



Stockfeed Manufactures Association of Zimbabwe

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Raw Materials Supply: February 2020

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

Maize

Domestic production forecasts for the new season remain subdued. Some regions have reported excessive rains and it is expected that the majority of the country's tradeable crop will come from the commercial sector.

Imported genetically modified (GM) yellow maize is currently trading between USD 340 – 360/mt. With a new South African crop expected on the market mid-year - which is estimated to be 3 to 4 million mt greater than that for the 2019 marketing season – this price is expected to decrease to around USD 300/mt. However, it is subject to the cost of rail and road transport which is likely to increase on the back of the huge demand from importers of maize.

The industry is seeking clarity about how long the policy of allowing GM maize imports will be in place as it is unclear whether or not it will be revoked. Traders are likely to stock up on such imports to take advantage of the anticipated decline in price.

Non-GM maize imports from Mexico are likely to trade at USD 410/mt. Zambia may resume exports of maize in the fourth quarter of 2020 after satisfying their domestic consumption and filling their strategic reserve quota. Given the guaranteed producer price of UD 300/mt, any exports will be expensive. Malawi is also expected to assess the possibility of exporting into the region once their local and strategic requirements have been met.

Concern was raised about the inflationary effects of maize and wheat purchases by government which are being financed through broadening the money supply. Given the projected maize deficit during the 2020 marketing season, advance planning and early

season direct purchases could minimise the overall cost to the fiscus of grain importation by the government.

Soyabeans

The bulk of the domestic planted crop is reportedly under contract and the Grain Marketing Board is not expected to purchase much from the open market.

Imported soyabean is trading at USD 500/mt, while solvent extracted soyameal is trading at between USD 550 – 560/mt.

Maize and Wheat Bran

Neither of these products are available, however local stocks are expected to be available within the next two weeks.

Molasses

Domestic sales have been on hold as suppliers are reviewing their inventories. Molasses from Zambia is still available, but concern has been raised about the quality.

Cotton Cake

High protein cotton cake is available at ZWL 8,500/mt.

Sunflower

Limited small quantities have been imported, retailing at ZWL 5,600/mt.

Premixes

Availability is being driven by the cost of foreign currency and suppliers require upfront payment.

Imports/Exports

South African poultry products, comprised largely of offal, has been noted on the market in Bulawayo. These cases have been reported to authorities who have confirmed that no import permits have been issued for such products.