Date: 5/25/2012
GAIN Report Number:

Zimbabwe

Post: Pretoria

Quarterly Update

Report Categories:
Grain and Feed
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Report Highlights:
A late start to the rainfall season in most parts of Zimbabwe resulted in a 19 percent decrease in area planted to corn in the 2012/13 MY. Furthermore, due to erratic rainfall, 722,557 hectares, or 43 percent, of the total planted corn area of 1.7 million hectares has totally failed. This leaves an estimated corn harvested area of 967,051 hectares for the 2012/13 MY. As a result of the unfavorable weather conditions, the Zimbabwean corn crop is expected to be 30 percent lower than the previous seasons' 1.4 million tons at 968,041MT. This means Zimbabwe will have to import corn to supplement local production.

Corn

Production

<u>Rainfall season summary:</u>

The summer rainfall season for the 2012/13 MY started late in most parts of Zimbabwe. In addition, a seven weeks dry spell which started at the end of December severely affected the crop. As a result, corn yields are expected to be low in the southern half of the country (Masvingo province, southern parts of Manicaland, Midlands and Matabeleland South provinces) with large areas recording a total crop failure. However, in the Central and Northern provinces of Mashonaland Central and Mashonaland West, Zimbabwe's traditional grain producing areas, the corn crop appears better and average yields are still possible.

Figure 1: Provinces of Zimbabwe

Inputs availability:

Zimbabwe had excess corn seed available at the beginning of the 2012/13 MY's planting season. The estimated corn planting seed requirement is between 35,000 MT and 40,000 MT, while the seed companies could supplied 84,515 MT to the market (see also Table 1).

Table 1: Zimbabwe corn planting seed supply for the 2012/13 planting season

Name of seed company	Corn hybrid seed (MT)	Open pollinated varieties (MT)	Total corn seed (MT)
Seed Co	42,215	1,218	43,433
Pannar	13,000		13,000
Pioneer	12,467		12,467
ARDA seeds	1,700	300	2,000
Progene Seeds	1,600	3,000	4,600
National Tested Seeds		1,200	1,200
GMB	215		215
Total	75,617	8,798	84,515

Source: ACWG Journal Zimbabwe October, 2011

Enough basal fertilizer was available during the planting season. However, top dressing fertilizer supplies were inadequate after the sole producer of ammonium stopped production due to poor economic conditions. Historically, Zimbabwe's fertilizer requirement has been estimated at about 450,000 MT annually, of which 55 percent was top-dressing and 45 percent basal. The current fertilizer requirement is estimated between 300,000 MT to 350,000 MT annually. The local fertilizer companies produce about 200,000 MT of basal and 80,000 MT of top dressing fertilizer. Fertilizer companies are trying to mitigate shortages by importing the top dressing fertilizer but imports are limited due to the liquidity constraints in the country.

The Zimbabwean government continued its' input assistance programs. For the past eight seasons the government and the international donor community have supported smallholder farmers with inputs to improve food security. The most common mechanism is the free distribution of direct agricultural inputs. However, with dollarization in 2009 and the improved macro-economic conditions, the inputs support programs have shifted from the distribution of free inputs to a distorted market-based system. Farmers receive input vouchers for the purchase of subsidized seed and fertilizer on loan and then pay back only 50 percent of the market value of the inputs. More than 488,000 communal households received input assistance from both government and the donor community this season, down from approximately 750,000 households in the 2011/12 MY. The input packages were not standard, but on average, each household received adequate inputs for planting between 0.5 hectares and one hectare of corn.

Corn production outlook:

The Ministry of Agriculture's First Crop and Livestock Assessment Report to assess and verify the areas planted to different crops in the 2012/2013 MY, was released at the end of February. The ministry estimates area planted to corn at 1.7 million hectares. This is 19 percent lower than the previous season's 2.1 million hectares. The decrease can be attributed to the late start of the rainfall season in most parts of the country. The recently published Second Round Crop Assessment report estimates that on 722,557 hectares, or 43 percent of the total planted corn area, the crop has totally failed due to erratic rainfall, leaving an estimated corn area harvested of 967,051 hectares. As a result of the unfavorable weather conditions, the Zimbabwean corn crop is expected to be 30 percent lower than the previous seasons' 1.4 million tons at 968,041MT.

Consumption

Generally corn and corn meal are readily available in the country. For the majority of households, grain purchases from the market are the main source of grain consumed. Households in the southern parts of the country that suffered crop failure due to the erratic rains and pro-longed dry spells will continue to rely on purchases of grain for consumption. Milling companies are importing corn mainly from Zambia and to a lesser extent from South Africa.

Corn Zimbabwe	2010/2011		2011/2012		2012/2013	
	Market Year Begin: May 2010		Market Year Begin: May 2011		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,350	1,350	1,600	1,600	975	967
Beginning Stocks	25	25	25	25	25	25
Production	1,000	1,000	1,400	1,400	900	968
MY Imports	300	300	100	100	300	300
TY Imports	300	300	100	100	300	300
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1,325	1,325	1,525	1,525	1,225	1,293
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	50	50	50	50	0	0
FSI Consumption	1,250	1,250	1,450	1,450	1,200	1,250
Total Consumption	1,300	1,300	1,500	1,500	1,200	1,250
Ending Stocks	25	25	25	25	25	43
Total Distribution	1,325	1,325	1,525	1,525	1,225	1,293
1000 HA, 1000 MT, MT/HA						

Wheat

Production

Wheat is planted between April and May under irrigation. Land preparation for winter wheat production is still very slow. Wheat production in 2012 is expected to decline after 23,000 MT was produced from an estimated 12,000 hectares in 2011. Poor economic conditions, funding challenges, unreliable power supplies, and late payments by the Grain Marketing Board (GMB) are the main constraint to wheat production. The GMB has yet to pay growers for deliveries made in October 2011. Also a number of banks are unwilling to finance wheat production under irrigation due to the constant power outages. Low average wheat yields, estimated at 2.5 t/ha, versus production costs of $1,862 per hectare, have rendered the crop economically unviable at the current producer price of $440/ton.

Consumption

The country's monthly wheat consumption is estimated at 27,000 MT or 20,000MT of flour. Local bread prices have remained stable throughout the year, with a standard loaf costing US85 cents and a superior loaf costing US$1.00.

The national wheat requirement is estimated at 348,000 MT per annum. After the 2011 production, the country will have to import an estimated shortfall of 325,000 MT or 93 percent of its requirement. Wheat is imported from a number of different countries that include Argentina, the United States, Germany, Brazil, Lithuania and South Africa.