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LivestockZimbabwe Update: 15th February 2018

OVERVIEW

The Agricultural Marketing Authority (AMA) convened meetings on 14th February to discuss the preparations for the grains and oilseeds marketing season which provided a platform for stakeholders to share information about these subsectors and offer recommendations to the authorities.

New cases of Foot and Mouth Disease have been reported from Limpopo province in South Africa. The affected animals are cattle kept in rural villages with communal diptanks and grazing. Cattle producers in Zimbabwe are advised to be vigilant and to report any suspected cases of FMD to veterinary personnel.

The monetary policy statement is eagerly awaited by the livestock industry as it is anticipated that it will give guidance on producer prices for wheat for the forthcoming season.

Several meetings have been held with consortia members participating in the EU - Zimbabwe Agricultural Growth Programme. LMAC are closely involved in joint planning and roll-out of the beef, poultry and pig and goat value chain development projects being funded under this initiative.

Meeting to Discuss Preparations for the 2019 Grains and Oilseeds Marketing Season

In the 2018/19 production season, plantings are reduced, mostly because of the high costs of inputs and the erratic rains. According to farmers' unions the expected maize yield is estimated to be between 700 – 800,000mt which is lower than the previous season's yield and imports are anticipated. Subsistence plantings have also declined, posing a threat to household food security.

However, the Grain Marketing Board (GMB) reported that about 996,000mt of maize is in stock and an intake of 500,000mt is projected during the forthcoming marketing season. Thus, the carry-over stocks plus the anticipated harvest will be sufficient to last until the next season based on GMB estimates. The irrigated maize crop has been successful despite an increase in the cost of inputs.

It was noted that late payment for maize deliveries by the GMB is affecting farmer production as they are not able to procure inputs for the next crop. GMB has been undergoing a system upgrade hence the late payment to farmers and this will shortly be resolved. With regards to the Presidential input scheme, GMB had distributed 80 – 90% of them.

The local supply of maize meal is adequate. However, there is a shortage of maize bran due to low throughput at milling companies as most people have bought maize for their own milling. Commercial millers have also been affected by skyrocketing packaging costs.

A ban on maize exports out of Zambia and Malawi is in place. A shortfall in maize yield in Zambia is anticipated as some farmers have switched to cotton and other cash crops. There are limited carry-over stocks in South Africa and a reduced maize yield for 2018/2019 is forecast.

According to GMB, most of their wheat stocks were allocated to millers through the Grain Millers Association of Zimbabwe (GMAZ) and there is less than a month's supply until the next harvest in September. Based on average monthly demand, the projected import requirement is 40,000mt per month over the next six months.

No commercial rice production is currently taking place and seed trials are currently ongoing at Rattray Arnold.

Flour of 12.5 % protein is being imported at USD$407/mt, landed. Out of the monthly requirement of 40,000mt, only 6,000mt has been received and 30,000mt is currently in Beira awaiting payment. The shortage of foreign exchange has also affected the milling industry as only USD$2.5million has been disbursed to suppliers from the USD$30 – 50million required per month to import wheat. The current demand for bread is 1.4 to 1.7 million loaves per day. The ideal requirement is that 280,000mt of local wheat is blended with 120,000mt of imported wheat to ensure good quality bread. It was highlighted that the shortage of local flour is due to the fact that there is no incentive for farmers to grow wheat and no producer price has been set yet.

The milling industry is awaiting the monetary policy statement for guidance on pricing of wheat. GMAZ is mulling the establishment a wheat contracting committee to coordinate future production.

An increase in the hectarage planted under oilseeds is anticipated at the expense of the reduced maize acreage. 600,000mt of oilseeds is required to meet the demand for cooking oil.

200,000mt of soya beans is also required per annum to cater for the needs of the feeds industry in addition to cooking oil. GMB have no soya beans in stock and the recommendation is that industry imports. Stakeholders highlighted issues from last year's allocation system and the need to correct certain aspects of it to ensure fairness for all concerned. In raising concerns about meal quality, users of full fat meal requested that they purchase their own beans for toll crushing.

Zambia is expecting a new harvest of 400,000mt of soya beans against a consumption of 200,000mt and future exports of beans may be banned in favour of the export of soya meal. Malawi is also expecting a good crop of 160,000mt and is likely to be self-sufficient this year. 190,000mt of beans are available in Uganda with no local usage. 300,000mt are available from South Africa which is expecting a harvest of 1.2 million mt this season.

AMA reported that their forecasting teams are on the ground to collect data and report on the actual crop situation. AMA were requested to review Statutory Instrument 140 of 2017 and the penalties applicable on side marketing.

Stakeholders also raised concerns about buyers’ fees being charged by Rural District Councils and AMA will follow this up.

Livestock Diary: March 2019

Wednesday 6th	Council meeting of the Stockfeed Manufacturers Association
Thursday 7th	Open meeting of the Zimbabwe Association of Abattoirs
Friday 8th	Council meeting of the Brahman Breeders Society of Zimbabwe

Save the Date:

Friday 29th March: **Fish Indaba proudly hosted by the Zimbabwe Fish Producers Association**

Further details will follow in due course

Enclosures

- Statutory Instrument 19 of 2019, Value Added Tax (General) (Amendment) Regulations, 2019 (No 51)
- Statutory Instrument 21 of 2019, Collective Bargaining Agreement: Agricultural Industry