500
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1631	1640	1731	1730	1531	1530
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	100	100	125	125	125	125
TOTAL Dom. Consumption	1500	1510	1600	1600	1500	1450
Ending Stocks	131	130	131	130	31	80
TOTAL DISTRIBUTION	1631	1640	1731	1730	1531	1530

Production

Mainly hot and dry weather conditions and long sunshine hours were observed during the first and second dekads (ten days) of March. There was very little rainfall activity in most parts of the country and to date most parts of the country have received below normal (80% and lower) rainfall. Evaporation rates were high. Maximum temperatures were in the hot category across the whole country. Dry land maize crops were adversely affected by the dry weather conditions and this will reduce expected yields.

The areas most affected by the moisture stress and high temperatures are in the southern half and eastern parts of the country (Matebeleland, Midlands, Masvingo and Manicaland Provinces) where no meaningful rainfall has been received this season. In some areas the crops are beyond recovery as they have reached permanent wilting point.

The Department of Agriculture Research and Extension Services (AREX) has sent teams to assess the crop situation in all provinces but has not availed results of this survey to the public. Still, it is clear to even a casual observer that the country is faced with a serious food security crisis.

Consumption

At the beginning of March, the government purchased 15,357MT of maize from the Grain Marketing Board (GMB) for drought relief to the vulnerable groups and affected areas. The government has reportedly also set aside Z\$48 billion (US\$7.7 million) for the purchase of about 50,000MT of maize for relief programs.

The Zimbabwe Vulnerability Assessment Committee estimates that 3,3 million rural people are in need of drought relief. The Zimbabwe government has already started distributing grain in the Matebeleland North and South provinces.

Trade

The country is taking advantage of the current low maize prices in South Africa and is importing, but the shortage of foreign currency is a major limiting factor. From 26 February to 18 March Zimbabwe imported 22,520Mtof maize from South Africa. The following table contains weekly shipments of maize from South Africa to Zimbabwe since January 1.

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
Season to date since May 1, 2004	158,617

Maize imports from Zambia ceased at the end of February when the Zambian government banned maize exports in order to safeguard its own stocks.

Prices

The producer price for the maize crop currently under production has not yet been announced. There have been no advance pre-planting announcements of viable prices that reflect the true production costs and in line with relative international market prices since 2002/2003. The producer price for the crop harvested last year (i.e. the 2003/2004 crop) is Z\$900 000/ton or \$ 145.16 (Z\$6200 = USD\$1).

The price of maize flour is controlled by government at the following prices: Rough milled flour (roller meal) is priced at US\$0.16 to US\$0.24 /kg whilst the refined meal is between US\$0.45 to US\$0.56/kg.

WHEAT**PSD Table**

Country	Zimbabwe					
Commodity	Wheat					
1000 ha.	2002	Revised	2003	Estimate	2004	Forecast
1000 mt.	USDA Official	Post Estimate	USDA Official	Post Estimate	USDA Official	Post Estimate
Market Year Begin	07/2002		07/2003		07/2004	
Area Harvested	40	38	30	30	20	35
Beginning Stocks	100	10	100	0	100	0
Production	150	160	90	90	80	140
TOTAL Mkt. Yr. Imports	110	110	170	170	150	130
Jul-Jun Imports	110	110	170	170	150	0
Jul-Jun Import U.S.	17	0	6	0	0	0
TOTAL SUPPLY	360	280	360	260	330	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	230	270
Ending Stocks	100	0	100	0	100	0
TOTAL DISTRIBUTION	360	280	360	260	330	270

Production

The 2004 wheat crop is estimated at 140,000 MT produced on about 35,000 hectares, but this figure cannot be confirmed or substantiated. This is against a crop size of 350,000 MT before the land reform.

The 2005 winter wheat crop is not likely to expand significantly despite the abundance of irrigation water in most dams (The most current Zimbabwe National Water Authority (ZINWA) report shows that as at 24 March 2005, most of the dams were over 70% full).

One of the factors that could affect the production of wheat is the fact that producer price of wheat has not yet been announced despite the impending season. Also, the delay by the GMB in paying producers as experienced with the 2004 crop could be a disincentive. Wheat deliveries made in October 2004 were only paid for in January and February 2005. Inadequate irrigation facilities and the unavailability of inputs such as ammonium nitrate fertilizer will adversely affect the 2005 wheat crop.

Consumption

Milling industry demand is about 6,000 MT per week, or 312,000 tons per year. Currently wheat is being allocated to millers at 4,000 MT per week, or 208,000 tons per year.

From June 2004 to mid February 2005, imports from and through South Africa amounted to 72,600 tons compared to 102,600 tons for the full previous season.