Zimbabwe Vulnerability Assessment Committee (ZimVAC)

Market Assessment Report

October 2015

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Acronyms

CBT	Cash Based Transfer
C&V	Cash and Vouchers
DCA	Danish Church Aid
FAO	United Nations Food and Agriculture Organization
FEWSNET	Famine Early Warning Systems Network
FNC	Food and Nutrition Council
FNSC	Food and Nutrition Security Committee
GMAZ	Grain Millers Association of Zimbabwe
GMB	Grain Marketing Board
KG	Kilograms
KCal	Kilocalorie
Km	Kilometers
Lt	Litres
M	Meters
MT	Metric Tonnes
MoAMID	Ministry of Agriculture, Mechanization, and Irrigation Development
MoPSLSW	Ministry of Public Services, Labour and Social Welfare
Mt	Metric Tonne
RLA	Rural livelihoods Assesment
USD	United States Dollars
WFP	United Nations World Food Programme
ZimSTAT	Zimbabwe National Statistics Agency
ZimVAC	Zimbabwe Vulnerability Assessment Committee

Foreword

The Zimbabwe Vulnerability Assessment Committee (ZimVAC) continues to work towards ensuring the availability of credible and reliable information to inform programming and policies. This market assessment is part of a comprehensive information system that informs government and its development partners on programming necessary for saving lives and strengthening rural livelihoods in Zimbabwe.

The assessment was undertaken as a follow up to the ZimVAC 2015 Rural Livelihoods Assessment (RLA) conducted in June which identified about 16% of the rural population (approximately 1,5 million people) as food insecure during the lean period. One of the key recommendations from the RLA report is the need to promote the use of cash-based transfer modalities in order to promote the local economy where feasible when responding to the needs of the food insecure households. This assessment was conducted in 50 districts identified in the RLA as having high food insecurity with the objective of assessing the feasibility of undertaking cash or voucher based interventions. Specifically, the assessment focused on assessing markets and traders' capacity and ability to supply food commodities (maize grain, maize meal, sugar beans and cooking oil) in a timely manner and in enough volumes so as not to cause stock outs and price surges.

This report focuses on issues that include but are not limited to identification and mapping of the market structure, assessment of the supply chain and analysis of the current and projected availability of the 4 commodities on local markets. The report also provides recommendations on the most appropriate assistance modality for the lean season for each of the 50 districts.

ZimVAC would like to acknowledge the financial and technical support received from WFP, Food and Nutrition Council, Oxfam, FEWSNET, FAO, Ministry of Agriculture, Ministry of Public Service, Labour and Social Welfare, CARE, World Vision International, Red Cross, Norwegian Christian Aid, Save the Children Zimbabwe, Danish Church Aid (DCA) and UNICEF. We also want to express our profound gratitude to members of the District Food and Nutrition Security Committees (DFNSCs), the Provincial Coordinators from the Ministry of Local Government, Public Works and National Housing as well as the traders from the 50 assessed districts.

We submit this report to you all for your use and reference as you work towards addressing the food and nutrition insecurity in our communities.

George. D. Kembo
ZimVAC Chairperson

Acknowledgments

ZimVAC would like to acknowledge the efforts of a number of organizations that made the success of the 2015 Market Assessment possible. We would like to acknowledge the organizational and technical support from FNC without which the coordinated effort of the assessment would not have been possible. Special thanks goes to WFP which provided the funding for the exercise; to FNC, the Ministry of Agriculture, Mechanization and Irrigation Development (MoAMID), the Ministry of Public Service, Labour and Social Welfare (MoPSLSW), OXFAM GB, CARE, Red Cross Zimbabwe, Save the Children Zimbabwe, DCA, FAO and WFP for providing enumerators and vehicles for the exercise; to UNICEF, Red Cross, Save the Children and WFP for providing the required android operated tablets for the assessment, and to the Technical Working Group (FNC, MoPSLSW, MoAMID, Oxfam GB, WFP and FEWS NET) for spending time to prepare, analyze and review the assessment tools and the data collected. Many thanks and appreciation to ZimVAC members, the District Food and Nutrition Security Committees (DFNSCs) members and the Provincial Coordinators for providing key market information which guided the selection of the key markets to be assessed. Special appreciation goes to the ZimVAC and Jan Michiels (WFP Regional Bureau Johannesburg) for leading the assessment, data analysis and the report writing. Our sincere gratitude goes to the traders and key informants in various markets who generously gave their time to provide the required information and without whom this report would not have been possible.

Executive Summary

- The country registered a 49% decrease in cereal production (2014/15) as compared to last season's harvest and a 39% decrease compared to the five year average. All 60 rural districts have been affected.

- The total number of food insecure at the peak of this year's lean season in Zimbabwe is estimated at 1,490,024 (250,000 households). The anticipated duration of assistance to the affected people varies from 4 to 7 months.

- Cereal imports to meet domestic requirements are 1,069,171Mt with 691,171Mt of cereals for human consumption and 378,000Mt of cereal for animal feed.

- The Grain Millers Association of Zimbabwe (GMAZ) is planning to import 750,000Mt over 10 months from Zambia (500,000Mt) and South Africa (250,000Mt) pending Government of Zimbabwe's approval

- The 2015 Market Assessment was commissioned by the Zimbabwe Vulnerability Assessment Committee with WFP as funder of the exercise and as main technical coordinator. Other Agencies which participated in the exercise were FNC, MoAMID, MoPSLSW, FEWSNET, OXFAM GB, Red Cross Zimbabwe, Save the Children Zimbabwe, DCA and FAO.

- The main purpose of the market assessment was to determine market capacity and functionality during the 2015-16 consumption year as well as proposing districts where the cash and vouchers intervention modality would be possible.

- The assessment employed primary and secondary data sources to gather its data. Structured trader and key informant questionnaires were used to collect the primary data while key stakeholder discussions were carried out to obtain information from national and regional level market actors.

- A total of 415 markets (see figure 6) from 50 Districts (see table 2) were assessed. From these markets, 35 wholesalers, 80 medium and 1196 retail traders were interviewed using a structured questionnaire.

- Cash is a viable option for at least 33 of the 50 districts. In these districts direct cash would seem to suffice and the market will ensure that adequate food is available at an average price level for the season.

- 6 of the 50 districts were confirmed as Cash with Reservations districts. This indicates that cash is possible in these Districts as long as a number of steps are undertaken to mitigate the potential risks which have been outlined by the ZimVAC Modality Selection Session a summary of which is found in Annex 2.

- Both cash and food in kind were recommended in 6 districts. These districts show that cash is possible in the more accessible areas within the district however that in-kind is required for the more difficult to reach areas as it is not certain that the market will ensure availability of the required food commodities at an affordable cost to the most vulnerable local population.

- In-kind distributions were recommended in 4 out of the 50 districts as the markets were found not to be suitable for cash distributions. 1 district was recommended for vouchers.

- Key variables considered for transfer modality selection were: capacity of markets to supply adequate amount of food basket commodities against the requirements, road quality, strength of mobile network, number of traders and their trade volume size, traders' ability to absorb additional demand, food price stability, historical trade trends, previous intervention modality experience in the district, security and contextual factors.

- Main constraints identified by the interviewed traders to double the current business were lack of trader capital and lack of consumer liquidity. High transport costs as well as competition from other traders were also identified as minor constraints.

1. Introduction

A total of 70% and 38% of Zimbabwean rural and urban households respectively were deemed poor in 2011/12 according to the Total Consumption Poverty Line (includes food and non-food basics). Extreme poverty is more prevalent in rural areas where 23% of households typically do not have enough resources to meet their minimum food needs[1]. With the economy in decline these levels are expected to have worsened.

According to Government estimates national unemployment is 11%.[2] However, of those employed and aged between 15 years and above, some 94% are informally employed.[3] The informal sector has grown disproportionately over the last few years, absorbing many of the 55,000 formal sector employees who lost their jobs in the three years from 2011 to 2013 following the closure of over 4,610 companies.[4]

Zimbabwe Fact File

Population	Just over 13 million, 67% live in rural areas
Climate	Tropical, rainy season Oct-March. Temperatures range between 16° C and 26°C in the rainy season and dip as low as 7°C in the dry winter season.
Political administration	The country is divided into 10 provinces: 2 urban (Harare and Bulawayo) and 8 rural: Masvingo, Matabeleland North, Matabeleland South, Midlands, Mashonaland West, Mashonaland Central, Mashonaland East, Manicaland. It is further divided into 72 districts which are subdivided into wards composed of small villages/hamlets.
Currency	Consumers use a range of currencies. The main one is the US Dollar (USD) as well as the South African Rand, the Zambia Kwacha, the Mozambican Metical and the Botswana Pula.

1.2 The Economy

After peaking at 10.6% in 2011 Zimbabwe's economic growth rate has been declining over the last five years (Fig. 1)[5]. The Government has revised its projected GDP growth rate for 2015 down to 1.5%[6] mainly because of poor performance in the agricultural sector (forecasted at -8.2% for 2015 following a very adverse 2014-15 rainfall and cropping season.) Other sectors, such as mining, manufacturing, tourism and construction are forecast to record modest growth of between 1.5% and 5.1%.

[1] Zimbabwe National Statistics Agency (ZIMSTAT), April 2013, *Poverty Datum Line Analysis in Zimbabwe 2011-12,* Harare
[2] Ibid; Zimbabwe National Statistics Agency (ZIMSTAT) 2014, *2014 Labour Survey Report, Harare*
[3] Zimbabwe National Statistics Agency (ZIMSTAT) 2014, *2014 Labour Survey Report, Harare*
[4] Ministry of Finance and Economic Development, 27 November 2014, *The 2015 National Budget Statement*
[5] Zimbabwe National Statistics Agency (ZIMSTAT) annual national statistics
[6] Ministry of Finance and Economic Development, 30 July 2015, *The 2015 Mid-Term Fiscal Policy Review Statement*

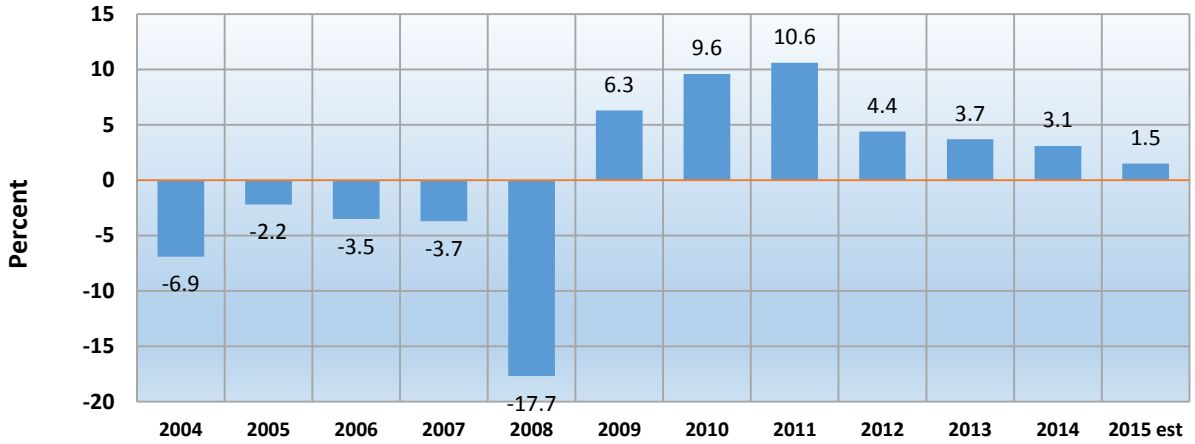


Figure 1: Zimbabwe GDP annual growth rates

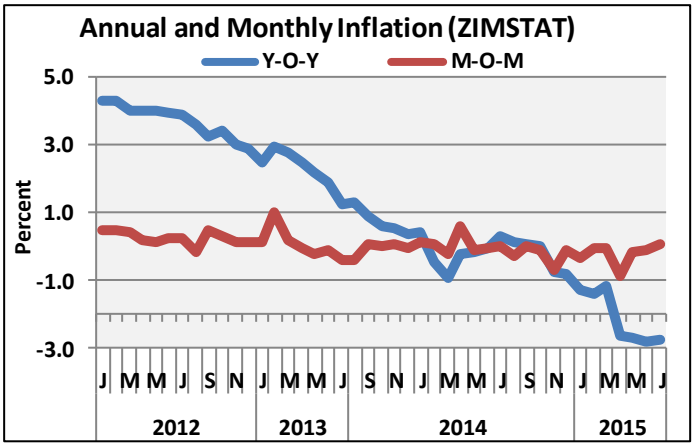
Source: Zimbabwe National Statistics Agency (ZIMSTAT)

The economy has increasingly suffered from lack of investment from both domestic and foreign sources. The Government currently has no balance of payments support from major multilateral and bilateral institutions or donors due to huge debt arrears of over $7 billion and an almost $2 billion domestic debt. One of the central planks of the Government's ZimASSET strategy is economic recovery and job creation through coordinated efforts to attract investment.

The balance of payments between imports and exports are increasing: in the first six months of 2015 imports amounted to $3.06 billion against $1.23 billion exports[7]. Export earnings have been subdued by the low prices for most commodities on international markets. Processed food imports constitute a dominant share of manufactured imports, averaging over $1.1 billion per year since 2012[8]. The Government has raised import duties and taxes on some products (e.g. cooking oil, milk, fertiliser) to protect domestic industry. Most industries suffer from outdated technology and equipment, inefficient systems and processes and high labour costs, the highest in the southern Africa region.

[7] Zimbabwe National Statistics Agency (ZIMSTAT), April 2013, *Poverty Datum Line Analysis in Zimbabwe 2011-12,* Harare. Figure further reinforced by ZIMSTAT thereafter.

[8] Mr. Sam Malaba, President of the Bankers Association of Zimbabwe, in a paper *"Containment of Inflationary Pressures on Food Prices and Funding of the Entire Value Chain"*. Presented at the Zimbabwe Food Conference Expo on 12 July 2015 in Harare.



The economy is technically in deflation (figure 2), reflecting low domestic aggregate demand for goods and services due to low industrial capacity utilization, company closures and retrenchments, informal employment, low incomes and high poverty levels among others.

Figure 2: Annual and monthly inflation
Source: ZIMSTATS

1.3 Food Availability

In recent years, food production in Zimbabwe has been overwhelmed by natural disasters and economic instability. For the last few years it has recorded consistent annual cereal deficits and has been a net importer of grain (see figure 3).

Zimbabwe's 2014/15 estimated maize crop production is 742,226MT[9]. This is almost half the 2013-14 maize crop harvest (1,456,153MT), and is 39% (1,200,398Mt) below the five-year average. This is largely attributable to poor rainfall especially in February-March, which affected key maize growth development phases (flowering to maturity stages). The regions most affected include Manicaland, the Midlands, Masvingo and Matabeleland North and South. Other major food and cash crops also recorded reduced cropped area and production this year compared with the last. For instance, with an annual wheat requirement of up to 450,000 MT, the country is set to import over 90% of its requirements since only 32,000 Mt is forecast to have been produced this year, down 45% from last year's 58,000 Mt [10].

[9] The Ministry of Agriculture, Mechanisation and Irrigation Development's (MAMID) Second Round Crop and Livestock Assessment 2015
[10] *The Herald*, 7 August 2015, citing the Zimbabwe Commercial Farmers Union

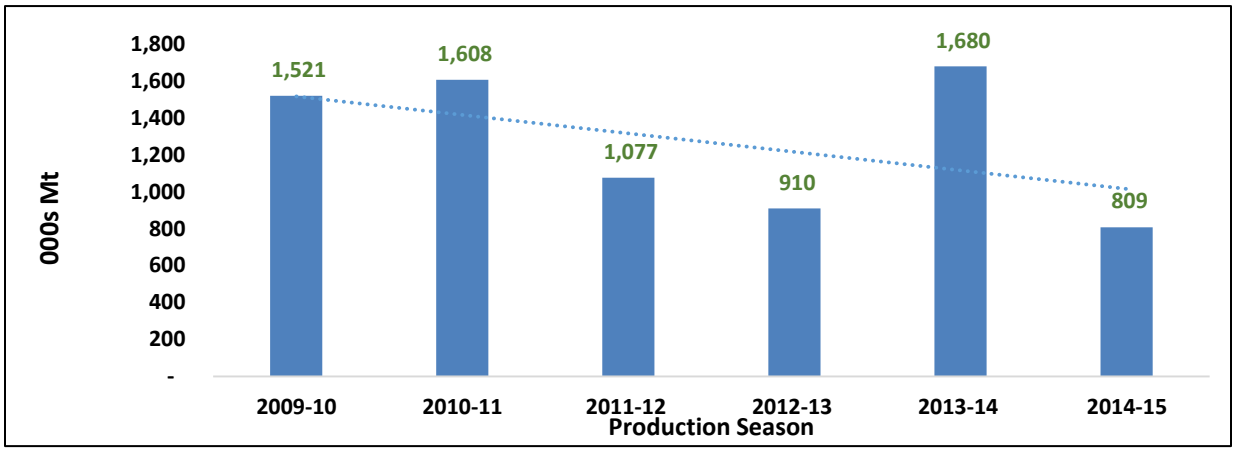


Figure 3: Total cereal production 2009-10 to 2014-15

Source: *Crop and Livestock Assessments Report by Ministry of Agriculture*

Zimbabwe needs 1.5 million MT of cereal for human consumption to be self-sufficient. The poor 2014-15 harvest has left an anticipated cereal deficit of 691,171MT for human consumption. As of 5 July 2015, the Grain Marketing Board (GMB), the country's strategic grain reserve organisation, only held 118,000MT of carry-over grain from 2014 in its reserves[11], 24% of its mandatory 500,000 MT. This was due to funding constraints and low deliveries of grain by farmers who prefer to sell to private buyers offering lower prices of around $260/MT compared with the GMB's price of $395/MT.

The Government, its partners and the private sector will have to import grain to meet the shortfall at an estimated cost of over $300 million. Informal cereal imports also play a significant part especially in border areas, though monitoring of flows is still poor.

Importing maize will inevitably mean increased costs for the consumer, further undermining the food security of the vulnerable. Southern Africa is currently experiencing widespread shortfalls in harvest largely due to a poor 2014-15 harvest because of late rains and flooding followed by extensive dry spells in parts of Malawi, Mozambique and Madagascar as well as Zimbabwe. The result is a region with significant cereal deficits (7,903,000MT) (table 1).

Only two countries in the region reported a surplus in maize (Zambia and Tanzania), but this is not enough to compensate for the deficit in other countries. Competition for Zambia and Tanzania's surplus maize is expected to push the price of maize up further as the lean season takes hold in the region.

[11] Oral evidence given to a Parliamentary Portfolio Committee by the Acting General Manager of the GMB on 5 July 2015

Zimbabwe is likely to be forced to import maize from either southern Africa where low supply and high demand will push up prices or from distant countries such as the USA, Mexico and Argentina, which will be costly.

Table 1: SADC 2015-16 cereal availability update – (Regional Vulnerability Assessment Committee, July 2015)

Country	2014-15 maize harvest (000Mt)	2014-15 total cereal harvest (000 Mt)	2015-16 domestic shortfall/surplus (000 Mt) all cereals
Angola	1,667	1,789	-2,115
Botswana	15	22	-472
Lesotho	74	85	-222
Malawi	2,877	3,067	-671
DRC	1,160	1,533	-1,278
Mozambique	2,330	2,510	-1,175
Namibia	163	68	-234
RSA	10,514	12,444	-1,643
Swaziland	82	82	-138
Tanzania	5,735	8,486	**928**
Zambia	2,618	2,886	**759**
Zimbabwe	**742**	**867**	**-1,642**
SADC	**27,977**	**33,839**	**-7,903**

Source: FEWS NET

Notes:

1. SA domestic shortfall is mainly from wheat (-1,558,000 Mt) and rice (-454,000 Mt).
2. SA maize surplus is 314,000Mt and small grains 55,000Mt
3. Tanzania maize surplus 808,000Mt, rice 850,000Mt, wheat deficit -34,000Mt and small grain deficit -697,000Mt

1.4 Food Security and Nutrition

An average 16% of the rural population has been unable to meet their minimum food energy needs (2,100 Kcal per day) at the peak hunger period of each consumption year between 2009-10 and 2015-16 (figure 4)[12]. Increasing urban poverty and limited livelihood options have resulted in rising urban food insecurity is also a concern. Urban food insecurity of low income urban populations increased from 24% in 2006 to 33% in 2009.

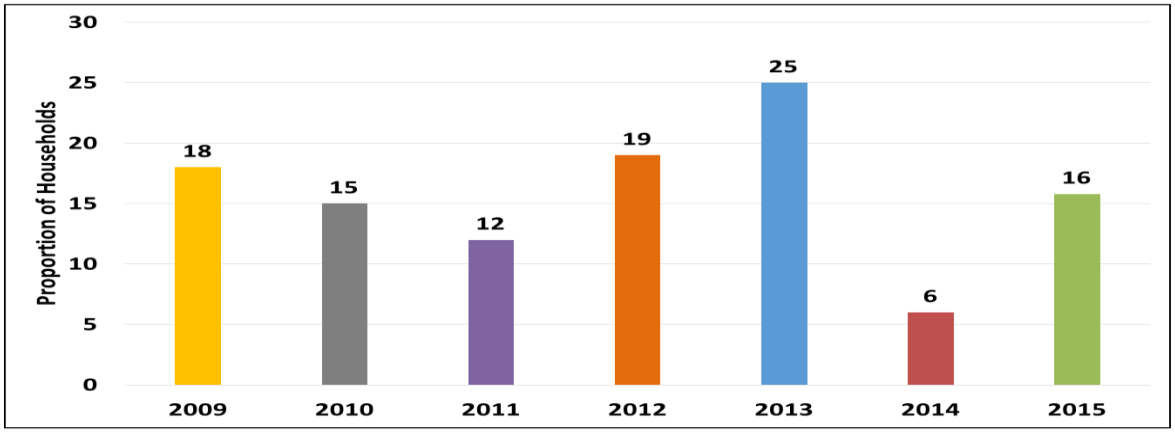


Figure 4: Percentage of the population unable to meets energy requirements at peak of lean season 2009 to 2015

Source: *ZimVAC 2015 RLA*

Most households in the rural areas are net food buyers: they do not (for a number of reasons) produce enough food to meet their needs through to the next harvest season. They purchase up to 65% of their maize from markets and their food purchases make up 56% of their overall household expenses (FEWS NET, 2014). Consequently, rural household on average rely on markets to bridge the food gap to the next season, mainly earning the money to buy the food through casual labour.

Most households were food secure for the short period after the 2014-15 harvest. However, food availability and access have become a concern from August 2015 onwards.

In normal rainfall seasons, maize prices increase from October when individual household stocks dwindle. However with the lean season expected to start 3-4 months earlier than usual because of the poor harvest, early price increases will gravely undermine rural households' short and longer-term food security levels as people struggle to meet their daily food needs.

[12] ZIMVAC, *Rural Livelihoods Assessments* 2009 to 2015

1.5 Food Assistance

The 2015 ZimVAC Rural Livelihoods Assessment (RLA) carried out in May estimated that 1,490,024 (250,000 households) Zimbabweans in rural areas, will be food insecure and in need of humanitarian assistance at the peak of the lean season (January – March 2016). The assessment found that the districts with the highest food insecurity levels were Zvishavane in Midlands Province (42.2%), Mbire in Mashonaland Central Province (41.7%), Umguza in Matabeleland North Province (41.7%) and Umzimgwane in Matebeleland South Province (40%).

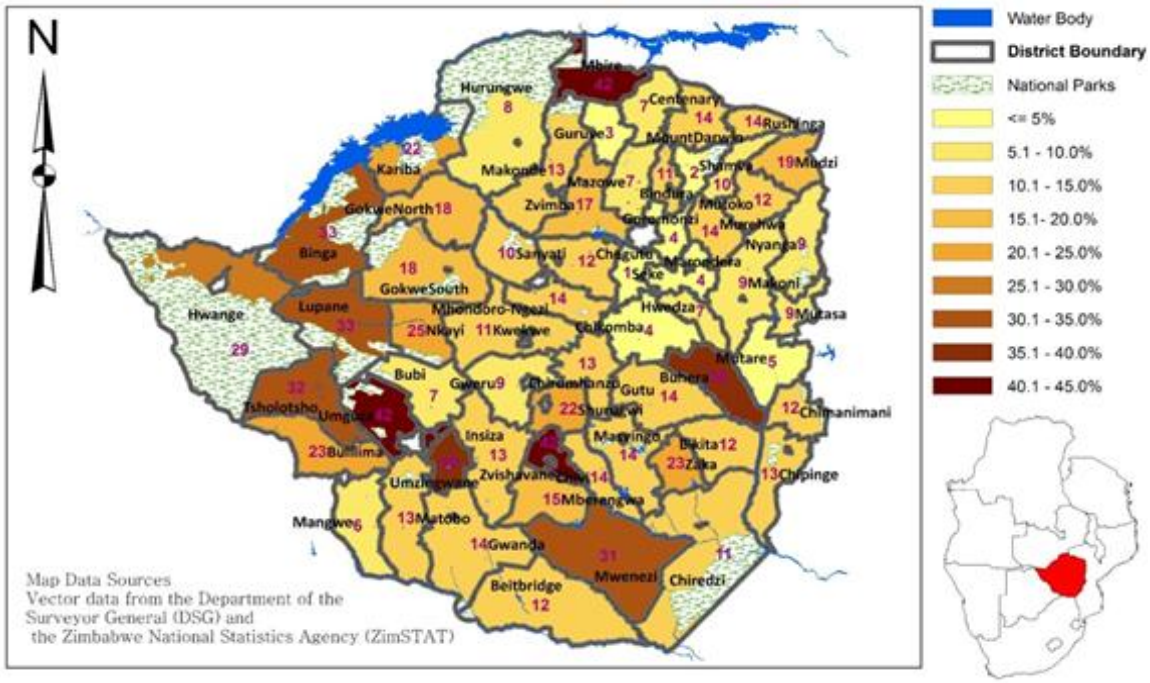


Figure 5: ZimVAC 2015 proportion of food insecurehouseholds at peak hunger period by district

Source: *ZIMVAC 2015 RLA*

Rural households are highly dependent on agriculture as their main livelihood activity, so they are very unlikely to be able to access sufficient food without resorting to negative coping mechanisms (such as cutting portion sizes or the number of meals they eat a day) before the next harvesting season. The Government of Zimbabwe with the support of humanitarian organisations will provide food assistance to the affected populations to allow them to meet their minimum food requirements. The duration of food assistance will depend on household production and the availability of stock during the lean season. Based on the ZimVAC 2015 food security analysis, vulnerable households are expected to need food assistance for 4 to 7 months during the 2015/16 consumption year.

The Harmonized Cash Transfer Programme covers 6 urban and 16 rural districts (out of 60 rural districts) with relatively low beneficiary coverage in these districts. Government announced a $28 million crop inputs support programme to 300,000 rural households for the 2015-16 cropping year[13], down from 1.6 million households in 2013-14. Donor support for the 2015-16 seasonal targeted (lean season) assistance is expected to be low amidst a challenging funding environment and shifting priorities to more recovery/development and resilience building initiatives.

A growing body of experience and literature (IFPRI 2013[14]; WFP 2014[15], ODI 2015a[16], ODI 2015b[17]) shows an increasing interest in alternatives to in-kind food distributions as food assistance modalities where people are given the option of cash as well as vouchers to facilitate their access to the food commodity/ies they need. Although historically in-kind forms of food assistance have been more common, cash transfers have been implemented in many developing countries to support people affected by natural and manmade calamities.

Typically, humanitarian emergency and crisis situation response in Zimbabwe has primarily taken the form of in-kind food distribution. However, since Zimbabwe's adoption of the United States Dollar as the country's official currency (also known as dollarization) to replace the Zimbabwean Dollar in 2009, the currency has stabilized thereby enabling cash supported interventions as well. In line with the aforementioned trend towards cash transfers, the Government of Zimbabwe together with its humanitarian partners has also introduced cash transfers as a valid and feasible response modality in the last few years to respond to food insecurity and poverty.

The selection of the most suitable response option should be based on market assessment findings complying with the 'do no harm' principle of humanitarian response. In order to determine the types of assistance modality to use, a local based market assessment is crucial: this market assessment was carried out by ZimVAC to assess the capacity of local markets and traders to provide adequate variety and quantity of food commodities to meet demand throughout the year. It will assist humanitarian organisations in deciding whether to distribute cash and vouchers or in kind food assistance in the upcoming 2015/16 consumption year.

The assessment focused on assessing markets and traders' capacity and ability to supply typical humanitarian food basket commodities (maize grain, maize meal, sugar beans and cooking oil) in

[13] Ministry of Finance and Economic Development, 30 July 2015, *The 2015 Mid-Term Fiscal Policy Review Statement*
[14] 'Enhancing WFP's Capacity and Experience to Design, Implement, Monitor and Evaluate Vouchers and Cash Transfer Programmes: Study Summary'
[15] 'Cash and Vouchers Manual: Second Edition 2014'
[16] 'Cash, Vouchers or in-kind? Guidance on evaluating how transfers are made in emergency programming'
[17] 'Cash transfer programming and the humanitarian system: Background Note for the High Level Panel on Humanitarian Cash Transfers'

a timely manner and in enough volumes so as not to cause stock outs and price surges. It is vital to ensure that a market can respond adequately to added consumer demand were that market to support food assistance intervention programmes for the food insecure. If a market were late in supplying the required volumes then food price inflation is likely to occur, which both reduces the purchasing power of food assistance beneficiaries and negatively affects the purchasing power of market customers who are not receiving food assistance. This assessment has identified markets which have the required response capacity to provide the listed food basket commodities without creating out of the ordinary food price increases. The assessment also captures the main market constraints traders face in running their day to day business as well as in expanding their business.

2. Objectives, Methodology and Limitations

2.1 Objectives

ZimVAC conducted this market assessment to determine the functionality of food market systems (especially maize, pulses and cooking oil) in Zimbabwe to inform the design and implementation of humanitarian assistance for 2015/16. The market assessment was conducted in 50 districts, all of which were identified by ZimVAC to be highly food insecure in the 2015/16 consumption season. The market assessment identified whether local markets have the ability to respond to increased consumer demand while keeping food supply and price levels steady in the short and long term. Specific objectives of the assessment included analysing the following:

Market structure	Identify and map the key actors and institutions and assess the supply chain for cereals (maize and maize meal), pulses (cow peas and sugar beans) and vegetable oil
Availability of food items	Analyse current and projected availability of cereals, pulses and cooking oil in local markets
Market integration	Establish how well the source and supply areas are linked
Market patterns	Analyse volumes stored and traded, price levels and trends, price setting behaviour, competition and seasonality
Capacity to meet consumer demand	Analyse the market's potential to respond to current and transfer-induced increases in consumer demand, e.g. storage facilities, stocking levels, stock replenishment lead-time
Use of markets	Analyse physical and economic access that the food insecure populations

	have to local markets, how they (the markets) respond to price variations of food and non-food commodities, distance from and road access to markets, etc. Analyse the market's potential or capacity to respond to current and transfer-induced increases in consumer demand, e.g. number of traders by operational capacity, storage facilities, stocking levels, stock replenishment lead-time;
Overall market environment	This includes relevant government policies and regulations, road and transport infrastructure and the socio-political situation
Provide recommendations	The most appropriate assistance modality during the lean season for each of the 50 districts covered Transfer value Conceivable scale of support for either cash/voucher or in-kind based interventions How to address identified bottlenecks for traders to meet increased demand and strengthen respective supply chains.

2.2 Methodology

The market assessment employed both secondary and primary data sources to meet the stated objectives and to identify suitable markets for market based response options. The secondary data and reports obtained from various sources (FNC, Oxfam GB, Plan International, FAO, FEWSNET, ZimSTAT, ZimVAC, WFP among others) provided background analysis and strengthened the analysis of primary source data. Before and after data collection took place, stakeholder interviews were conducted with national level market actors such as representatives from the Department of Agricultural Economics and Markets in MoAMID, AGRITEX, GMB, GMAZ, National Foods and eMKambo, to support finalisation of the market assessment tools as well as to guide a more holistic understanding of food market dynamics in Zimbabwe.

Primary data was collected using structured trader and market key informant questionnaires. The key informant questionnaires were administered to the District Food and Nutrition Security Committees. The interviews identified the key markets that food insecure households in the affected districts were using (and would use) to buy staple food commodities. The criteria used to identify the key markets were that at least 25% of the customers using the market to buy food

were from the most food insecure population in the district (identified by the 2015 ZimVAC RLA and the DFNSCs) and that the markets were operational year round.

The structured trader questionnaire targeted a sample of traders per market who sold one or more of the following commodities: grain (maize grain, rice and/or other cereals if they sold more than maize grain or rice), maize meal, pulses (sugar beans/ cow peas), and cooking oil. The trader questionnaire made up the bulk of the market assessment data.

Every market served people from about 3-5 surrounding wards and on average 7 key markets were identified per district. On average 2 markets were visited by a data collection team each day and while the aim was to cover at least 3 traders per commodity by operation level (wholesaler, medium trader and retailer), in reality traders were not so abundant. Wholesalers were seldom found in markets apart from the main district markets serving the whole district. Medium traders were also mostly found in the main district markets. Even retail level traders often did not surpass 4 per market. On average each enumerator (there were 4 enumerators on average per team) interviewed 2 traders per market. Information was collected from 8 traders per market. Most traders sold a range of products often covering 3 of the 4 target commodities (maize meal, sugar beans and cooking oil). Maize grain was frequently sold separately. Hence the required number of 3 traders per commodity was generally met.

Prior to the assessment, a three-day training workshop was conducted on the linkages of markets and food security, markets and response option analysis and assessment tools. A guideline that explains the tools was prepared and used to explain concepts and definitions during the training. The guideline was shared with enumertators for quick referencing. On the third training day the tools were pre-tested at a nearby market in Harare (Mbare market) and adjustments were made based on feedback from the enumerators.

The field level assessments were done in three phases of 12 days each (6^{th} – 17^{th} of July, 24^{th} of August – 5^{th} of September 2015 and 25^{th} of September to 6^{th} of October 2015). A total of 415 markets (see figure 6) from 50 Districts (see table 2) were assessed From these markets, 35 wholesalers, 80 medium and 1196 retail traders were interviewed. The data collection team was drawn from ZimVAC member organizations (FNC, WFP, OXFAM, FAO, Ministry of Agriculture, AGRITEX, ZimSTAT, Red Cross, Save the Children, MoAMID, MoPSLSW and DCA). The first assessment was conducted by 7 data collection teams with 7 vehicles and 4 enumerators per vehicle who were deployed in the field for the 12 days of data collection. The second and third assessments were conducted by 5 teams with 5 vehicles and 4 enumerators for each team for the same duration. The primary data collected at each market was analyzed using Excel and SPSS software. Each team had one team leader who supervised the assessment and based on the FNSC key informant meetings held at District level, key market informants guided selection of the key markets to cover using the key market selection criteria (mentioned previously).

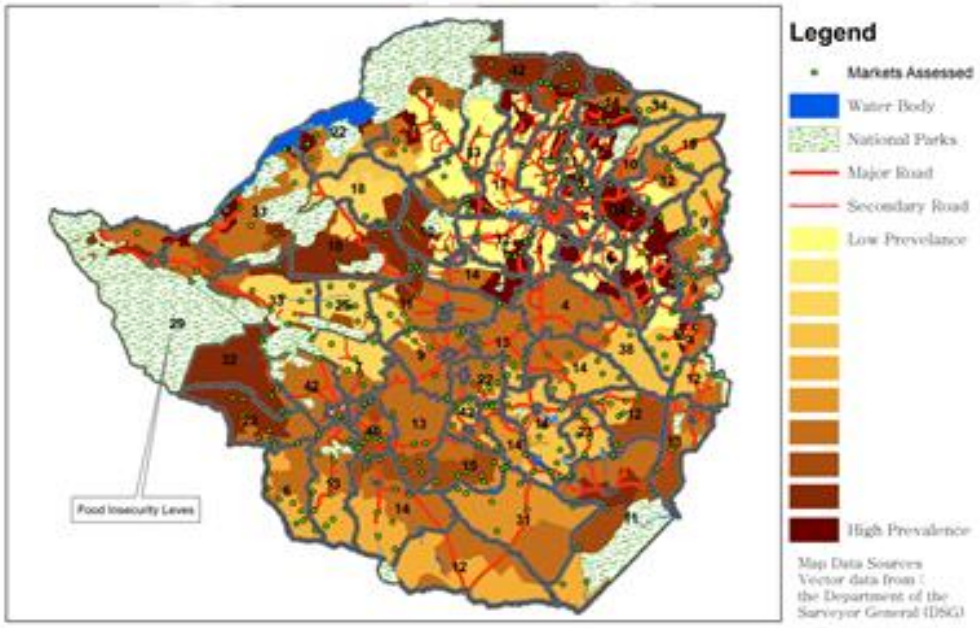


Figure 6: Markets assessed

Table 2: Total districts assessed

Manicaland	Mat North	Mash West	Mash Central	Masvingo	Mat South	Midlands	Mash East
Mutasa	Bubi	Hurungwe	Centenary	Zaka	Gwanda	Kwekwe	Murehwa
Makoni	Binga	Chegutu	Bindura	Mwenezi	Matobo	Gweru	Mutoko
Nyanga	Hwange	Sanyati	Mazowe	Chiredzi	Mangwe	Chirumanzu	Mudzi
Chimanimani	Lupane	Zvimba	Mt Darwin	Gutu	Bulilima	Gokwe North	
Chipinge	Nkayi	Makonde	Rushinga	Bikita	Umzingwane	Gokwe South	
Buhera	Tsholotsho	Kariba	Mbire	Chivi	Insiza	Zvishavane	
Mutare	Umguza			Masvingo		Shurugwi	
						Mberengwa	

2.3 Limitations

The assessment has the following limitations that should be taken into account:

- Markets are dynamic and constantly evolving depending on supply and demand trends at hand at the moment as well as on short-term trend prospects. It is expected that markets will at least maintain the numbers of traders and volumes of commodities sold as the lean season takes hold.
- As the first national cash and voucher market assessment in Zimbabwe in terms of scale and objective, a lot of trader capacity trends are limited to current observed trends and to one year historic trends as well as one year projections. Future market assessments will be able to make greater use and understanding of year on year trend data analysis.
- In addition to official trade from shops, many areas had weekly markets where informal trade (food as well as non-food items) was undertaken. These markets were said to be heavily attended by all residents in the surrounding wards. Due to time constraints and assessment logistics, these markets could not be visited.
- A lot of trade is of an informal nature and is undertaken between households. This type of trade by-passes most of the assessed markets and therefore has not been captured by the market assessment. Maize grain and sugar beans are some of the prime food commodities traded informally between households and do not reach a structured market. Household informal trade was found to be particularly important for the trade of sugar beans which many traders reported takes place in greater scale between households especially in areas with irrigation schemes.
- Even though key informants were used to identify the key markets used by beneficiaries, there still remains a possible margin of error. Future identification of key markets used by food insecure populations should come from the populations themselves during household livelihoods assessments. This will enable greater precision on assessing those markets which are used by the food insecure.
- The market assessment mainly focused on markets in rural districts and in a few urban areas which were identified as source markets for the traders and are located closer to the assessed markets , focus was mainly on wholesalers and retailers frequently visited by rural households.

3. Market Structure and Conduct

Zimbabwe's food market structure is well-established country-wide. Maize grain reaches the markets through a number of supply chains, which operate on a daily basis throughout the year. As will be discussed further on, maize grain trade in Zimbabwe is heavily affected by seasonal trends.

During the post-harvest period, maize grain is assembled by market actors (known as assemblers and/or collectors) from small-scale farmers or from growth points at farm gate level. It is then transported to the district's key market, which either stores the commodity locally for sale in the lean season or sells it on to regional and national markets in Bulawayo and Harare. At the

regional/national market level, maize grain is either sold to local consumers, stored for the lean season, or is transported to maize deficit provinces/ districts for sale to local traders and consumers. Sale of maize grain by the markets to smallholder farmers is at its lowest in the post-harvest period and highest in the lean season. Maize grain is also imported from neighbouring countries mainly Zambia and maize meal from South Africa. Once imported, the maize grain is transported to the main maize grain market hubs in Harare and Bulawayo maize meal is distributed locally across the border.

Below is a more in-depth description of the maize grain market actors in Zimbabwe

Small scale traders	Purchase from producers and/or traders in the same market or from nearby and sell directly to the final consumers mainly using loose grain buckets and rarely selling in 50kg bags. This group never sells to processors or institutions. Their capital and trade capacity is low: they just meet their minimum requirements to satisfy their short-term livelihood needs.
Local producers, local assemblers	Produce, purchase, stock and trade maize grain locally (at ward level). Smallholder farmers tend to harvest maize grain by the end of May and will trade it from June – September to local assemblers and traders. Generally they produce just enough to be self-sufficient during the year and the little excess they have they sell informally to neighbouring households or to local/small scale traders in local markets. They sell any excess to the market post-harvest and also use markets to buy maize grain in the lean period.
Medium sized traders	Purchase from producers and traders either from the large traders' store or at farm gate level and in most cases sell to traders and/or consumers, using both retail and wholesale units. They can travel long distances to buy their grain. These traders can sell loose grain but prefer to sell in pre-allocated bags of 50kg. They are different from big vendors in that they sell in retail units directly to consumers. These traders have considerable capital behind them and often own multiple shops in the same town or across the same district. The number of medium vendors is slightly higher than big vendors in a given market location, but lower than small scale/ retail traders.
Larger traders and assemblers	They purchase stock just after the harvest (June-September) from either their store location or from an aggregation site. They transport grain from the processor or buyer of the grain and take it to their warehouses across the country where they store it ahead of selling it to traders in the lean

	season. They rarely sell to consumers and if they do it is in 50kg + bags. They never sell loose grain. The financial capacity of this group of traders is strong compared with the medium trader and retailer. The number of large vendors at district level markets is low, usually no higher than four. Mobile traders fall into this category. They play an important role of procuring/assembling maize grain from surplus areas and transporting it to maize grain deficit areas.
Regional and national millers/ retail companies	Procure maize grain regionally and/or nationally as well as importing it internationally mainly from Zambia and South/North America to store it, mill it and trade it regionally or nationally for human consumption or as animal feed. Approximately 15% of milled grain is sold as animal feed. National millers buy in bulk during the post-harvest season and sell year round.
Informal trade	An important supply chain for maize grain trade. At border points small scale informal traders bring in maize grain frequently and in small quantities and store and trade the informally imported maize grain locally. Informal trade occurs year-round when bans are not in place. The trade however peaks in the lean season when demand for maize grain is highest and local supply lowest.
Grain Marketing Board	Buys grain and wheat locally and regionally from individual households and local producers, stores it as part of the strategic grain reserve and sells stock locally and regionally in the lean season. GMB generally provides grain for Government food assistance use in its in-kind food distributions through MoPSLSW. GMB also procures maize internationally for its strategic grain reserve and can sell grain commercially.

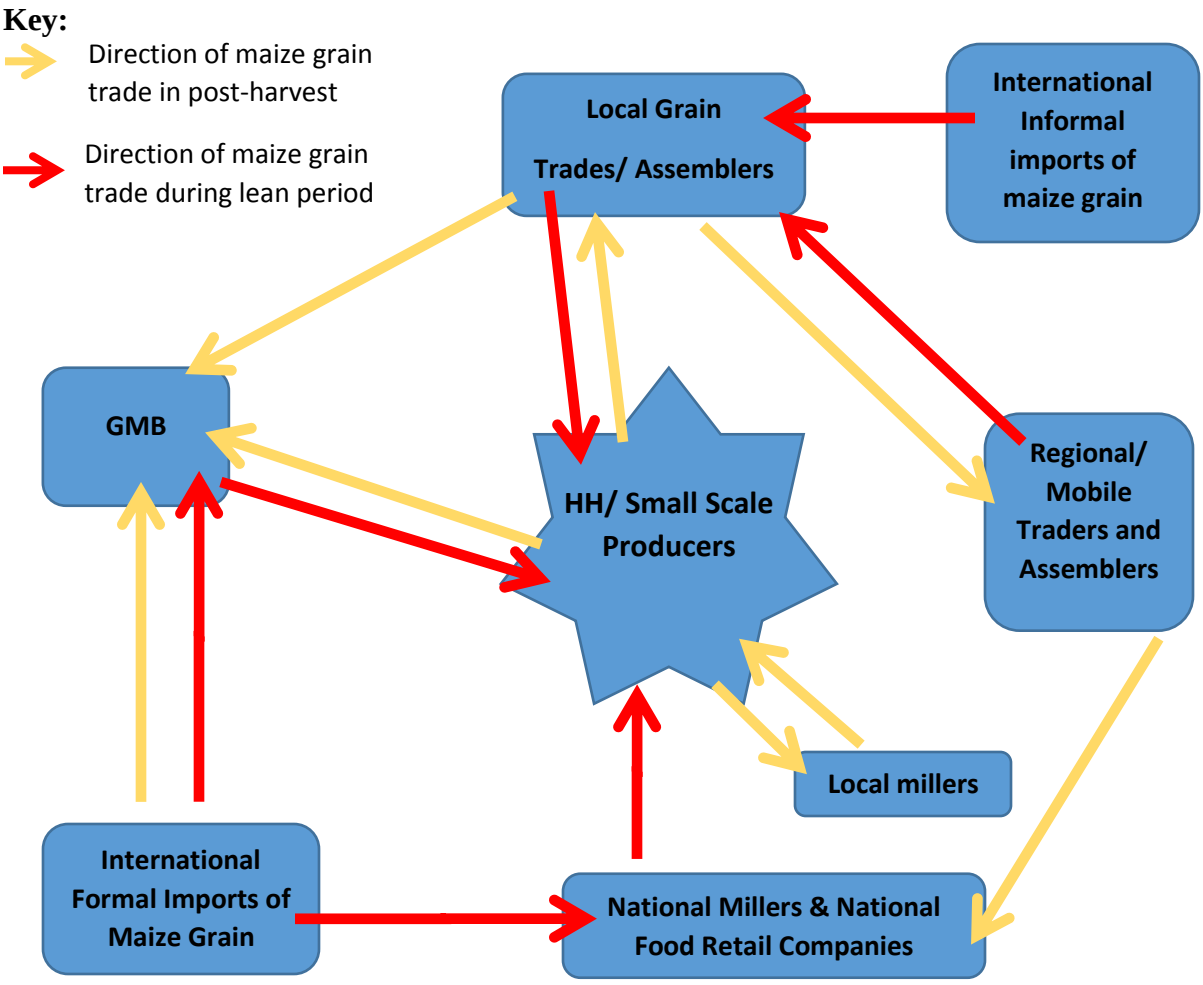


Figure 7: Zimbabwe Maize Grain Trade Flow Diagram

***Source**: ZimVAC Market Assessment 2015*

Zimbabwe follows a three-level market network system where primary, secondary and tertiary markets exist. This system ensures that food such as maize grain is moved from where it is produced/cultivated in excess to areas of deficit or where demand for the food is greatest. This system is explained as follows:

Primary (local) market	A local market where rural and often more isolated communities buy their food. They tend to be located in the main markets used by the food insecure people in Zimbabwe. Primary markets generally have proper shops built of brick/stone or sometimes mud-bricks selling a large variety of commodities from food to clothes to building materials. They act as a general amenity store operated by retailers. Local millers are also often found in these markets.

	Examples of primary markets are Matibi in Mwenezi, Vesa in Zaka, Malipati in Chiredzi, Chachacha in Shurugwi, Gwebo in Gokwe North and Dombodema in Bulilima. Food prices in these markets tend to be higher than in other markets in the country due to the greater distance the food has to travel to reach it and the longer supply chain.
Secondary (district) market	A market that supplies the primary market with food commodities, usually located in the main town of the district. Traders in secondary markets have greater access to finances and infrastructure such as good mobile phone network coverage and supply routes. These markets have a wider sphere of influence than primary markets and their traders trade in greater volumes than those in primary markets. National and regional milling and retail companies are often found in Zimbabwe's secondary markets as well as retailers, medium sized traders and wholesalers. These agents use this market to collect and sell maize grain from and to the district's population. Examples of secondary markets are Jerera in Zaka, Chiredzi Town in Chiredzi, Binga Centre in Binga, Rushinga Town in Rushinga, and Hwange Town in Hwange.
Tertiary (regional and national) market	A market that supplies secondary markets with food commodities. These are key hub markets dealing with large volumes of trade at one time and have regional and national reach. These markets source their food supplies from key maize grain surplus markets nationally and internationally and supply food to maize grain deficit markets where demand outstrips supply. They tend to have medium sized traders/assemblers and wholesalers/large assemblers/national millers. Examples of tertiary markets are Mbare in Harare, Bulawayo, Victoria Falls, Plumtree and Beitbridge. Prices of goods in these markets are the cheapest in the country as transport costs are lowest and the supply chain for the goods shortest. The greater financial capital of traders in these markets means that actors can trade in wholesale quantities, reducing costs through economies of scale.

Goods flow systematically from primary to secondary and tertiary markets and vice versa. Private actors and traders exist at each level enabling food to be traded and delivered to the requesting trader in a matter of days. Shops in isolated markets/ growth points in a district tend to be poorly stocked because low household income levels reduce demand. Conversely the key market in a district tends to be well stocked both in volume and diversity of goods sold.

The same trade structure is used for sugar beans as for maize grain although they are more likely to be traded informally, house-to-house. Maize meal and cooking oil have more formalized trade structures/systems because they are processed.

Maize meal is either milled and distributed nationally by national milling companies or imported and traded informally from neighbouring countries (mainly South Africa) by local traders. Small-scale farmers also mill grain for their own household consumption.

Cooking oil is either produced nationally by national companies and distributed country-wide by retail companies or it is imported (mainly from South Africa) and distributed nationally by retail companies or imported informally and distributed locally by small-scale local traders. The latter occurs largely close to border areas.

4. Price Seasonality and Instability

The price analysis used nominal retail prices of maize grain obtained from the Ministry of Agriculture, Mechanization, and Irrigation Development (MoAMID) and FEWSNET for the period of 2008-2015. Price data was mainly available at district level and the analysis was done for the districts. The national average price of maize grain was used to indicate the national maize grain price trends for Zimbabwe over time.

4.1. Price Trends and Seasonality

Prices of agricultural goods tend to follow annual trends. Unlike manufactured goods, agriculture goods require particular conditions to be met and a specific process to be followed in order for the goods to be produced/grown. Agriculture goods are commodities which need to be planted, grown, harvested, treated and stored. Often, farmers rely heavily on natural occurrences such as rainfall hereby promoting a very seasonal production system which follows a specific seasonal trend.

Figure 8 shows Zimbabwe's seasonal calendar. Crops are usually planted in October – November and are harvested in April – May.

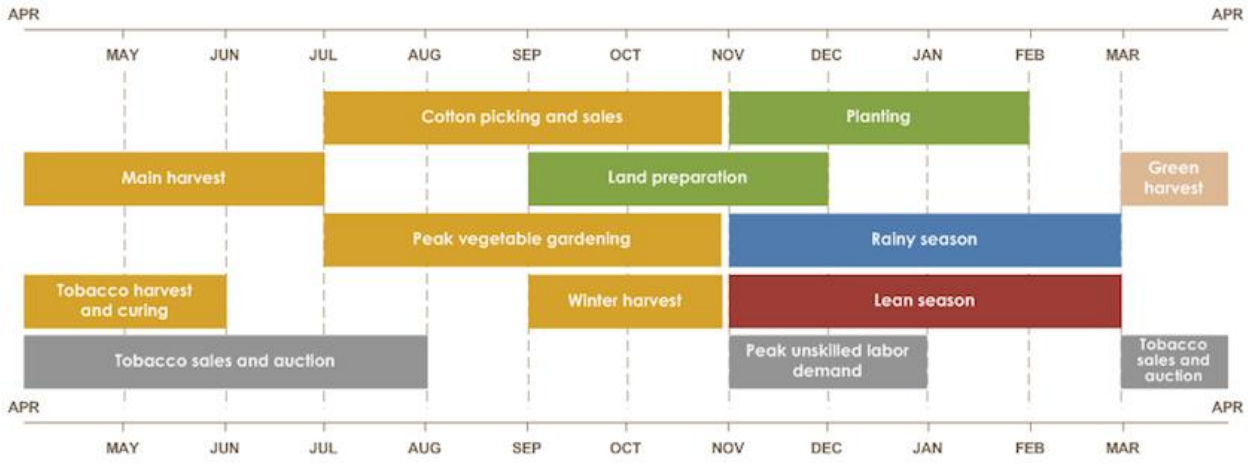


Figure 8: Zimbabwe Annual Cropping Calendar

Source: FEWS NET ***http://www.fews.net/southern-africa/zimbabwe***

The fact that maize is the prime cereal grown by most farmers in Zimbabwe and that approximately 80%[18] of Zimbabwean farmers employ rain-fed agriculture, shows that there are periods in the year where an abundance of maize grain is found on Zimbabwean markets compared to other periods in a calendar year. Zimbabwe follows a free-market style economy structure. The Government does interfere with the market however the law of demand and supply is largely allowed to guide both formal and informal trade. This is also the case for the trade of food commodities such as maize grain. As a result, prices for maize grain tend to be lower during the post-harvest period when there is ample availability of the grain and tend to be higher during the peak lean period when availability of the commodity is at its annual lowest level.

This seasonal trend is clearly observable in Zimbabwe's maize grain price trends. Figure 9 which uses nominal monthly prices provided by AGRITEX, depicts visible 'bell-shaped' bumps in price during the period November – April that are synonymous with the lean period and lower levels of maize grain stocks.

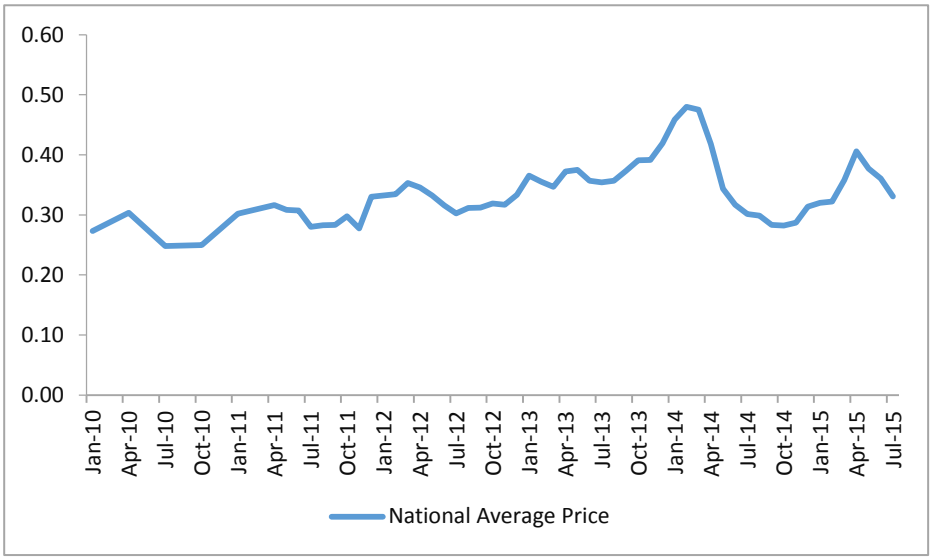


Figure 9: Nominal National Average Monthly Prices: Maize Grain (USD/KG)
Source: *Data from AGRITEX*

The maize price peaks are most pronounced between 2013 and 2015, as 2 below average harvests in 2012-13 and 2014-15 were split by a bumper harvest in 2013-14. These out of the

[18] World Bank: Addressing Climate Change Threats to Zimbabwe's Water Resources
http://www.worldbank.org/en/news/feature/2015/02/19/addressing-climate-change-threats-zimbabwe-water-resources

ordinary low, high and low back-to-back production seasons caused prices to rise, fall and rise again as a result hereby dramatically altering prices over a short period of time.

For example, the average national price of maize grain rose to 0.47 USD/KG in March 2014 to a low of 0.28 USD/KG in September 2014 representing a fall of 40% over 6 months, to then start peaking again at 0.41 USD/KG in April 2015 representing an increase of 32% compared to September 2014.

Nominal prices though have the disadvantage that they do not factor out inflation levels on the price hereby making it difficult to understand how much of the change in price is led by inflation over time and how much instead is a direct effect of the supply and demand trends.

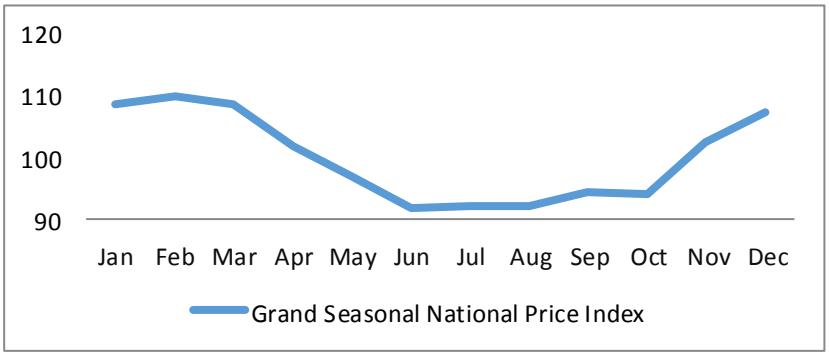


Figure 10: Grand seasonal National Price Index data covering 2010-2015
***Source**: ZimVAC Market Assessment 2015*

The Grand Seasonal National Index summarises the trends by district into the national average maize grain price trend (figure 10). The graph illustrates that prices in August tend to be 2% lower than in October, 16.4% lower than in January and 9.5% lower than in April.

Deciphering maize price trends and their causes greatly aids programming for market based responses. Particularly, it helps forecast the likely price level of foods on markets in a particular month and forms a prime factor in selecting the appropriate cash and voucher transfer value. Furthermore, price trends also help indicate the availability of foods on markets throughout the year and their likely volume levels compared to other periods in the year, hereby highlighting possible nutrient access issues.

Figure 11 uses the current price trend and by applying the grand seasonal average data, forecasts how future national average maize prices are likely to develop. The graph depicts three

scenarios, a low trend price increase to 0.37 USD/KG by December 2015 and that the price will remain constant till April 2015 with prices at 0.36 USD/KG. The medium price scenario projects the price of maize grain to continue increasing till February 2016 when the price will peak at 0.39 USD/KG and then gradually decrease to 0.37 USD/KG in April 2016. The high price scenario (and the most likely scenario due to the low 2014-15 production figures) anticipates the price of maize grain to increase sharply from 0.34 USD/KG in August 2015 to 0.42 USD/KG in February 2016. In this forecast the price of maize grain will remain roughly at 0.42 USD/KG till March 2016 when it will start dipping to 0.37 USD/KG in April 2016.

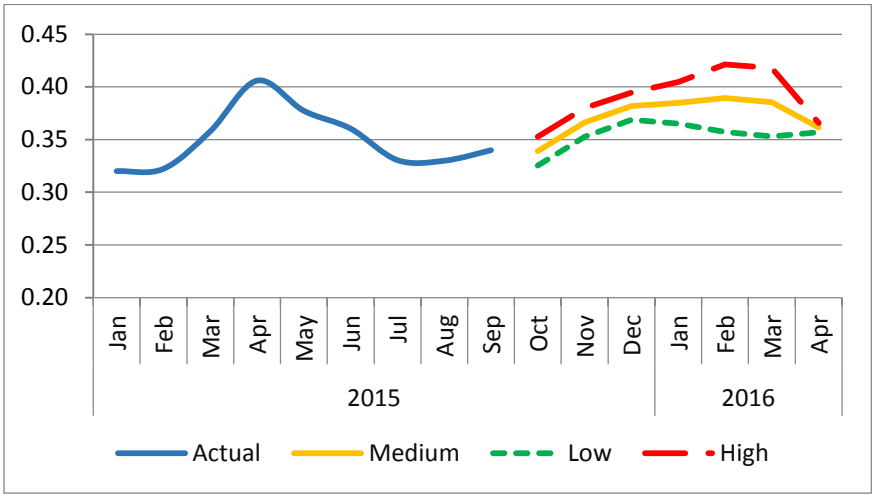


Figure 11: Forecasted Maize Grain Price for 2015-16 (USD/KG)
***Source**: ZimVAC Market Assessment 2015*

Taking into consideration the price fluctuation and variability between regions, the forecast in figure 11 is slightly below the national average forecasts interviewed traders provided. Interviewed traders are weary of the low supply of maize grain and have shown a slightly more pessimistic view of price fluctuations. The national average of their (traders') forecasts is 0.36, 0.42, 0.44 and 0.44 USD/KG for the following months July '15, Oct'15, Jan'16 and March'16 respectively.

4.2. Price Volatility

Price volatility is measured through the difference of the market price for a commodity at any

moment in time compared to the average price for the period analyzed. This analysis is computed through the coefficient of variation[19] which indicates the level of dispersion prices have from their average. The coefficient of variation provides a useful understanding of how prices have changed in the past and uses this information as a useful indication as to the likelihood of price levels in the future. With little variation in price overtime we can be sure that prices will tend to remain relatively stable while with high reported variation the opposite is likely to occur. This is a useful indicator which helps reduce uncertainty for decision making and provides evidence to support market based response options.

High price variability creates an atmosphere of uncertainty among market actors. High price variability can be caused by a number of issues, some of which are: poor local and regional harvest, poor road infrastructure, few traders leading to an oligopoly/monopoly system, limited trader storage capacity, limited selection of alternative foods on the market and resistance by consumers to eat a varied range of foods, and alternating government policies such as on the placing and removing of food import/export bans. These factors make it difficult to understand the functionality of the market as they can lead to a multitude of responses/mitigating factors by market actors.

High price variability can lead to a distorted and dysfunctional/fragmented market system as well as leading market actors to take mitigating measures to minimize their risk to and repercussions from the high price variability. For example:

- local traders may decide to buy excessively even going into debt by doing so, during the post-harvest period and hoard stock till the peak of the lean season when demand and prices are highest, thereby ensuring they have stock at hand when demand for trade is highest. This opportunisitic/speculative behavior from traders can also push prices upwards.

- local traders may collude creating local ‘cartels’ ensuring that the price on the market remains profitable for them;

- local consumers may try and ensure they have enough food to last the year without having to interact with the market avoiding dealing with the markets’ high prices;

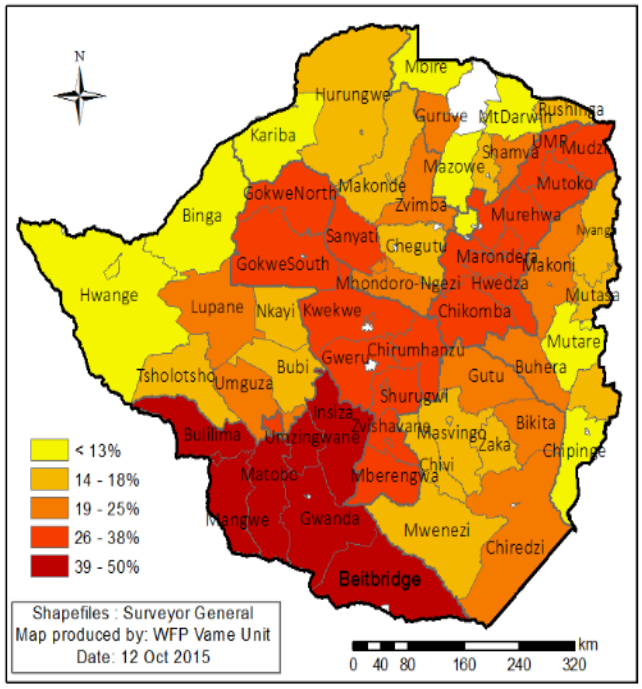
- national maize companies will try to sell on these markets seeing the possibility for an extra margin of profit; and

[19] Coefficients of variation is calculated as the ratio of the number of standard deviation a particular figure has from the mean/average figure for the sample.

- external actors such as humanitarian agencies and Government Ministries will likely avoid cash and voucher options shifting selection of the ideal market intervention modality to food in-kind in light of the high prices.

The problem with high price variability is that the value transfer given to targeted food insecure populations will constantly have to be corrected to meet the value required for households to purchase their required food needs. Therefore, markets with lower price variability will tend to be seen as 'healthier' and better 'functioning' markets which are more ideal to support cash and voucher interventions.

The price variability depicted in Figure 10 shows that price variability is high across different Districts in Zimbabwe as well as over time. 2013-14 crop production was 49% higher than that of the 2014-15 season which means that in 2014-15 consumption year grain was more available compared to the 2015-16 consumption period. National average grain prices for the 2014-15 consumption period were much lower than at the same time in the 2015-16 consumption period.



The difference between the mean prices for each district and the the grain prices for August 2014 to July 2015 ranges from 8% in Binga to 50% in Beitbbridge. Maize grain prices were low in August 2015 due to the good crop harvest and they were much higher before harvest in April 2014 due to 2 bad crop seasons that were experienced in the country. Comparing the 2 consumption periods , the variability is quite high in some districts across the country mainly due to the difference in seasonal availability of the commodity across the districts. This information is useful when choosing the modality of assistance for the different seasons and when calculating the transfer values for different seasons.

Figure 12: National Maize Grain Coefficient of Variation 2014-'15

***Source**: FEWSNET Maize grain prices 2015*

4.3. Market Price Integration

Market integration analysis forms an important component in understanding market functionality and is also a key factor used in deciding whether market based interventions are an appropriate

food assistance transfer mechanism or whether another modality would instead be preferred. Markets are said to be integrated when price changes of a specific commodity move in tandem and by the same extent between different markets and when goods flow freely between markets.

Prices do not have to be exactly the same for markets to be integrated. In fact, market prices for the same commodity are rarely at the same level between different markets due to the increased costs related to some markets requiring more distance to be travelled and more market actors to supply a commodity to a market than others (especially more isolated markets) hereby increasing the fixed unit cost of a commodity. However, to be fully integrated prices for the same good will have to change by the same amount across different markets. Furthermore, it is important to note that even though being an important pre-condition in verifying market integration is not possible to use correlation coefficients alone as a proxy for market integration as other unobservable factors may be driving the price trends other than the source price of a commodity. More contextual information which includes but is not limited to number of traders, storage capacity, source of food, trade constraints and food availability also need to be analyzed and will help in consolidating the meaning of the correlation coefficient data. These added factors will provide a more holistic understanding of the capacity of a market and why price changes occur as and when they do. Nevertheless, even though not a sufficient condition on its own, correlation coefficients are an added useful indication for market functionality[20]. Price correlation coefficients of 0.7 upwards suggest markets are integrated, with a correlation coefficient of 1.0 representing 2 fully integrated markets. Below a correlation coefficient of 0.7, markets are said to be weakly integrated or not integrated at all.

Table 3 shows the correlation between the average price of maize grain for markets covered by the assessment summarized at provincial level for the period October 2011 up to October 2015. The table shows provinces where a high maize grain price correlation coefficient is found between 2 markets (green colour in the table), suggesting that these markets may be well integrated in maize grain trade. The table also shows where very weak or no indication of maize grain price correlation exists between markets (red colour in the table).

Table 3 shows that not all markets are integrated with each other in Zimbabwe. In fact it is interesting to note that markets with a high price correlation tend to be found close to each other or where important national and/or regional good quality roads exist e.g markets in the Mashonalands are highly correlated with markets in Harare. Matabeleland South seems not to be correlated with any markets and the study also showed that it has one of the highest prices for maize grain in the country and the prices sometimes increase when there are no increases in the

[20] WFP Market Analysis Framework, December 2011

source markets. This can be explained by the unavailability of the commodity in the province.

Table 3: Price correlation coefficients of key markets in the provinces covered by the assessment

Byo	Byo	Harare	Manicaland	Mash Central	Mash East	Mash West	Masvingo	Mat North	Mat South
Harare	0.62								
Manicaland	0.37	0.72							
Mash Central	0.65	0.71	0.26						
Mash East	0.67	0.80	0.69	0.70					
Mash West	0.61	0.89	0.69	0.81	0.86				
Masvingo	0.38	0.52	0.66	0.41	0.67	0.60			
Mat North	0.61	0.68	0.76	0.41	0.77	0.65	0.64		
Mat South	-0.09	-0.39	-0.25	-0.02	-0.08	-0.08	0.08	-0.16	
Midlands	0.56	0.86	0.73	0.60	0.77	0.81	0.54	0.66	-0.32

5. Households' Access to Markets

Physical access to markets is a precondition for cash and voucher interventions. If markets are far from the intended beneficiaries, are located in areas difficult to access or are in areas where there are high levels of insecurity, then it is recommended to select an appropriate intervention modality.

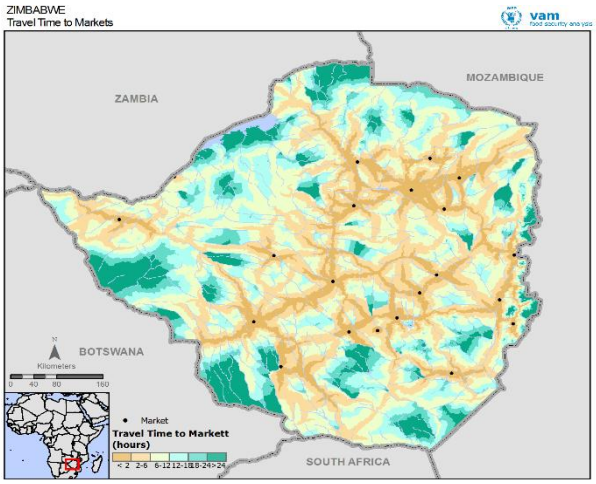


Figure 13: Reported travel time to the market

***Source**: WFP Intregrated Context Analysis Report*

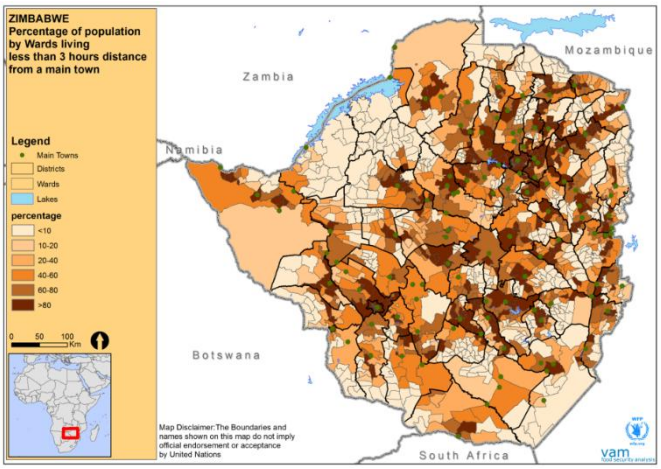


Figure 14 : Reported travelling time to a nearby town

Figure 13 is a recent WFP map which outlines the difficulty that people living in some areas have in accessing markets. The map identifies access facilitation through main road and rail routes. The closer a household lives to a main road, the quicker it can reach a market. Figure 14 outlines the proportion of the population in wards travelling less than 3 hours to a town. Lighter colours show a lower proportion and darker colours indicates that there is a higher proportion of the population in that ward that travels less than 3 hours to a town.

Within the market assessment were some questions covering accessibility to markets. Specifically these questions covered road type and periods of the year when markets are not easily accessible.

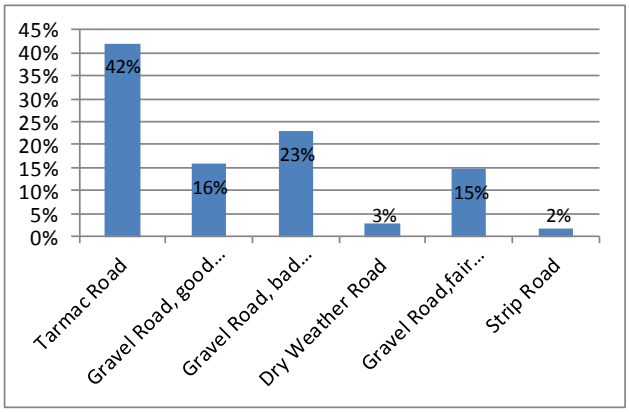


Figure 15: Market Source Road Type

Figure 15 shows that 58% of roads linking markets to their commodity sources were reported to be in good condition. Of the 58%, 42% were tarmacked and 16% were good quality gravel roads. About 15% of the assessed markets were accessible through fair gravel roads which are mostly accessible throughout the year although with difficulties in some parts of the roads. 23% of the roads were reported to be bad as they were affected by seasonality. These were reported mainly in the

low lying areas like Mutasa, Chimanimani, Nyanga, Chiredzi, Mbire, Kariba, Tsholotsho, Gokwe North and Mwenezi. However, from these districts Mbire, parts of Chimanimani and Tsholotsho were highlighted as generally extremely difficult to traverse during the rainy season as bridges get flooded and it can take as long as 2 days before vehicles can pass through. This adds to the number of days required for restocking.

The market assessment also builds on the findings from the ZimVAC RLA which highlights that about 32% of rural households that reported having market access challenges face transport, road and distance difficulties.

6. Traders and Markets Assessed

The following section of the report forms the bulk of the market assessment. Data for this section is drawn from the analysis of markets assessment data collected through the survey. Considering the high number of assessed markets (415), analysis of the markets is discussed and broken down into broader categories such as a national averages and by traders' typology. Where possible the data is broken down further to highlight possible district disparities. The details of the market based variables are attached in annex 2.

6.1 Traders' Characteristics

A total of 415 markets were assessed From these markets, 35 wholesalers, 80 medium and 1196 retail traders were interviewed. The assessment covered 50 out of the 60 rural districts and this shows that Zimbabwe has a very high retail trader base with a small group of medium sized traders and a small group of big traders/wholesalers. The percentage of big traders is low and this can be explained by the large volumes they trend from their national and regional offices.

More than 60% of big vending shops are owned by both male and female traders, 25% owned by men only and about 10% by females. Medium vending shops and retailing shops are mostly owned by men (50%) followed by both (35%) and women only owning on average 15%. The low participation of women in this sector might be an indication of possible entry and exit barriers and constraints that are preventing women from participating in this sector.

6.1.1 Trader Constraints

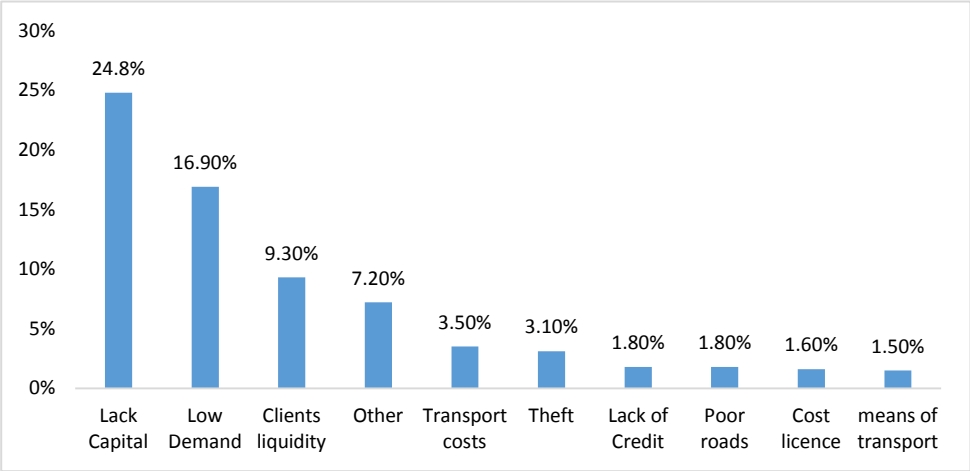


Figure 16: Most reported trader contraints

The most reported trader constraints include lack of capital, low demand and client liquidity (figure 16). Some traders also reported that they were facing challenges with transport as they did not have their own transport to use for restocking. Lack of credit was also reported by a few traders as most traders were offered commodities on credit by wholesalers. Poor road network was also reported by about 2% of the traders who were sighting it as a challenge whenever they have to go for restocking.

6.2. Flow of Commodities

The main staple food commodity consumed in Zimbabwe is maize. Maize is largely produced in the central and northern regions of the country. Maize flows from these regions to the cereal deficit regions which are mainly found in the south, south-east and south-west regions of the country as shown by the maize trade map (figure 17).

Figure 17 shows that the direction of flow and volumes of grain traded varies during the post-harvest and lean season, with the lean season being the period when most grain is traded in the country due to the increase in its demand during this period. The analysis showed that source markets for grain varied across the districts with districts from the southern parts of the country which are also grain deficit areas relying mostly on grain from northern districts and imports. Districts in the northern parts of the country were importing either from within the district, i.e. other wards which had a better harvest or from neighbouring districts.

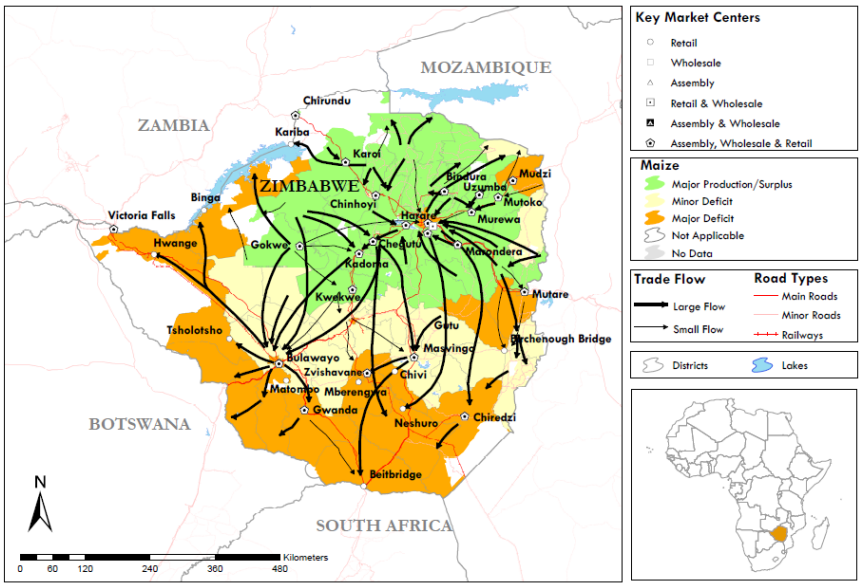


Figure 17: Zimbabwe Maize Flow Map

Source: *FEWS NET*

http://www.fews.net/sites/default/files/documents/reports/zw_fullmap_maize_norm.pdf

6.2.1 Restocking Frequency

Even though maintenance of roads is a pending issue in the country, Zimbabwe can still has a strong road infrastructure. The analysis shows that the trade network in the country is strong with traders quickly being supplied. On average it takes a trader 1 to 2 days to restock. This trend does not change by season however, there are some districts where re-stocking can take longer, such as 5 days in Kariba, 3 days in Umguza, Mbire, Nkayi and Chiredzi.

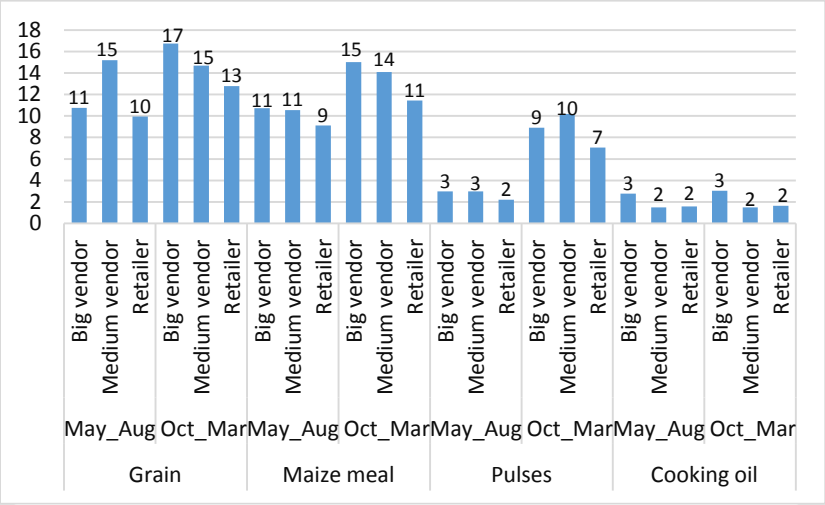


Figure 18: Number of restocking times by trader size

Figure 18 shows the average number of restocking times for the post harvest season and the lean season. Traders restock more during the lean season compared to the post harvest season for maize grain , maize meal and pulses. Traders explained that during the post harvest period there is less demand as households would be consuming from their own produce and demand increases as the season progresses when households have exhausted

their harvest. For cooking oil there is not much difference for the number of restocking times as traders sell almost the same volumes mainly because households depend on the market for the commodity all the time.

6.2.2 Volumes Traded

Table 4 shows the average volumes traded per week by trader size for the 4 commodities i.e. maize grain, maize meal, pulses and cooking oil. The volumes were collected for the post-harvest period i.e. May to August and the lean period i.e. October to March. The analysis shows that traders sell more during the lean season as compared to the post harvest season. This might be explained by the fact that most households consume from their own produce immediately after harvest and only start purchasing from the market during the lean season. This is not the same for cooking oil which increases slightly and this can be explained by the fact that households normally rely on markets for the commodity

Table 4: Average Trade per Week in Commodity by Trader Size

	Maize Grain		Maize Meal		Sugar Beans		Cooking Oil ('000s litres)	
	May-Aug	Oct-March	May-Aug	Oct-March	May-Aug	Oct-March	May-Aug	Oct-March
Large scale trader	95.1MT	65.83MT	26MT	49.3MT	6MT	6.6MT	11.6	12.7
Medium trader	6.5MT	15.6MT	15.8MT	27.8MT	1.5MT	2.6MT	2.6	3.9
Small scale trader	397.7kg	473.1kg	476.2kg	817.9kg	21.3kg	28.7kg	0.109	0.118

***Source**: ZimVAC Market Assessment 2015*

The length of time a shop has been operating has an implication on the performance and trade capacity of the business as well as the functionality of the market. The more the number of years the shop has been operating the shop, the more stable and experienced the trader is. The results from the survey show that about 50% of the interviewed traders had been operating their businesses for more than 5 years. The big traders tend to have been in business for longer .

The assessment also provided for trade projections for the period October 2015 to March 2016. The traders indicated that they expected an increase in trade of the 4 commodties mainly due to low production from the 2014/15 agricultural season.

The traders also indicated that they have capacity to meet the increased demand as some have been in business for long and they have established connections and some receive credit facilities from wholesalers. Figures 19-22 show that at least 60% of the traders have the capacity to meet and absorb the increased demand without changing the prices. Further analysis shows that atleast 55% of the traders are able to meet demand increase of 100% for the 4 basket commodities.

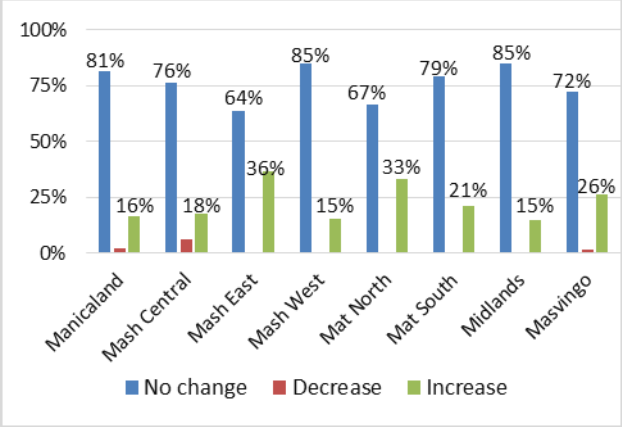


Figure 19 : Traders with capacity to meet increased maize grain demand

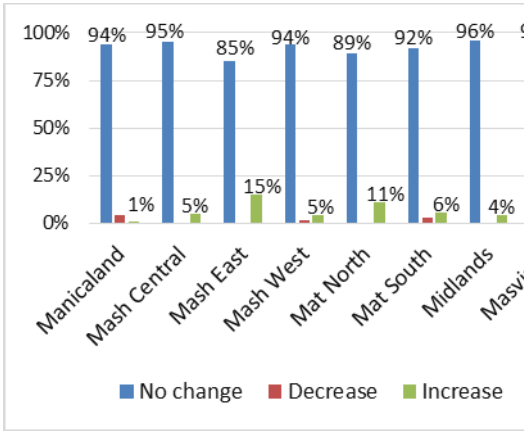


Figure 20 : Traders with capacity to meet increased maize meal demand

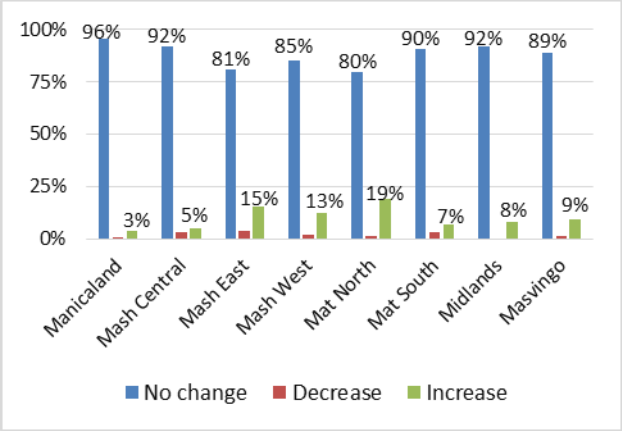


Figure 21: Traders with capacity to meet increased pulses demand

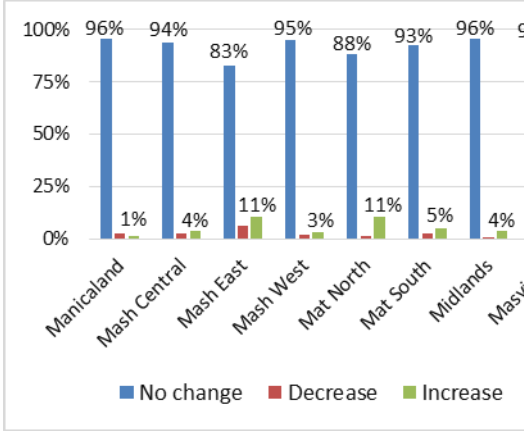


Figure 22: Traders with capacity to meet increased cooking oil demand

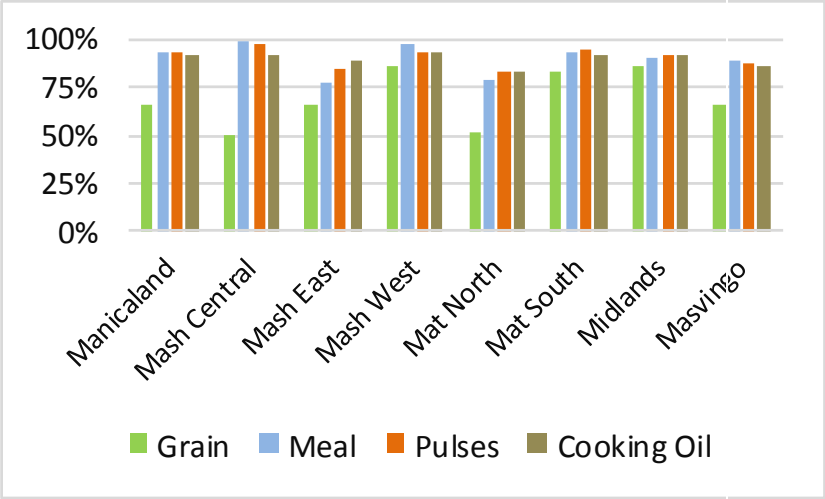


Figure 23: Traders with ability to increase their stocks within a week

The traders also indicated that they are not only able to meet demand but they are also able to increase their supplies within 1 week (figure 23). Figure 23 also shows that in all provinces, more than 90% of the traders had the capacity to increase their stocks within a week in the event of increased demand due to sudden improvements of client liquidity, which might be a result of cash based interventions.

Traders in most districts indicated that they had the capacity in terms of capital and transport, to increase grain supplies but sometimes maize grain is difficult to find and might require importation procedures which will require more time. Some traders indicated that due to the complexity of the maize grain supply chain they do not trade the commodity. The commodity is mainly traded by individuals who source maize grain from other districts and sell in times of need. Disaggregation of the data by trader size shows that 100% of wholesalers indicated that they had the capacity to increase their stocks and meet any demand within a week whilst 75% of the medium vendors and small traders also indicated that they can meet increased demand within a week.

6.3. Price Setting Behavior and Commodity Prices

Most traders indicated that prices for the 4 commodities were not enforced but market forces determine the prices. Some traders indicated that the wholesalers had a trader recommended price and the traders were encouraged to follow that price and due to competition most traders would use that price for the recommended commodities. GMB is the only player which indicated that their maize grain price was controlled by government.

Table 5: Price setting behaviour

Price setting behaviours	Grain	Maize Meal	Pulses	Cooking Oil
Prices are fixed by government	4%	4%	2%	2%
Prices are fixed by big vendors on the market	0%	2%	2%	2%
All traders set prices at the start of the market day	1%	1%	2%	2%
Prices are fixed by suppliers outside the market	3%	8%	7%	7%
Prices are fixed by the traders association before the market begins	3%	6%	1%	1%
Each trader determines his/her own price	29%	56%	88%	88%
Prices are fixed by negotiation between buyer and seller	4%	1%	1%	1%
Other	3%	3%	3%	3%
I don't know	1%	8%	8%	8%
Not Applicable	52%	40%	7%	7%

Prices for maize meal, pulses and cooking oil were very similar in all the markets visited across the country with a 10kg bag of unrefined maize meal ranging from $4 to $6, 1 kg of pulses ranging from $1.8 to $2 and 2L cooking oil ranging from $3 to $4. The difference was mainly due to different brands traded in different markets.

Maize grain is slightly different as prices were ranging from $3 per bucket in some northern cereal surplus districts up to $10 in the southern cereal deficit districts. Prices in the northern districts tend to be very stable and those in the southern districts show high levels of volatility.

6.4 Credit and Stock Strategy

In the last two years, a large proportion of traders have not been requesting formal or informal credit. About 88% of big traders, 83% of medium traders and 88% of small traders did not request any credit to run their business which implies that a large proportion of traders were dependent on their own capital for trade. Of the 500 non-credit beneficiary traders, 39% did not need credit while 38% indicated they needed credit but could not access it. 19.2% indicated high interest rates and high collateral requirements as a hinderance. These figures put a lot of emphasis on lack of liquidity affecting traders, an issue the report will look deeper into in the section on trader constraints.

With regards to credit provision by traders to customers, 58% of traders indicated that they provided credit to their trusted customers. Traders indicated that credit was requested throughtout the year although more requests were received at the beginning of the lean season as there are more needs with households prioritizing purchasing of seeds over grocery items. 33%

of traders indicated that more than 20% of their previous month sales were bought through credit.

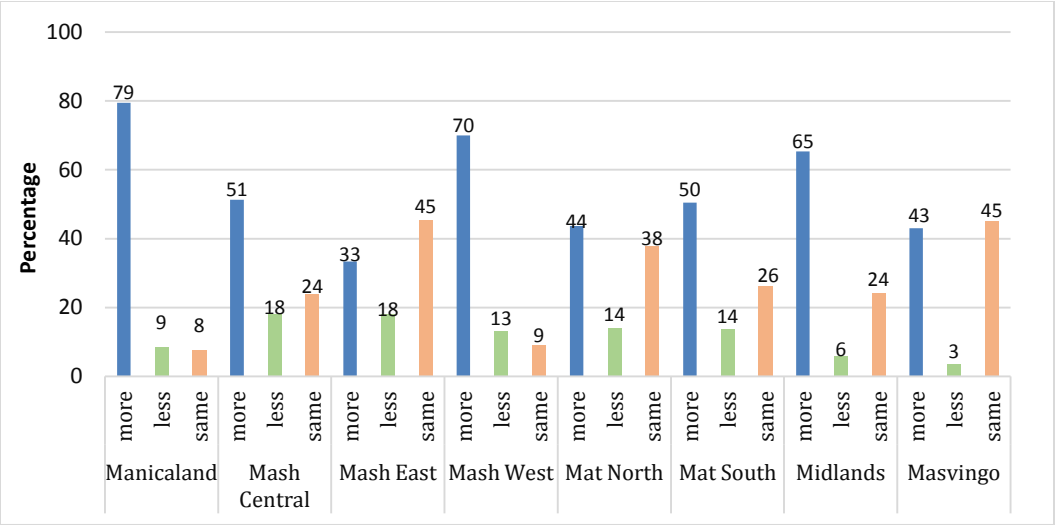


Figure 24: Credit requests compared to July – October 2014

At least 50% of traders in assessed districts from Manicaland, Mashonaland central, Mashonaland East, Matabeleland South and Midlands provinces reported an increase in the number of customers requesting for credit compared to same period last year (July – October 2014).

Traders were asked as to where they keep their stocks and most of traders indicated that they store their stocks in their shops, warehouses or at home. Most traders owned warehouses for storage and their storage capacity ranged from 1 tonne to as high as 20 tonnes. This showed that most traders had adequate and appropriate storage capacity.

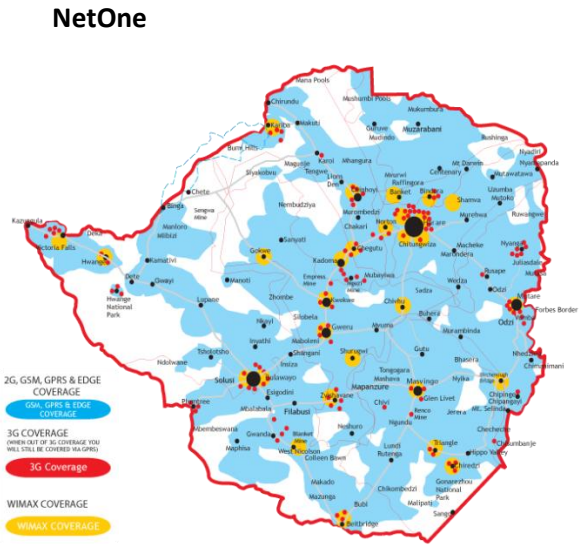
6.5 Mobile Network Coverage & Bank Accounts

Mobile network coverage is particularly important for cash transfers as mobile money can be used as transfer mechanism to provide food insecure populations with cash in a timely manner and at a limited cost to the donor. Zimbabwe has 3 mobile network services: NetOne, EcoNet and Telecel. As illustrated in figures 25 – 27 all networks tend to cover the same districts however with EcoNet with the highest mobile network coverage followed by NetOne and subsequently by Telecel with the least mobile network coverage.

Every mobile network in Zimbabwe has its own mobile money transfer service. For NetOne this is One Wallet, for EcoNet it is EcoCash and for Telecel it is TeleCash. NetCash is a mobile

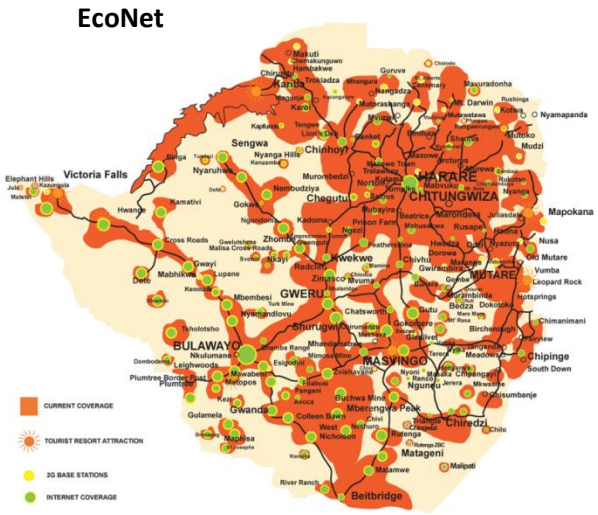
transfer service that can use any mobile network service.

Figure 25: NetOne Mobile Network Coverage



Source: http://www.netone.co.zw/?page_id=1120

Figure 26: EcoNet Mobile Network Coverage



Source: https://www.econet.co.zw/broadband/coverage-map

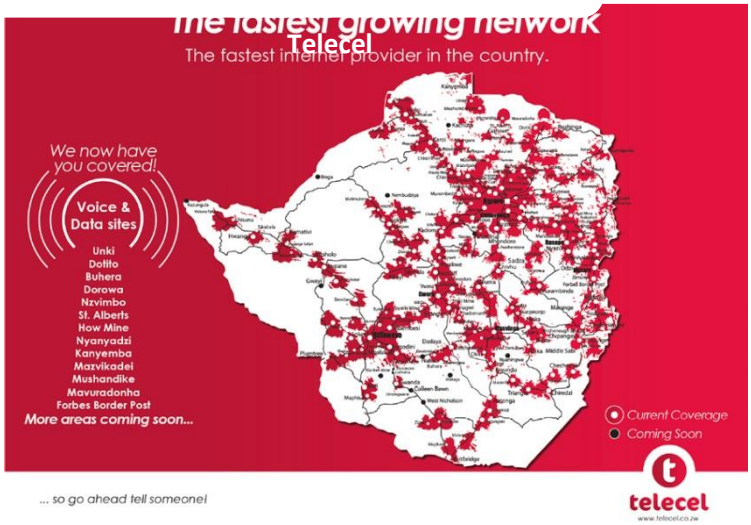


Figure 27: Telecel Mobile Network Coverage

Source: http://www.telecel.co.zw/network-coverage

Figures 26, 27 and 28 show network reception quality (good, average, intermittent/none). From the maps EcoNet clearly has the best reported reception of the food insecure districts. However, there are areas in some districts where poor network reception across all network providers was mentioned. This shows that in these areas if cash is going to be selected as an intervention modality it would have to be through a cash in hand transfer system or by working with an IMF, or through a service like CABS or through a different transfer modality such as vouchers.

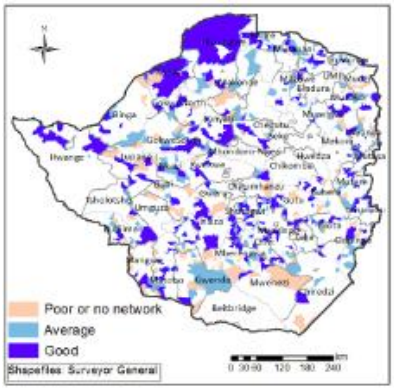


Figure 28: Quality of Econet coverage

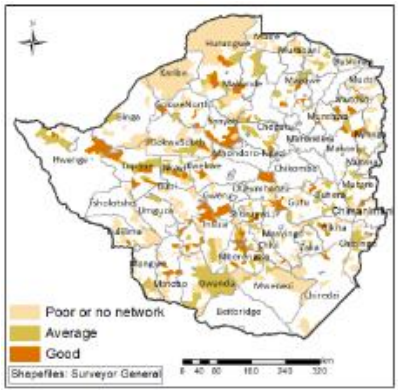


Figure 29: Quality of Netone coverage

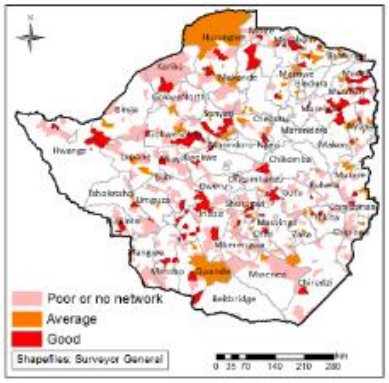


Figure 30: Quality of Telecel coverage

Source: ZimVAC Market Assessment 2015

Bank accounts are important if traders are to access and use a large amount of funds. They also enable a smoother and more feasible transfer of funds from a humanitarian organisation and/or Government to a trader. About 53% of interviewed traders said they have a bank account (figure 31). The 9% of responses under 'I don't know' came from respondents who were not the direct owners of the business and did not know whether the owner had a bank account or not.

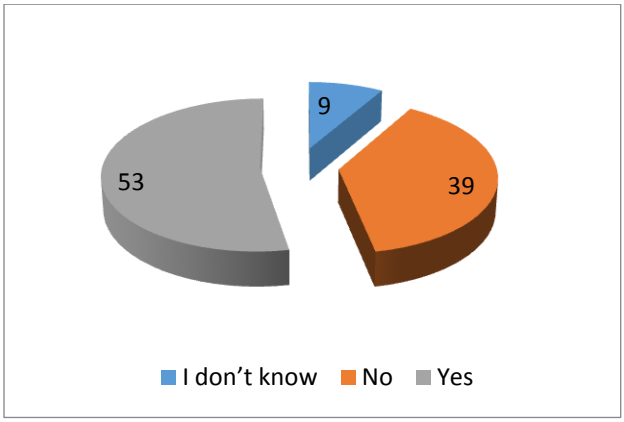


Figure 31: Proportion of respondents with a bank account

7. Key Informant Discussions

The market assessment was not limited to undertaking a quantitative market survey. In addition to the survey a number of meetings were held with key actors to gain a better understanding of:

- Security implications in districts where cash may be used as a food assistance intervention modality
- The amount of maize held at country level
- The ability of actors to supply adequate quantities of maize when required, and
- The provenance of the maize

7.1 Security Issues:

Zimbabwe is not a country where security concerns are high. Mbire was the only District where the FNCS key informants were against cash and voucher transfers basing on previous experience of misappropriation of funds. All other districts apart from Mbire welcomed a C&V intervention to support the most food insecure households. Nevertheless, many concerns were raised regarding the possible intra-household conflicts that could arise as a result of cash injection into the home. Some examples of concerns that were raised were: an influx of cash may lead to insecurities; households may divert funds meaning that they could use the cash received to buy goods other than food; and domestic disputes may arise due to disagreements on who is in charge of the money transferred to the household.

7.2 Grain Depots Across the Country

As part of the key informants, a number of maize milling companies were interviewed in order to better understand national grain stock levels.

Zimbabwe has a number of large scale maize actors that have regional and national reachwhich include GMB, GMAZ and National Foods Milling. Meetings with a few of these actors highlighted their significant capacity and reach both for transportation as well as storage facilities and depots across the country.For example GMB currently has 89 depot locations across the country. Of these, 12 locations are where GMB has silos, 82 locations are where GMB has hard stands (cement flooring where tents can be setup) and 24 locations are where GMB has sheds (wooden structures). Figure 32 illustrates where GMB has silos and figure 33 shows the GMB bagged depots across the country.

GMB noted having 118,000MT of maize grain stored in its depots carried over from last year and which is ready to be used. During key informants interviews in some districts it was noted

that while GMB did indeed have maize grain stored in their depots, they were unable to access/use this grain due to a shortfall in finances to operate and manage the silos.

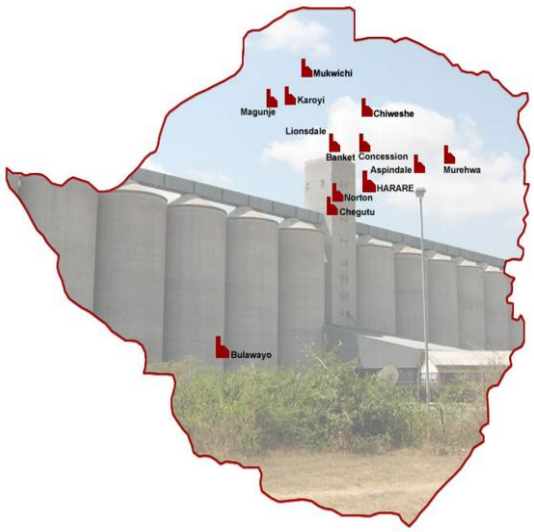


Figure 32: GMB Silos

Figure 33: GMB Bagged Depots

***Source**: GMB*[21]

Grain Mealers Association of Zimbabwe (GMAZ) is an association of 68 members in the business of maize and wheat milling. The association has a combined and active monthly milling capacity of 210,000Mt for maize and 102,000Mt for wheat. Zimbabwe's consumption of maize and wheat is estimated to be 117,000Mt and 30,000Mt a month respectively, so the association has excess milling capacity to meet the grain food processing requirements for the country. On average 15% of GMAZ's milling is turned into animal feed.

GMAZ's strong membership numbers means that it can take advantage of its members' storage capacity as well as geographical reach across the country. For example, National Foods Milling, one of the largest maize milling companies in the country, is a member of GMAZ.

National Foods has 54 active depots in the country with 10 more depots opening in the new financial year. It has 4 functioning mills situated in the north of the country and one in the south. National Foods is an example of the strong infrastructural capacity national wholesalers have in the country. This capacity should be leveraged on to reach the food insecure across the country.

[21] http://www.gmbdura.co.zw/

7.3 Can Zimbabwe Import Enough Maize to Satisfy Demand?

As already discussed severely erratic weather led to a poor 2014-15 harvest in Southern Africa. This prompted the Government of Zimbabwe to authorize importation of 750,000Mt of white maize from Zambia and neighbouring countries. The maize deliveries began from June 2015 and up to the end of September 2015, over 245,980MT had been imported.

Table 6 is a historical record of cereal imports showing the total imports by various players. On average for the 9 years from 2002 – 2010 almost 800,000MT of cereal have been imported a year representing 42% of national requirements. For 2015-16 the cereal deficit is projected to be around 45% and from table 6, the country has the capacity to import the maize grain.

Table 6: Cereal imports Trend in Relation to National Requirements

Year	Food aid imports (MT)	Food aid imports as a share of national requirements (%)	Total cereal imports (MT)	Total imports as a share of national requirements (%)
2002	14 000	1%	448 000	24%
2003	361 000	20%	1 216 000	66%
2004	397 000	21%	830 000	45%
2005	149 000	8%	835 000	45%
2006	93 000	5%	848 000	45%
2007	99 000	5%	441 000	23%
2008	287 000	15%	789 000	41%
2009	285 000	15%	1 043 000	54%
2010	180 000	9%	680 000	35%
Average	**207 222**	**11%**	**792 222**	**42%**

Source: WFP and FAO CFSAM 10.4: Market intervention modality selection

8. Market Intervention Modality Options

The CBT modality selection process took place in an open door plenary session lasting 2 days. During this process the preliminary data analysed by the Technical Working Group was presented by market and by district. What followed was a series of discussions based on:

- Eye-witness information from teams which visited the markets
- The data collected and analysed
- Previous intervention experience in the district.

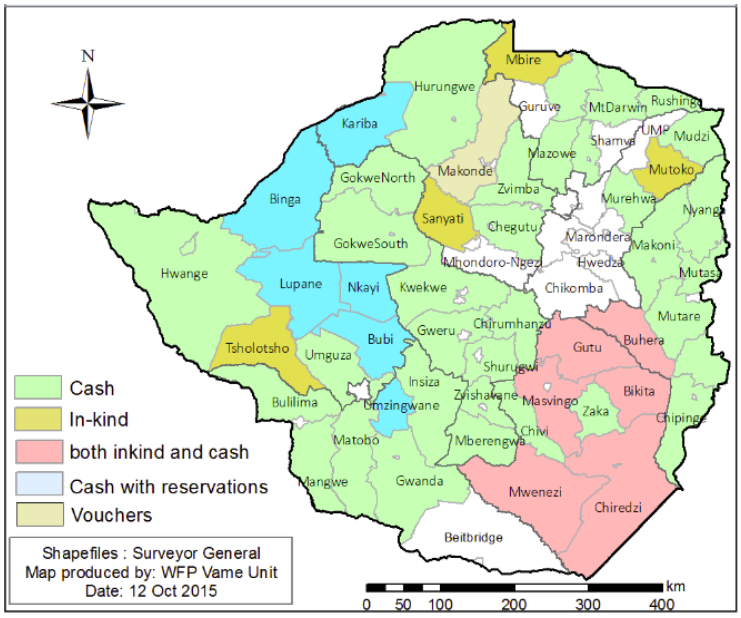
These discussions resulted in a unanimous decision on the type of modality best suited for each district.

Table 7 shows that in 33 districts cash was found to be the best suited modality, in 6 districts cash with reservations was found to be the best modality, another 6 districts were recommended both cash and in-kind distributions and in kind only was recommended in 4 districts and vouchers in 1 district.

Table 7: Number of C&V Beneficiaries Covered by the Assessed Markets

Modality	Districts	# of Districts	Total ZimVAC food insecure population
Cash	Bulilima,Bindura,Centenary, Chegutu, Chimanimani, Chipinge, Chirumhanzu, Chivi, Gokwe North, Gokwe South, Gwanda, Gweru, Hurungwe, Hwange, Insiza, Kwekwe, Makoni, Mangwe, Matobo, Mazowe, Mberengwa, Mount Darwin, Mudzi, Murehwa, Mutare, Mutasa, Nyanga, Rushinga, Shurugwi, Umguza, Zaka, Zvimba	33	749,298
Cash with Reservations	Binga, Bubi, Kariba, Lupane, Nkayi, Umzingwane	6	144,257
Both Cash & Food	Bikita, Buhera, Gutu, Masvingo, Mwenezi, Chiredzi	6	253,320
In kind	Mbire, Mutoko, Sanyati, Tsholotsho	4	99,637
Vouchers	Makonde	1	19,346
Total		50	**1, 265, 858**

Findings show that districts that are well connected with urban areas which are normally the source markets were suitable for cash, while some districts had areas where cash was possible and areas where cash was not the best modality of assistance. For example for Chiredzi food-in-kind was selected for the south of the district while cash was seen as a viable option above the Chiredzi Bridge. Figure 34 outlines the modality type by district covered by the assessment.



Cash with Reservations means that the analysis and observations by the team indicated that cash could work as long as the implementing agency or organization understands the risks at hand and ensured mitigating measures were undertaken to minimize possible side-effects of the cash intervention. Some of the main concerns were to do with limited mobile phone network coverage, and seasonality concerns of road viability. More in-depth overview on reservations and comments by district are provided in Annex 2.

Figure 34. Recommendations on the modality of assistance
***Source**: ZimVAC Market Assessment 2015*

9. Conclusions and Recommendations

9.1 Conclusions

The market assessment was undertaken to understand the characteristics of Zimbabwe's food markets. It sheds light on infrastructure, actors, the limitations and constraints facing the markets as well as covering the dynamic nature of the markets throughout different seasons in the year. This is a report guiding decision making regarding the type of intervention to be used and to help guide actors to ensure mitigating actions are undertaken to offset possible side-effects of certain market interventions in different districts across the country.

Even though in need of maintenance, Zimbabwe has decent infrastructure (roads, mobile phone network, storage facilities). Only 4 districts were identified where food in kind was supported as the sole intervention modality. The majority of traders have adequate capacity to support CBT interventions. The ability of most, if not all, traders across the country, with the exception of 4 districts, to procure food within 2 days throughout the year demonstrates the functionality of markets and food supply chains. The main constraints affecting the traders are not infrastructural but rather demand-related. In fact over 60% of reported constraints mentioned demand as a

prime concern/problem in increasing sales volumes. The main single constraint mentioned was limited consumer liquidity, an issue CBTs can help address.

The key question to answer remains the likely availability of adequate food in the upcoming lean season in the local markets, especially for maize grain. Zimbabwe has previously imported large volumes of food and willingness, resources and storage capacity seem to be available, paving the way to market based solutions for humanitarian food assistance interventions. Nevertheless, caution is warranted as future developments in national and international policies as well as the ongoing threat of El Niño on Zimbabwe and the wider region's next harvest may cause serious challenges to future harvests, pushing up food market prices. Close monitoring of the situation is paramount before, during and after a CBT intervention.

This assessment has touched numerous market components and uncovered a plethora of information. Further in-depth analysis (such as analysing more markets in more districts, monitoring cross-border trade flows and monitoring market functionality and volumes traded throughout the year) can and should be undertaken so as to better understand the markets Zimbabwe is working with. Specifically the assessment has looked at food price trends over time as well as forecasting future price trends. It looked at trade patterns over time, market interconnectedness as well as traders' ability to expand production to meet demand. It has covered road type and mobile network coverage and has also looked at trader storage capacity and constraints to trade.

The assessment has examined markets' ability to meet the required food need caseloads. It has garnered information from key actors on their ability to support the market with the required volumes and their market sources for their trade. It has furthermore also taken a close look at the market structure in place in the country. It found that 33 out of 50 districts could function with a CBT and 6others were confirmed as 'cash with reservations' districts. This indicates that cash is possible in these districts as long as a number of steps are undertaken to mitigate the potential risks which have been outlined by the ZimVAC modality selection session (a summary of which is found in Annex 2).

A further 6 districts were labeled as cash/food in-kind. In these districts cash is considered possible in the more accessible areas but in-kind support is required for the more difficult-to-reach areas, as it is not certain whether the market will be able to ensure availability of the required food commodities at an affordable cost. 1 district was recommended for vouchers as the district had one wholesaler who controlled the market. Finally, 4 other districts were identified as food in-kind districts where direct food distributions over CBTs were recognized as the best intervention modality for the districts.

The 2015-16 lean season is going to be tougher and longer for many Zimbabwean households as a direct result of the poor 2014-15 harvest. Moreover with the expected continuation of El Nino the next harvest is not expected to be any better either. However, we do have tools at our disposal to support the food insecure population. Organisations should make use of these recommendations as much as possible to ensure we use their full flexibility, especially the food assistance programme, which makes use of markets. Markets can be a quick and relatively simple way to ensure assistance is provided to the people who require it in the most timely and efficient manner. With the current infrastructure, markets and functioning mobile phone networks in the country, the current food stock levels and GMAZ's proposal to import Zimbabwe's required grain shortfall for the coming lean season, it seems clear that where feasible, markets can and should be a viable option for humanitarian support.

10. Recommendations

The assessment team has proposed a set of recommendations to be followed up by the Zimbabwe inter-agency cash and voucher working group that may help in supporting CBT interventions during this lean season as well as improve similar assessments that ZimVAC will undertake in the future:

- Use the country's cereal balance sheet to monitor national cereal availability and complement this availability and price monitoring at the sub-national level. Furthermore, closely follow GMAZ's maize procurement process to ensure adequate volumes of food are available on the market throughout the year.
- Monitor and ensure that ahead of a CBT intervention enough food stock is available in the market to last at least 1 month, satisfying the market's full caseload of food requirement needs (including the extra beneficiary demand).
- As lack of capital was seen as a major constraint for consumers, ensure targeting of beneficiaries includes household capital limits as one of its criteria.
- Raise traders' awareness of the CBT 1 month in advance so they can stock enough food to meet the caseload requirements.
- For most, if not all, markets where organisations anticipate undertaking cash interventions, it is recommended that the organisations partner with a wholesaler to ensure an adequate amount of food is distributed to the market on time. It is also important that the local traders do not get crowded out by the wholesalers, who could be selling directly to the beneficiaries. Instead ensure the wholesaler sells to the trader, who then sells the commodity to the beneficiaries.
- Monitoring of food volumes, cash distributions and food prices in markets is a must before, during and after the CBT intervention modality has taken place. A reliable and

consistent monitoring framework is to be set up for monitoring prices covering the markets where a CBT intervention is planned.

- Implementing agencies should be ready to switch intervention modality in a short space of time if needed (within a month). This will be particularly important if they come across markets where abnormal price spikes are taking place.
- If using mobile money/ e-money, ensure free solar mobile phone charging points are set up for beneficiaries to charge their phones within targeted villages.
- Set up an inter-agency C&V working group in Zimbabwe to share information on ongoing interventions, to ensure interventions are harmonized and to act as a platform where support and suggestions can be provided.
- Constant monitoring of food prices across the country through the year as well as a brief follow-up market assessment to take place in December 2015/ January 2016 to follow market evolutions in the lean season and ensure food prices are not escalating.
- Future ZimVAC assessments to ask surveyed households which market they use to access their food needs. This will ensure that the markets covered by the assessment are the prime ones used by the beneficiaries.
- 4 districts (Mbire, Chimanimani, Kariba and Gokwe North) require prepositioning of food on to markets either by traders supporting the CBT or by the humanitarian organisation providing food in kind assistance. The reason for the prepositioning is the inaccessibility of roads in these areas during the rainy season.
- 4 districts out of the 50 were recommended outright for in-kind distributions.

12. Annexes

Annex 1. List of Main District Source Market by Commodity

District	Main Maize Grain Trading Market in the District	Maize Grain Source Market	Maize meal	Cooking oil
Rushinga	Rushinga	NA	GMB; Local	Harare
Mbire	Chikafa	Guruve; Mozambique	Harare; Guruve	Harare; Mvurwi
Mudzi	Kotwa	Mt. Darwin	Local; GMB	Harare
Kariba	Mola	Gokwe North	Gokwe South	Gokwe South
Binga	Binga Centre	Binga Centre	Binga; Bulawayo; Harare	Binga; Bulawayo; Harare
Hwange	Hwange	Bulawayo; Lusulu	Hwange; Bulawayo	Kwekwe; Bulawayo
Lupane	Lupane Centre	Lupane; Bulawayo	Lupane; Bulawayo	Lupane; Bulawayo
Nkayi	Nkayi Centre	Bulawayo; Gokwe; Kwekwe	Bulawayo GMB; Kwekwe	Bulawayo ; Harare Kwekwe
Tsholotsho	Tsholotsho	Bulawayo	Tsholotsho; Bulawayo; GMB	Bulawayo
Umguza	Bulawayo	Zambia	Bulawayo	Bulawayo; Harare
Bulilima	Plumtree	Bulilima	Bulilima; Bulawayo	Bulawayo
Umzingwane	Esigodini	Bulawayo	Bulawayo	Bulawayo
Gokwe North	Chitekete	Gokwe North	Gokwe Centre	Gokwe Centre
Gokwe South	Masakadza	Local	Gokwe Centre	Gokwe Centre
Mberengwa	Mataga	Zambia; Mberengwa; Zvishavane	Gweru; Mberengwa; Zvishavane	Mberengwa; Zvishavane
Shurugwi	Donga/ Chachacha	Gweru; Zvishavane	Gweru; local; GMB	Gweru; Messina
Zvishavane	Mabasa	Zvishavane	Zvishavane	Zvishavane
Chiredzi	Chiredzi town/ Gazaland	Zambia; Karoi; South Africa	Local; Harare; Bulawayo South Africa	Harare; Bulawayo; South Africa
Mwenezi	Rutenga	Local;	Bulawayo	South Africa;

		Chikombedzi		Bulawayo
Zaka	Jerera	Beatrice; Harare; Local	Harare; Bulawayo; Chiredzi; Masvingo	Harare; Bulawayo; Chiredzi; Masvingo
Bikita	Nyika	Chivhu	Masvingo	Masvingo
Bindura	Manhenga	Bindura, Chegutu	Bindura	Bindura, Harare
Bubi	Siganda		Bulawayo	Bulawayo
Buhera	Birchenough, Bhidhiri	Zambia	Harare	Harare
Centenary	Muzarabani		Harare	Harare
Chegutu	Dzumbunu		Harare	Harare
Chimanimani	Mhakwe	Chimanimani	Mutare	Mutare
Chipinge	Checheche	Chipinge, Masvingo	Chiredzi, Harare, Local GMB	Chiredzi, Harare, Local GMB
Chirumhanzu	Chaka	Zambia	Masvingo	Masvingo
Chivi	Vuranda	Gokwe	Zvishavane	Zvishavane
Gutu	Mupandawana	Local	Harare	Harare
Gwanda	Maphisa		Bulawayo	Bulawayo
Gweru	Muchakata	none	Gweru	Gweru
Hurungwe	Siganda	Bindura, Chegutu	Karoi, Chegutu	
Insiza	AVOCA, Silalatshani,	Mberengwa. Bulawayo	Bulawayo, Musina	Bulawayo, Musina
Kwekwe	Tontororo	Empress	Local	Local
Makonde	Chinhoyi		Makonde, Harare	Makonde, Harare
Makoni	Nyazura	Rusape	Rusape	Rusape
Mangwe	Plumtree	Mangwe	Mangwe; Bulawayo	Bulawayo
Masvingo	Musvosvi	Chinhoyi	Ngundu	Ngundu
Matobo	Tshelanyemba		Beitbridge	Beitbridge
Mazowe	Glendale	Harare	Harare	Harare
Mt. Darwin	Mt Darwin		Bindura, Harre	Bindura, Harare
Murehwa	Macheke		Marondera	Marondera
Mutare	Marange	Mutare	Mutare	Mutare

Mutasa	Sherukuru	Nyanga		
Mutoko	Makosa	Mudzi	Mutoko	Mutoko
Nyanga	Nyamaropa		Mutare	Mutare
Sanyati	Sanyati	Local farmers and traders		
Zvimba	Murombedzi	Harare, Norton	Chinhoyi, Harare	Chinhoyi, Harare

***Source**: ZimVAC Market Assessment 2015*

Annex 2: Intervention Modality Selection by District

District	Markets covered in the District	Recommended intervention by District	Reason/ Justification	Constraints/ assumptions to consider when undertaking the intervention
Rushinga	Marymount Kasenzi Chomutukutu Chimanda Rushinga Nyamatikiti	Cash	Maize grain is in high supply in the market due to a good production harvest. The market deficit data is not giving us the whole picture as it is not capturing farmer to farmer trade which is anticipated to be high for this region this year due to its good harvest	• Address supply chain linkages constraints. Especially important for remote markets such as through: o information dissemination on the intervention to take place; o credit to be used as a possible way to circumvent the liquidity issue traders may have; o distance is a bit far for some HHs and o funds transferred should cover extra costs such as transport and milling;
Mbire	Angwa Mushumbi Chitsungo	In-Kind with prepositioning	Experience with previous food assistance interventions through vouchers has	There are 2-3 big private big traders in Chikafa and Mahuwe which can facilitate the process of moving the food commodities

	Chikafa		shown that the use of vouchers has led to the misuse of the vouchers which were collected and redeemed by a single person who kept the funds. The DFNSC meeting also recommended against a cash intervention in the district. Due to the bad state of the roads and bridges, in-kind prepositioning is recommended	
	Masomo			
	Mahuwe			
Mudzi	Nyamukoho	Cash	The district is connected with good roads and supplies from neighbouring Mozambique. Seasonality does not play an issue on the state of the roads. Traders are mentioning capacity to increase and even double their traded volumes in the space of a week.	Makaha has gold panning activities in the area which has an inflationary effect. Cash and voucher Interventions are to look into this regarding the value of the food basket to provide.
	Suswe			
	Kotwa			
	Makaha			

			The district has experienced previous cash transfer systems so it can support cash as long as supplies are available. The Province has good grain harvesting districts. It is one of the least food insecure provinces in the country because of good harvests	
Kariba	Mola Mayovhe Siakobvu Kasvisva Ward 9 Makande Negande Chalala	Cash (with reservations)	Previous experience shows cash to be the best modality for the district even though it also faces constraints. These however are fewer than for the other vouchers and food in kind. It was mentioned that vouchers increase the price of commodities more than cash does and logistic constraints (cost	Cash modalities will differ by ward due to the network coverage and the wards' accessibility. Roads are very difficult which makes in-kind assistance also difficult. Bad roads have also increased the cost of food and the intervention modality would have to cater for this. Furthermore, network coverage is an issue across the district especially in Mola and Mayovhe therefore cash in hand might be the best modality. UMCO in-kind assistance is reducing traders' demand in Negande, Siakobvu, Mayohve and Mola.

			and timeliness) of delivering food in-kind is too high.	
Binga	Mujele Siabuwa Manjolo Simatelele Mlibizi Kariyangwe Lusulu Binga Centre	Cash (with reservations)	Previous cash interventions by LEAD and Save the Children all proceeded without problems in the past	Cash is possible as long as the following considerations are catered for: • support for wholesalers to bring commodities closer to the traders as transport is difficult and too high in terms of cost; • ensuring prices are kept in check because of the difficult terrain isolating markets and communities. • Far distances to travel by foot (however, smaller markets in between these major markets are there), difficult roads.
Hwange	Hwange Victoria Falls Jambezi Kamativi Cross Dete Cross Mabale Dete Centre	Cash	National wholesalers such National Foods, GMB, and big retailers like OK, TM, SPAR, Zapalala are present especially in the big centres (Hwange and Victoria Falls). Their support in providing the food commodities to the market will be crucial. Close proximity to Zambia's	Prices are high in the district and need to be kept in check. The smaller markets in the district need to be better looked at in terms of support than the larger markets in Hwange and Victoria Falls as the volumes in the smaller markets are low

			cheaper maize is an advantage and a good source for the foods. The other main source is Bulawayo	
Lupane	Dandanda Lupaka Gomoza Jotsholo Lupane Centre St Pauls St Lukes	Cash with reservations	Lupane District finds itself on the Bulawayo-Hwange-Zambia trade route and therefore is very well serviced. Roads seem to be decent in the key markets. There seems to be possibility of wholesalers in Lupane supporting the distribution across the District.	The main reservations being: • Volumes found in markets are low but this could be due to low customer liquidity and would increase once more cash is available; • Poor network coverage which means that mobile-money might be difficult to use across the whole district especially in the more remote wards. • High fluctuation of prices across years shows that the district is a maize deficit/importing district meaning that prices on markets would need to be closely monitored to prevent that the cash intervention aliments food price inflation.
Nkayi	Gwelutshena Sebhumane Sikobokobo Simbo Zinyangeni Mpumelelo Mkalathi Gonye/ Manomano Nkayi Centre	Cash (with reservations)	Cash interventions in the District have already been undertaken successfully in past. There is therefore a recommendation on cash. Also the district is well connected	• Mobile network is average and some of the connecting roads/supply routes are in poor condition. • Cash can only be undertaken in the more accessible areas. There are some very remote areas where cash is not recommended.

			with roads and lies close Gokwe districts where grain is readily available. In fact the relatively low prices indicate that it is well serviced in terms of supply.	
Tsholotsho	Sipepa Jimila Godzo Mbamba Nkunzi Tsholotsho	Food-In kind	Weak private actors' support for the district. Only GMB present and only Tsholotsho would be possible for cash, the rest of the District is recommended for in-kind	GMB depot supports the whole district selling maize meal, pulses and cooking oil directly to retailers. Check the feasibility of GMB to distribute to the whole district. However, infrastructure (shops and storage) are present but volumes are low and with a poor supply route
Umguza	Bulawayo Mbembesi Ntabazinduna Insuza Nyamandlovu	Cash	Cash is recommended due to proximity to Bulawayo and the wholesalers found there. Infrastructure (road network, storage facility, ability of traders to increase stock) shows good consideration for cash	If direct cash to beneficiaries is to be used, traders' initial lack of access to credit and own capital may cause constraints in providing the required commodities ahead of the demand from consumers.

			interventions.	
Bulilima	Madhlambuzi	Cash	Well supplied from Bulawayo, infrastructure (roads, network, and storage capacity) is good and there are national wholesalers in Plumtree supporting the whole District. Distances are not far to walk and prices not high	The cereal for purchase in the cash intervention is to be maize meal, meaning the food basket value allocation will be slightly higher than if it was for maize grain.
	Ndolwane			
	Figtree			
	Norwood			
	Plumtree			
	Somnene			
	Marula			
	Dombodema			
	Bhagani			
	Khame			
Umzingwane	Esibomvu	Cash with reservations	Cash is recommended as markets in the District have good storage facilities; roads are decent and there is good supply route connectivity to Bulawayo	Two wards have no network coverage; Silobi and Khumbudzi. If cash is chosen for these wards, this will have to be cash in hand. Also supply route may be an issue for these two areas. Cash seems more feasible for the rest of the district.
	Shale			
	Silobi			
	Khumbudzi			
	Esigodini			
	Mawabeni			
	Mbalabala			
Gokwe North	Chitekete	Cash	Due to the difficulty of the roads which are more accessible with smaller trucks than with	• Low demand is due to the prevailing low price for cotton. • Police raiding traders which were hoarding maize grain forcing them to sell to GMB. This has forced the price for
	Chireya			
	Mashame			
	Gwebo			

	Chinyenyetu Nembudziya Gumunyu Tsungai		the larger trucks needed for in-kind transportation, cash is considered. Markets in the district have good storage capacity except for Mashame which also has poor network coverage. The rest of the district however would seem to be able to absorb a cash intervention	maize grain upwards. • Traders are prepositioning before the rainy season. This highlights that a cash intervention would have to start before the rains so that traders can bring in the required commodities ahead of time. • One ward (Mashame) has no network coverage and cash would have to be cash in hand which might be difficult in the rainy season. Supply route for the District is to Kadoma (200kms away) in Mash West rather than Gokwe South (60kms away) due to the bad roads.
Gokwe South	Manoti Sengwa Mateta 2 Masakadza Svisve Bomba Tongwe Krima	Cash	The recommendation is for cash as the District has its own supply of maize grain. The District also has a good road and mobile network. Many traders and wholesalers are also present. Constraints link more to liquidity and financial constraints which can be overcome with a	• The low price of cotton has depressed the demand for other commodities. • When demand increases traders have mentioned that maize meal prices increase at the wholesale level. Instead if demand increases they wouldn't increase the prices except if something changes up the line at the wholesale level.

			cash intervention.	
Mberengwa	Mberengwa Mbuyanehanda Jeka Dangamposi Mataga Ngungumbane Musume Keyara	Cash	The recommendation is for cash as there are many markets which are well stocked and with a good mobile phone network system. There are many traders as well as large wholesale traders in Mataga which cover the whole District. The main supply of food for the District is from Zvishavane which is close to the District. GMB is present in the district with 675MT destined for support to the vulnerable population in the District.	• Monitoring of prices is needed • Network in Keyara is limited. • The only network which is available across the district is EcoNet. NetOne and TeleCel have weak coverage. This is an issue to be taken into consideration when planning an intervention

Shurugwi	Chikato Mkandapi Donga/ Chachacha Tongogara Mpambadzire Chironde Dorset Gwanza	Cash	Many markets, good infrastructure (good roads, network coverage), many traders. The district is surrounded by 3 towns (Masvingo, Gweru, Zvishavane) and is well supplied. Door to door deliveries by national wholesalers (e.g. National Foods and GMB) are being undertaken. There is ample supply of food in the markets visited	Monitoring of prices is required
Zvishavane	Matenda Muzvondiwa Mapanzure Mabasa Wedza Vugwi Murowa Mimosa	Cash	Many markets, good infrastructure (good roads, network coverage), and many traders are present in the District. The district is surrounded by three towns	Many national wholesalers (National Foods, N.Richards, GMB, Pote) in the main town Zvishavane were not captured by the data collectors as the data collectors focused on the markets serving the vulnerable population. These large wholesalers can distribute oil and maize meal to the District. Extra volume quantities should be added to the figures from the

			(Bulawayo, Shurugwi and Masvingo) which supply the District with its required food supply. Door to door deliveries by national wholesalers (National Foods and GMB) are being undertaken. Pote (national wholesaler) also operates a big distribution network in the District. There is ample supply in the district for all required commodities (maize grain/meal; sugar beans and cooking oil).	data collected.
Chiredzi	Chiredzi town/ Gazaland Rupangwana Chilonga Chikombedzi Chisase Gezani Malipati	Cash/ Food in Kind	Highest number of food insecure people is found in the southern part of the District from Chilonga to Gezani. This area has poor infrastructure (bad roads, poor	Imports are generally from South Africa especially for the southern part of the District. However, currently South Africa is experiencing a bad harvest which may impact also on the foods coming into the District. The rainy season seriously impacts the functionality of the roads in the District cutting off the southern

			mobile phone network coverage, and low storage capacity in shops). It therefore works best for food in kind. The northern part of the District from Chiredzi Town upwards can function with cash/vouchers transfers	part of the District because of a low bridge which gets covered by a river in the wet season.
Mwenezi	Neshuro Matibi Maranda Bongo Heni Sovelele Makugwe Rutenga	Cash/ food in kind	Cash in markets/areas close to the main road as these areas were found to have good infrastructure (road, network coverage, supply volumes and storage capacity) and there is availability of national wholesalers in Neshuro and Rutenga. However, for areas covered by Heni, Sovelele and Makugwe	In Heni the locals are selling their livestock fast as there are no pastures and they require cash. This is an example of a negative coping strategy and shows that this year's drought is already having an effect on the households. Wholesalers based in Neshuro and Rutenga were eager to work with an Organization wanting to use cash or vouchers. For example National Foods has a big operation in Neshuro of up to 14MT of maize meal per week which is kept low due to the low liquidity levels of the customers but they could upscale considerably. Vouchers seen by key informants as a favorite methodology as it was noted that funds can be diverted by influential people.

			markets food in kind recommended as these markets are far away from main roads, infrastructure is weak with bad network coverage and few traders. Bongo is an IDP camp where people were re-located due to the construction of a Dam. The Bongo community depends heavily on food in-kind provided by GMB as they (Bongo community) have not cultivated yet.	
Zaka	Ndanga	Cash	The district is well serviced through Masvingo and Chiredzi for its supply. All markets are well connected through a good road and good mobile network	Ensure food is in the markets before transferring cash to beneficiaries as currently food volumes are low in markets. Many traders have had to cease operations due to the difficult economic times. It will be important to ensure that enough traders are available for the cash transfer system as in some markets the number of
	Gumbo			
	Jerera			
	Benzi			
	Chivamba			
	Vesa			

			coverage. Markets in this District also have good storage capacity. There are many wholesalers operating from Jerera can cover the whole district.	available traders was very low. When intervening do not bypass the local traders by only using the wholesalers as this could further crowd-out the local traders forcing them to all cease operations. Therefore, use wholesalers to provide to traders and beneficiaries to buy directly from the traders.
Mt Darwin	Mt Darwin Kamutsenzere Dotito Mukumbura Karanda Mutungagore Chahwanda Matope	Cash	There are two big wholesalers in the district, Nziramasanga and Pachedu. Pachedu supports small traders within the district through credit facilities.Basic commodities were readily available. Good roads net work and all weather access.	Overeliance on the credit facility from 1 wholesaler puts traders at risk in the event that the wholesaler ceases to operate.
Makonde	Chinhoyi Kenyega Lions Den Kenzamba Hombwe Sadoma Zumbara Shumba Mhangura	Cash	The commodities were available at most markets and within Mhangura a number of collectors were seen stocking maize to be moved to the	The prevailing movement of grain was favourable to farmers in the area and they were in turn making the traders viable.

			other regions of the country. Good and all weather road net work. Mobile money highly used	
Zvimba	Murombezi Kutama Marevanani Masiyarwa Chivhere Jari Chikambi Chikaka Mupumbu	Cash	The commodities were available at most markets. Proximity to Harare, Norton and Chinhoyi.Good all weather roads net work.Mobile money highly used.	The proximity to wholesalers has made traders prefer Chinhoyi, Norton and Harare rather than local wholesalers
Gwanda	Ntepe Manama Stanmore Nhwali Collem Bawn Mtshazo West Nicholson Selonga	Cash	Traders and wholesalers had adequate stocks of the basic commodities and there was constant supply/ deliveries from wholesalers that had confidence in their maize grain supply from Zambia. District has previous	The wholesalers (National foods, Sunset and GMB will continue to deliver/supply commodities constantly. Perceived diversion of cash at household level

			experience in cash/ vouchers.	
Matobo	Tshelanyemba St Joseph Mbemebswane Kezi Natisa Bazha Humbane Ntunjambili	Cash	Traders and wholesalers had adequate stocks of the basic commodities and there was constant supply/ deliveries from wholesalers.	The wholesalers (National foods, Sunset, and GMB will continue to deliver/supply commodities constantly. Domestic violence and perceived diversion of cash at household level.
Mangwe	Brunapeg Ngwizi Crossroads Khalanyoni Maninji Tshitshi Madabe Mambale	Cash	Traders and wholesalers had adequate stocks of the basic commodities. Traders had constant supply/ deliveries from wholesalers. District currently distributing harmonized cash transfers through DSW and no major security issues have been observed.	The wholesalers (National foods, Sunset, Sunshine , Mangwana Milling and GMB will continue to deliver/supply commodities constantly. The road maintenance will continue to make markets accessible
Masvingo	Mapanzure Mashava Nemanwa Rupike Zishumbe Musvosvi	Cash	Key markets had low stocks which could not sustain a cash/voucher assistance	Long distances to wholesalers for re-stocking and unavailability of some commodities.Perceived diversion of cash at household level

	Buka		modality. GMB has no capacity. Poor state of roads and poor network coverage	
	Nyikavanhu			
Gutu	Bhasera	Cash	N Richards is the main wholesaler. Commodities were available. Three quarters of the roads are accessible.	Most of the commodities are available at key markets to support a cash program.
	Mupandawana			
	Mawungwa			
	Nerupiri			
	Chitsa			
	Matizha			
	Tongogara			
	Chinai			
Bikita	Mashoko	Cash	Half of key markets had no mealie meal and sugar beans. 25% of the markets had high prices. Mashoko and Mukore roads were very bad.	Local wholesalers at times not able to meet demand hence traders prefer major towns. Domestic violence and perceived diversion of cash at household level. Price monitoring recommended.
	Nyika			
	Silveira			
	Baradzanwa			
	Mbuyanehanda			
	Chikuku			
	Pamushana			
	Mukore			
Insiza	Avoca	Cash	Commodities available at both trader and wholesaler level, and good road net work.	Distances to re-stocking wholesalers in Gwanda and Bulawayo if the one local wholesaler fails.GMB was closed.
	Silalatshani			
	Mahole			
	Nkankezi			
	Shangani			
	PBS			
	Mbondweni			
	Skuta			
Chivi	Ngundu	Cash	District is well connected to supplies of commodities from Zvishavane	Commodities available at key markets.Grain available at some markets
	Mhandamabwe			
	Takavarasha			
	Vuranda			
	Maringira			
	Chibi Turn Off			

	Nyaombe		(Pote) and Masvingo. Ngundu has local wholesalers and they also stock from South Africa. Roads are accessible	
	Madamombe			
Chirumhanzu	Charandura	Cash	The District has a good road network. Maize grain and sugar beans were rarely available in some markets due to low demand because of production in the local irrigation schemes. Traders get supplies from Masvingo, Gweru and Chivhu.	District has no local wholesaler. Prices need to be monitored.
	Chaka			
	Siyahokwe			
	Lalaphansi			
	Mavise			
	Holy Cross			
	Musena			
	Mapiravana			
Chipinge	Checheche	Cash	Basic commodities including maize grain was available at all markets. Source markets for grain within the district and easy access to wholesalers	Perceived diversion of cash at household level Average walking distance to nearest market is about 5km
	Tanganda			
	Tongogara			
	Chibuwe			
	Kondo			
	Chako			
	Chinyamukwakwa			
	Rimbi			

			within district. Good all weather roads and transport network.Mobile money services highly used.	
Buhera	Murambinda Birchenough Gaza Muzokomba Sosten Baravara Chigavakava Bhidhiri	Cash	Basic commodities including maize grain was available at all markets except Sosten. Easy access to wholesalers within district. Good all weather roads and transport network. Mobile money services highly used.	Due to the low prices offered by traders at the monthly Livestock markets, most shops were not well stocked. Case of misappropriation of funds(DSW) have been noted at Bhidhiri
Mutare	Riverside Zvipiripiri Marange Bezeley Bridge 22 Miles Chiyadzwa Mutsago Chitakatira	Cash	Basic commodities including maize grain were available at all markets . Easy access to wholesalers within district. Due to proximity to Mutare town , prices were reasonable. Good all	

			weather roads and transport network. Mobile money services highly used.	
Nyanga	Nyamaropa Ruwangwe Nyatate London Stores Nyanga Urban Mapato Tombo Nyautare	Cash	The markets in the district have the commodities readily available, and most of the markets are accessible which means beneficiaries can access the commodities	Maize grain and pulses were not readily available in the district as they were available at household level. Some roads are also briefly inaccessible during the rainy season but get back to normal within 2 days
Mutasa	Mutasa DC Watsomba Hauna Sagambe Zindi Penhalonga Shirikuru Sadziva	Cash	Good road network within the district, with commodities readily available in the districts	Maize grain and pulses were not readily available in the market as they were available at household level
Chimanimani	Nedziwa Chimanimani Kopa Chikukwa Mhakwe Chakohwa Hotsprings Nyanyadzi	Cash	Commodities readily available in the markets, with good and all weather roads	The district has some areas where commodities are not accessible for a few days when it is in the rainy season, and therefore supplies might be delayed leading to redution in stocks
Makoni	Nyazura Chitenderano	Cash	The markets in the district are	Whilst a majority of the markets visited had sufficient

	Rugoyi Headlands Mayo Chendambuya Devedzo Chinhenga		well stocked with the commodities. There is a good road network, with most of the markets connected to major roads that connect to the main source market in Rusape. The district has also been implementing a Cash Transfer programme through the MoPSLSW which is proving to be successful	stock of the commodities, a few like Devedzo had few commodities available in the form of cooking oil, and this needs to be considered when undertaking the intervention
Murehwa	Murehwa Centre Musami Cross Macheke Dombwa Kadzere St Peters Casino Dandara	Voucher	The district has markets that have all the commodities available, and is generally a food secure district. The voucher system will ensure that beneficiaries use the cash assistance for purposes for which it was given - to	Some of the roads become inaccessbile especially in the rainy season and this might present challenges for some of the markets in terms of having the commodities available

			purchase food in the local market	
Mutoko	Chidye Mutoko Centre Nyamuzuwe Corner Store Lot Dumaira Kagande Makosa	Food-In kind	Most markets visited had very few or no commodities, with most of them having only cooking oil as the only available commodity. District has largely a poor road network, with some of the markets in very remote areas and commodities being expensive	The poor road network for some of the markets might make in-kind assistance expensive as well as the limited network coverage in some parts of the district
Bubi	Siganda Lakona Woza Woza Balanda Lonely Mine Durban Famona Badala	Cash with Reservations	Markets in the district exist but there is limited competition on centres, with presence of a lot of migrant traders from Gokwe on most markets. The district also has Large Scale Commercial farms that produce grain	The shops are poorly stocked because of low demand and there is limited competition in most markets. Some of the areas also have limited network coverage

			and sells it to communities at reasonable rates (USD20/50kg). There is a road network although most markets are linked to their source by gravel roads.	
Gweru	Maboleni Ferewa/Gunde Muchakata Somabula Insukamini Nyame Ntamhlope Maodza	Cash	Competition exists across markets, and commodities are easily found, with all markets accessible throughout the whole year. There are a lot of migrant grain traders from Gokwe	The shops are poorly stocked because of low demand and there is low competition in some markets. There are also dominant players in the market
Kwekwe	Empress Tontororo Zororo Mkobogwe Joel Crossroads Loreto Wozoli	Cash	Markets are well connected to source markets and there is high competition on most markets. A lot of migrant grain traders from Gokwe exist. All commodities are found in the	Most traders do not stock maize meal and there is high competition on maize grain from traders coming from the Gokwe area

			markets. Good road network coverage from source markets and all markets are accessible throughout the year	
Chegutu	Chegutu Press/Matambo Gadzema Dzumbunu Mubaira Nyamweda Chingwere	Cash	3 of the commodities were mostly available, with maize grain only available in Chegutu, as all other districts did not have grain. Proximity to Harare makes the prices competitive, with most procurement done in Harare. Good road network, with easy access to wholesale markets in Harare and mobile services highly used.	The proximity to Harare helps in liberalising the prices, and this has meant that Chegutu is viewed as one of the key markets as it serves Wards 23, 25, 21, 24 and 28. The district has more markets which are located close to each other and hence the burden of walking for the households is quite limited
Sanyati	Kadoma Patchway Sanyati Nyimo Hozheri	Food-In kind	The markets are not functional, and hardly have the commodities,	Traders have no capacity as the shops are empty, with most consumers preferring to go and buy in Kadoma

	Vere Chakari Nyaonde Jompani		with a few having cooking oil. At Sanyati Centre, grain traders could be seen with the commodity which however, was sold out of the district. They were however a number of medium vendors and wholesalers in Kadoma like Zapalala, N Richards, National Foods, Blue Ribbons, GMB and TM	
Hurungwe	Karoi Magunje Zvipani Elephant's Walk Chidamoyo Mudzimu Kazangarare Kasimhuri Mwami Chivende	Cash	All commodities were available at most of the markets, with 3 GMB depots active in the district. A good road network in Hurungwe West with the other parts of the district having bad roads that are not accessible	Road network for the other parts of the district is quite compromised, and the areas with few shops have negligible and very few goods.

			during the rainy season.	
Centenary	Muzarabani St Alberts Chadereka Hoya Dambakurima Chawarura Machaya Hwata	Cash	The MoPSLSW is also implementing a Cash Transfer programme with much success, and it was agreed that the cash intervention gives households flexibility to choose preferred food types. In addition, direct food distribution is normally complicated and ends up benefiting undserving beneficiaries	Some shopping centres have one shop or small tuck shop that may pose challenges when rolling out cash intervention. Mobile phone network is not available in some areas making it difficult if mobile cash transfer is to be the selected modality
Bindura	Manhenga Nyave Bakanda Supa Cowley Dundry Ruyafalls Chiriseri	Cash	MoPSLSW also succesfully implementing the same program in the district, and most shops visited sell maize meal during peak lean periods,	There is need to increase awareness of the programme so as to mimise or eliminate the potential misuse of the cash, and proper monitoring mechanisms have to be put in place.

			and the modality is more efficient in targetting than direct distribution	
Mazowe	Nzvimbo Gweshe Howard Bare Shutu Chaona Ceasar Mine Jumbo	Cash	Selected because it is efficient in targetting, and MoPSLSW has implemented Cash Transfers successfully, with most shops that were visited having shown capacity to resond to increased demand rendering the modality viable	There is also need to increase awareness of the programme so as to avoid abuse of the funds, and take into consideration gender dimensions and ensure that women access the cash transfer as there will be reduced risk of misappropriation.

Annex 3: GMAZ Official Proposal to The Government of Zimbabwe on their 2015-16 Joint Maize Importation Plan

GMAZ
GRAIN MILLERS ASSOCIATION OF ZIMBABWE

Industry House, 31 Josiah Chinamano Street, Harare, Zimbabwe

28 July 2015,

Hon E.D. Munangagwa, MP
Vice President of the Republic of Zimbabwe
Chairman of the Cabinet Committee on Food Security
Munhumutapa Building
Samora Machel Avenue
HARARE.

Dear Hon Vice President,

RE: PROPOSED WHITE MAIZE IMPORTATION PROGRAM FOR 2015/6 BY THE GRAIN MILLERS ASSOCIATION OF ZIMBABWE.

On behalf of Grain Millers Association of Zimbabwe, the apex representative body of the grain milling industry, I am privileged and honored to submit to your office our proposed white maize importation program for the period from August 2015 to June 2016.

This proposal seeks to compliment the Government's efforts in mitigating the 700,000MT short fall. We respectfully write to procure your authorization for the immediate execution of this program. We are available at your earliest convenient time to answer to, or provide further clarification to any issues that you may require us to.

Thanking you in advance for your counsel and assistance. I am available on mobile nos 0772277103 or 0712422731.

Yours Faithfully,

T. Musarara
CHAIRMAN.

Cc **Hon Sen Dr. J Made, Minister of Agriculture Mechanization and Irrigation Development**

Dr. Sibanda, Chief Security to the President and Cabinet

Mr. Chitsiko, Permanent Secretary, Ministry of Agriculture Mechanization and Irrigation Development

GRAIN MILLERS ASSOCIATION OF ZIMBABWE (GMAZ) AND GRAIN TRADERS OF ZAMBIA (GTZ) PROPOSED JOINT MAIZE IMPORTATION PLAN 2015/6.

A Joint Paper by the Grain Millers Association of Zimbabwe (GMAZ) and Grain Traders Association of Zimbabwe (GTAZ), JULY 2015

1. **Background to the Milling Industry in Zimbabwe**

1.1 The Grain Millers Association of Zimbabwe (GMAZ) is the apex body of the milling industry comprising of more than 68 members in the business of wheat and maize milling.

1.2 The active installed capacity is 210,000MT and 102,000MT tons for maize and wheat milling respectively per month compared to an estimated monthly consumption of 117k and 30k of maize and wheat. Thus, Zimbabwe has excess milling capacity which ,on full recovery of local agriculture through contract farming initiatives amongst other measure, will be used for exports.

1.3 By-products of both maize and wheat milling are a cheap source of raw materials used for the manufacture of stock-feeds. Currently, the stockfeeds industry is importing these by products due to depressed milling capacity.

2. **Food Availability and Security**

2.1 Due to drought Zimbabwe will require 750,000 MT raw maize imports between now and the next harvest in June 2016.

2.2 The milling industry is adequately capitalised to assist in funding the importation of this product and and is ready to play its role in ensuring national food security at stabilised and affordable prices.

2.3 *Ceteris paribus*, the local millers will not increase the price of maize meal and its by-products. However, the importation of this quantum of product is a substantial logistical undertaking. Zambia grain traders have indicated that the current infrascture can only allow for 40,000MT per month.

3. Regional Maize Availability

3.1 Zambia is expected to have a maize surplus of 600-800k MT following this season's harvest (currently underway). It should be noted that there is substantial regional demand for this product from DRC, Malawi, Tanzania and Kenya all facing deficits.

3.2 South Africa has incurred a crippling drought and will only have a very moderate maize surplus this season. This surplus must be secured by no later than mid August 2015, by way of forwad contracts. White maize stocks is limited to only 430,000MT.

3.3 With the occurrence of El Nino looming, there is a very real possibility that if rains are erratic in the early part of the 2015-2016 , South Africa and Zambia may, out of abandon of caution, later in the year, ban or restrict white maize exports.

3.4 Failure to secure the South African maize within the indicated timeline, leaves Zimbabwe with no option but to import yellow maize through Beira, Maputo and Durban from source markets in South America. These imports would be both prohibitively expensive (estimate $400/MT) and the port capacity may also be inadequate to handle the required volumes. Consequently, stock feed supply will be severely comprised as they will be either expensive or not available. The contagion efffect of the same will cause supply reduction and price surges of eggs, milk, pork, beef, poultry and other related products.

4. Recommendation for Zimbabwean Maize Imports

The Grain Millers Association of Zimbabwe and the Grain Traders Association of Zambia met at the recently held Zimbabwe Food Conference and Expo 2015 and came up with the

following recommendations, with respect to the movement of Maize from Zambia into Zimbabwe, for immediate consideration by the two governments of Zimbabwe and Zambia;

4.1 The Grain Millers importation of the required 750,000 MT of maize over the next 10 months is a substantial undertaking. If this maize has to come from Zambia only, this equates to 2,500 of 30MT trucks every month or 84 trucks every single day at a rate of one truck per every 9 minutes. Accordingly, this volume cannot be loaded out of 1 country and must be supplied by multiple sources ,and also using the benefits of rail capacity as well.

4.2 Furthermore, imports must commence immediately so that the nation builds a stockpile before the peak demand period (January-April 2016).

4.3 We respectfully propose that 500,000MT to be imported from Zambia, into both the north of the country (using Chirundu) and the south (using Livingston/Vic Falls).

4.4 Further, 250,000MT of Genetically Modified Organism positive Maize to be imported into the south of the country from South Africa under supervised milling. There is very low tonnage of GMO free maize available in South Africa so this maize should be imported by millers with the ability to correctly handle the product as per the conditions stipulated by the National Biosafety Authority in order to avoid contamination of the local seed with GMO positive product.

4.5 The third country rule must be suspended inorder to allow South African truckers hauling freight into Zambia to pick maize and drop in Zimbabwe, enroute to South Africa.

4.6 Harmonisation of cross boarder grain statutory clearances of the two jurisdictions must be made inorder to reduce the clearance times from 28 days to possibly 3 days.

4.7 GMB to continue engaging private sector on possible PPP (Public Private Partnerships) on silos rehabilitation inorder to increase storage capacity in Bulawayo, Chegutu, Karoi, Aspindale, Lions Den, Mangunje, etc.

4.8 The government of the two republics must cause for the operation of Chirundu and Victoria Falls boarders ob 24 hours baisis inorder to increase flow of trucks into Zimbabwe.

4.9 A joint committee of private sector and governments (Zambia and Zimbabwe) must be established to oversee the full execution of the program.

ENDS///

***Source**: GMAZ*