



Exhibition Park, Samora Machel Avenue West, Belvedere
P. O. Box BE 209, Belvedere, Harare
Phone: 04-756 600, 772 915, 777 391
Email: admin@lit.co.zw

Raw Materials Supply: July 2020

Important! Retrospective spot prices for small volumes traded are being quoted.

Maize

Local deliveries to the Grain Marketing Board (GMB) are estimated at 100,000mt. Maize sales are subject to Statutory Instrument 145 of 2019, Grain Marketing (Control of Sale of Maize) Regulations, 2019, that makes GMB the sole buyer of locally produced maize, with the exception of contracted maize.

The majority of deliveries is being routed to the roller mealie meal subsidy program and the poverty alleviation program.

The local price is between USD 260 – 280 /mt. Financing remains difficult as the Reserve Bank is maintaining a tight rein on market liquidity. The auction system that was introduced recently has allowed importers of maize to access foreign currency to facilitate imports and livestock producers have been encouraged to plan accordingly in light of the deficit supply conditions.

Major traditional regional suppliers currently have surplus maize, but current imports are mainly from South Africa. There are maize export bans out of Zambia and Malawi as the countries are still filling local strategic reserves. The bans are expected to be relaxed in the last quarter of the year.

Soyabean and Meal

Local crop production is estimated at only 40,000mt, a deficit of nearly 150,000mt for the local industry. Manufacturers and users of soyabeans will have to fill the gap by importing from the region. Soyameal is currently being imported from Zambia, landing at USD 450/mt while soyabean exports remain banned. In Malawi, soyameal exports are available but are more expensive than the product sourced from Zambia.

Wheat Bran

Supply and pricing vary daily and at the time of writing, the price quoted ranged between ZWL 14,500 – 15,500/mt.

Maize Bran

This product is not available.

Molasses

Molasses has only been made available recently after an extended period of no supply. The product is quoted in USD and is trading at USD 98/mt ex-factory in the Lowveld, inclusive of VAT.

Sugar mills are not providing preferential supplies to the feed sector and companies are having to source additional local supply from third parties, increasing costs.

Imports from Zambia are also available to the livestock industry.

Cotton Cake

The delay in the announcement of the cotton price and the termination of merchant and agent Ecocash lines by authorities has caused a bottleneck in payments to cotton producers and this has led to delays in the start of ginning and cotton seed expressing. As a result, there has been intermittent supplies of cotton seed meal into the market.

This year's crop is significantly lower than the previous years' which has prompted calls by oil expressers to be allowed to import cotton seed from Malawi, Zambia and Mozambique.