

SA and Zambia able to replace global producers' maize exports to neighbours

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Some countries in the Southern and East Africa regions will again need large imports of maize in the 2020/2021 marketing year, which ends in April 2021. However, their saviours won't be your typical major global producers such as Ukraine, the US or Brazil. Rather it is most likely to be SA and Zambia waiting in the wings.

In Southern Africa the recent data released by Zimbabwe's department of lands & agriculture placed its 2019/2020 maize harvest at 907,628 tonnes, up 17% from the previous season. Nevertheless, this is below Zimbabwe's 10-year average maize production of 1.1-million tonnes and annual domestic consumption needs of between 1.9-million and 2-million tonnes. The 2019/2020 production season corresponds with the 2020/2021 marketing year, which means Zimbabwe will still need to import about 1-million tonnes of maize to fulfill domestic needs in the 2020/2021 marketing year.

Meanwhile, in East Africa the International Grains Council forecasts Kenya's 2019/2020 maize harvest at 3.4-million tonnes. This is roughly unchanged from the previous season, though there have been good rains over the past few weeks in the grain-producing regions of the country. With Kenya's annual maize consumption at about 4.7-million tonnes, the aforementioned production estimate means the country could require imports of about 1.3-million tonnes in the 2020/2021 marketing year.

Unlike the other seasons, where African countries would look outside the continent for maize supplies in seasons of deficiency, SA and Zambia could emerge as key maize suppliers. Both countries are expecting their second-largest maize harvests on record for the 2019/2020 production season. In the case of SA, the expected harvest is 15.6-million tonnes, against domestic consumption of about 11-million tonnes. In the case of Zambia, the 2019/2020 maize harvest is estimated at 3.4-million tonnes against domestic maize consumption of 2.2-million tonnes.

This means SA could have at least 2.7-million tonnes of maize for export markets in the 2020/2021 season, which is 89% up year on year. Meanwhile, Zambia could have 1-million tonnes of maize exports, up from 100,000 tonnes the previous year. This would be the third year on record that Zambia would be able to export as much as 1-million tonnes of maize.

Other key maize producing and consuming countries in the Southern and East Africa regions, such as Malawi and Tanzania, will most likely have balanced supplies for their domestic markets and therefore limited room for exports. Hence our focus is on Kenya and Zimbabwe. Also, worth noting is that SA and Zambia are among the most prominent suppliers of maize to Zimbabwe and Kenya and featured among the top five maize suppliers to both countries in 2019, according to data from Trade Map.

Biosecurity policy is always an important consideration when it comes to African markets. To this end, SA has in the past experienced phytosanitary barriers because

of its use of genetically modified maize seeds, which account for about 80% of its output. But this time around things will be different. Zimbabwe lifted its ban on genetically modified maize imports from January 31 as the country tried to improve local supplies after a poor harvest in the 2018/2019 season.

With the harvest of the 2019/2020 season also likely to be relatively low, this policy decision will help ease maize imports into Zimbabwe in the coming months. In the case of Kenya, however, there is still a ban on the importation of genetically modified maize. This might limit SA's participation in Kenya, while Zambia, which produces non-genetically modified maize, might become a prominent player in the Kenyan market. SA's importance is likely to be concentrated in the Zimbabwean market, but the bottom line is that SA and Zambia will be key sources of maize imports for the southern and East Africa regions within the 2020/2021 season.

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