1. Crop Situation and Outlook (cont'd)

Details of other 1984/85 crops are as follows (tonnes):

Groundnuts	33,796	
Sunflower	18,345	
Seed cotton	300,000	
Sugar	425,000	
Tobacco	117,000	
Soya bean	83,000	(deliveries to GMB only)
Rice*	10-12,000	

* Rice is grown under irrigation

2. Foreign Exchange Situation

1984 showed a favorable trade balance of payments resulting in an increase of 30% to the industrial sector for imports. However, debt servicing takes up a great deal of any exchange balance with the devaluation of the Zimbabwe dollar (1 Z$ to US$.58), contributing to this problem. As a result there is a shortage of foreign exchange to meet grain import requirements in times of drought. Zimbabwe still has a strict import control system to conserve much needed foreign exchange.

3. Fertilizer Situation

Fertilizer is formulated locally from various chemicals including sulphur and urea. The sulphur is imported from Canada. Ammonium nitrate is manufactured in Zimbabwe. Fertilizer requirements have been obtained in terms of countertrade with Eastern European countries. Foreign exchange limitations make the landed price at Harare the major factor in marketing of fertilizer products.

4. Import Mechanism

All grain imports are through the Grain Marketing Board (GMB).

5. Grain Industry Infrastructure

Storage capacity for grain crops continues to be a problem. Existing storage capacity is 4 million bags, less than half the total capacity of 10.5 million bags required. New facilities in the main centres are being planned with foreign aid. Storage facilities are built from brick and concrete which is available locally with handling/conveying equipment normally imported.

6. Government Policies Affecting Grain and Agriculture

Maize meal and bread are subsidized by the government. Increased prices to growers increase the financial burden on the government. The low 1984/85 pre-planting price for wheat is quoted as the sole reason for no additional hectares being planted. Minimum wage legislation has also increased production costs of certain crops and profits have been reduced to a marginal level.