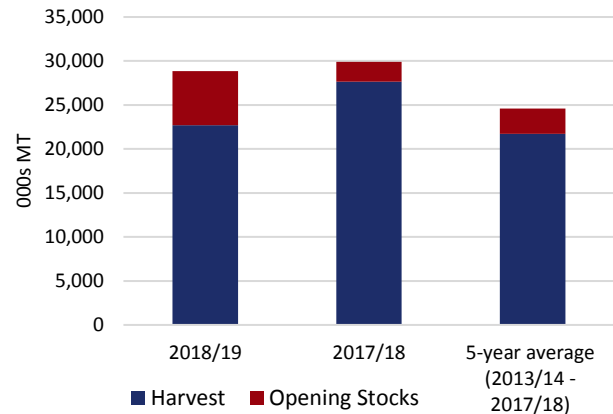


KEY MESSAGES

- The Southern Africa region has above-average maize supplies for the 2018/19 marketing year owing to high opening stock levels and above-average 2018 harvests in South Africa, the largest maize producer (**Figure 1**). The 2018 harvests were below average for several countries in the region due to dry spells that were experienced during the 2017/18 agricultural season.
- For a second consecutive year, the region will register a substantially higher than average maize surplus. Net maize supplies for the 2018/19 marketing year will be slightly lower than those of the 2017/18 marketing year but still at well above average levels.
- The 2018/19 surplus will satisfy national import requirements among structurally-deficit countries. Furthermore, given large surpluses and relatively low prices in South Africa, the largest maize exporter, the region is expected to export internationally to satisfy maize supply gaps in East Asia and Europe during the 2018/19 marketing year.
- Maize prices exhibited mixed trends in comparison to five-year average levels (**Figure 2**). In South Africa, Tanzania, Zimbabwe, Malawi and Mozambique prices are below or slightly above average while in Zambia, Madagascar and DRC prices are well above average levels. As the marketing year progresses, prices may rise to well above average levels in parts of Malawi and Mozambique, particularly the southern regions owing to below average supplies.

Figure 1. Regional maize supply estimates (000s MT)



Note: Figures presented in this chart include Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.

Source: FEWS NET estimates

Figure 2. Maize self-sufficiency status and July 2018 prices compared to 5 year average (2013/14 – 2017/18)



Source: FEWS NET estimates.

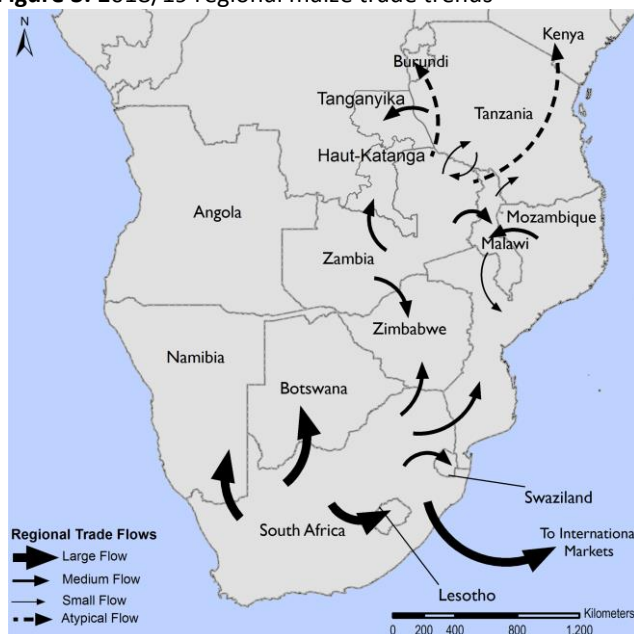
ABOUT THIS REPORT

The Famine Early Warning Systems Network (FEWS NET) monitors trends in staple food supply and price trends in countries at risk of food insecurity. The Regional Supply and Market Outlook report provides a summary of regional staple food availability, surpluses and deficits during the current marketing year, projected price behavior, implications for local and regional commodity procurement, and essential market monitoring indicators. FEWS NET gratefully acknowledges partner organizations, national ministries of agriculture, national market information systems, regional organizations, and others for their assistance in providing the harvest estimates, commodity balance sheets, as well as trade and price data used in this report. To learn more about typical market conditions in Southern Africa, readers are invited to explore the [Southern Africa Regional Maize Market Fundamentals Summary](#).

CURRENT MAIZE SUPPLY AND PRICES

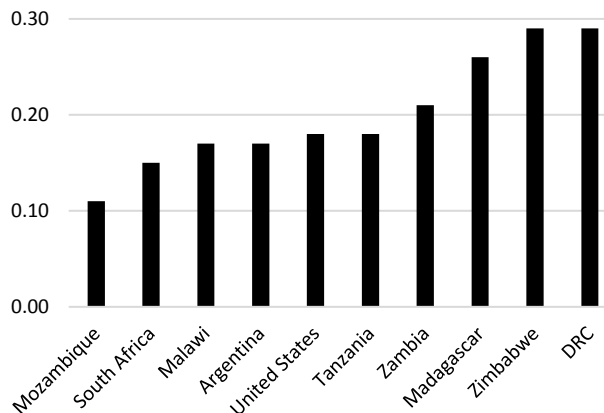
- Regional level opening stocks are significantly above average. They are particularly high in South Africa, Tanzania, Zambia, Zimbabwe and Malawi. Dry spells that characterized the 2017/18 rainfall season resulted in reduced maize harvests compared to the 2017 bumper crop.
- The 2018 maize harvest has been below average in Botswana (36 percent), Lesotho (31 percent), Malawi (8 percent), Zambia (20 percent) and Zimbabwe (12 percent) (**Annex 1**). While South Africa’s harvest is above average, it is 14 percent lower than the 2017 harvest. The region¹ has an average harvest and a well above average net maize supply.
- Formal and informal trade has continued to move surpluses around the region without major restrictions. Typical trade routes have been; South Africa to Botswana, Lesotho, Namibia, Swaziland, Mozambique and Zimbabwe; Zambia to DRC, Malawi, Tanzania and Zimbabwe; Mozambique to Malawi; Malawi to Tanzania (**Figure 3**). Maize volumes traded formally between South Africa, Zambia and grain deficit countries have been below average.
- With reduced supplies in Malawi, informal maize flows from Mozambique to Malawi have been very strong since the beginning of harvests in May. Volumes almost doubled relative to the same period last year. Maize flows traded informally from Zambia to Malawi have also been strengthening. On the other hand, maize flows from Zambia and Malawi to Tanzania have weakened due to improved supplies in the destination country. Outflows from Zambia to DRC have also been weak in comparison to the same time the previous year.
- South Africa has also been exporting internationally particularly to East Asia and Europe as the country has a large exportable yellow maize surplus. Following improved maize production during the 2017/18 agricultural season in the East Africa and Zambia’s restrictions on formal maize exports, outflows of maize grain flows from Zambia to the East African countries of Kenya, Burundi Rwanda, and Ethiopia have declined in comparison to 2017/18 marketing year volumes.
- Maize prices have generally been below or close to their respective five-year average levels in South Africa, Tanzania, Zimbabwe, Malawi and Mozambique. Exceptions to the trend have been Zambia, parts of Madagascar and eastern DRC where maize prices have been above average. In South Africa, maize prices are significantly below average and competitive in supporting international trade. In USD terms, maize grain prices have been lowest in South Africa, Malawi,

Figure 3. 2018/19 regional maize trade trends



Source: FEWS NET estimates.

Figure 4. Comparison of July 2018 maize grain prices (USD/kg)



Note: All prices have been converted to USD/kg for comparison. South Africa and United States price are FOB (export), Zambia and Tanzania prices are wholesale, while the rest are retail.

Source: FEWS NET and FAO GIEWS estimates.

¹ Report considers maize production and markets in Lesotho, Malawi, Mozambique, Zambia, and Zimbabwe, South Africa, Botswana, Namibia, and Swaziland in regional aggregates. Angola, Madagascar, Mauritius are not included while Tanzania and DRC are mentioned in the report but are not included in the regional aggregate

Mozambique and Tanzania while very high in Zimbabwe, DRC and Madagascar (**Figure 4**). Among regional exporters, Zambian maize has been the least competitive because of high export parity prices. Despite liquidity challenges in Zimbabwe, maize grain prices remain significantly below average.

- Government grain marketing institutions in the region had high opening stocks for the 2018/19 marketing year. The Grain Marketing Board (GMB) in Zimbabwe held a significantly above average stock level of close to 900,000 MT (141 percent above average) of maize from 2017 harvests and regional imports. Maize stocks in the Strategic Grain Reserve and Agricultural Development Marketing Corporation (ADMARC) in Malawi are also significantly above average (611 percent) at over 200,000 MT. The Zambian Food Reserve Agency (FRA) held over 800,000 MT of maize grain, which was 16 percent above average.

PROJECTED MARKET TRENDS FOR 2018/19

- The region is expected to have a substantial maize surplus given the above-average net supplies in surplus-producing countries of South Africa, Tanzania and Zambia (**Table 1**). Net maize supplies are above average in South Africa (245 percent), Angola (83 percent), while below average in Botswana (29 percent), Lesotho (19 percent) and Namibia (7 percent) and Zambia (44 percent). Zimbabwe will register a below average maize deficit owing to high opening stocks (**Annex 1-3**).

Table 1: Regional maize balance sheet (April 2018 – March 2019 in '000s MT)

	2018/19	2017/18	FEWS NET 5-year average (2013/14 – 2017/18)	percent change over one year	percent change over 5 year average	Change one year	Change 5-year average
Harvest	22,685	27,645	21,711	-18%	4%	▼	►
Opening Stocks	6,169	2,266	2,869	172%	115%	▲	▲
Supply	28,854	29,910	24,580	-4%	17%	►	▲
Requirements	22,822	23,239	21,934	-2%	4%	►	►
SGR Carry over	2,465	2,055	2,029	20%	21%	▲	▲
Net Supply	3,567	4,616	617	-23%	478%		
Self sufficiency	114%	129%	105%	-11%	9%	▼	▲

Note: This table considers data from Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.

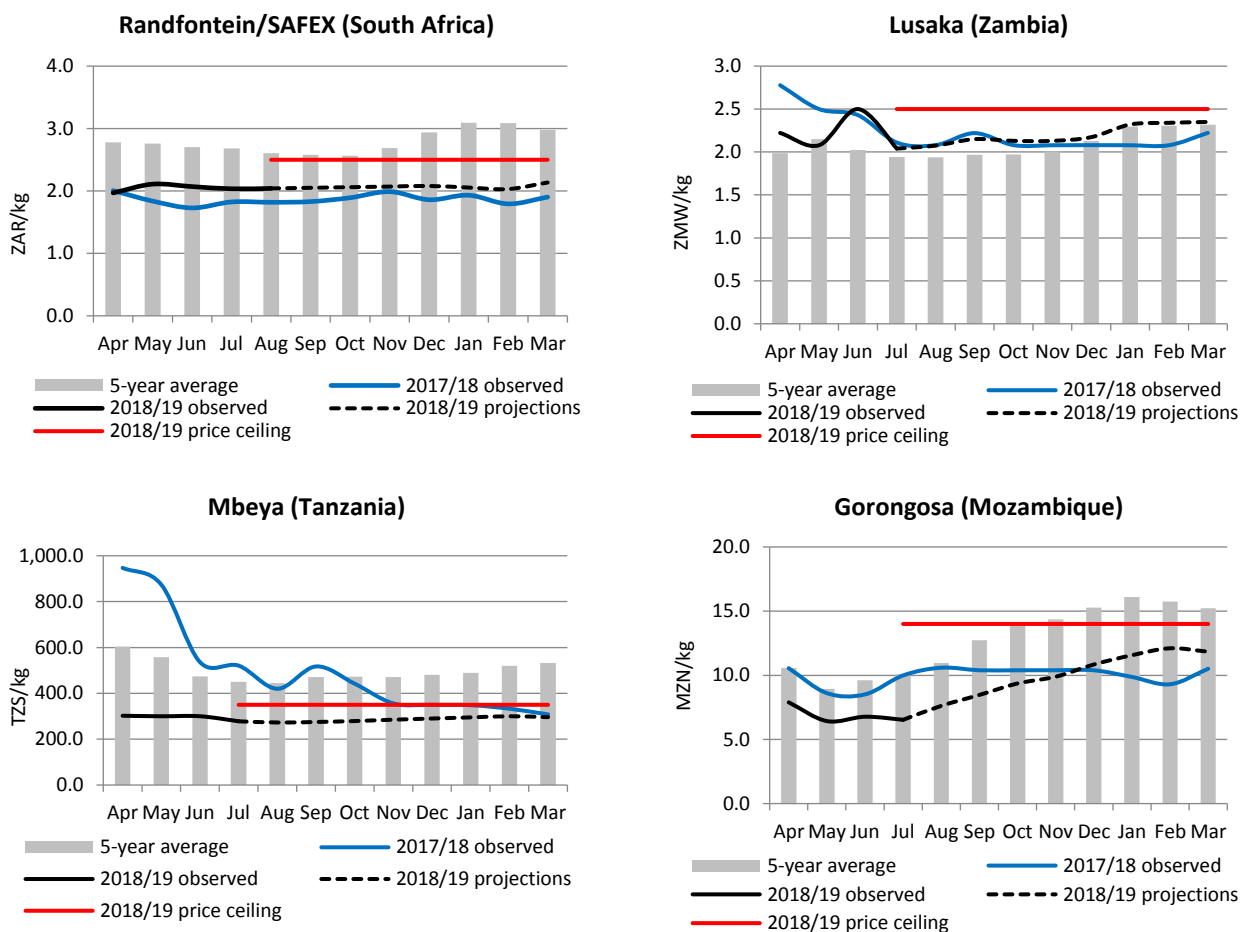
Source: FEWS NET estimates based on SAGIS, SADC, FAO/GIEWS, and Ministry of Agriculture data.

- Intra-regional maize grain trade particularly by South Africa will most likely satisfy deficits in countries such as Botswana, Namibia, Lesotho and Swaziland. Large yellow maize surpluses in South Africa will likely continue to be exported internationally to Asian and European markets. Zambia's trade with the East African market will likely weaken given improved supplies in the grain deficit countries of East Africa and competition from Tanzanian maize, which is cheaper.
- Informal maize trade volumes from Mozambique and Zambia to Malawi may strengthen in comparison to the previous marketing year due to reduced supplies in Malawi. On the other hand, outflows from Zambia and Malawi to Tanzania will most likely be weaker than those of the previous season given adequate supplies in Tanzania.
- On government market-based interventions, noteworthy is the Government of Zimbabwe's stance that private traders and millers can only procure maize from the GMB, which suppresses maize meal prices. The Zambian FRA will most likely purchase the targeted 500,000 MT of maize this marketing year. This elevated demand may exert pressure on prices that are already above average.
- Maize grain prices are expected to be near average or slightly above-average throughout the marketing year (**Figures 5 and 6**). Due to localized deficits in parts of Malawi and Mozambique, prices of maize are likely to increase well above

average levels. In Malawi this is likely going to be fueled by high price transmission from Zambia, which is going to be the main import market. However, ADMARC’s maize selling price of MWK 170 in Malawi is likely to cap prices. In South Africa, maize prices are likely to remain low throughout the marketing year owing to the large surplus. The liquidity crisis in Zimbabwe may restrict maize grain price movements.

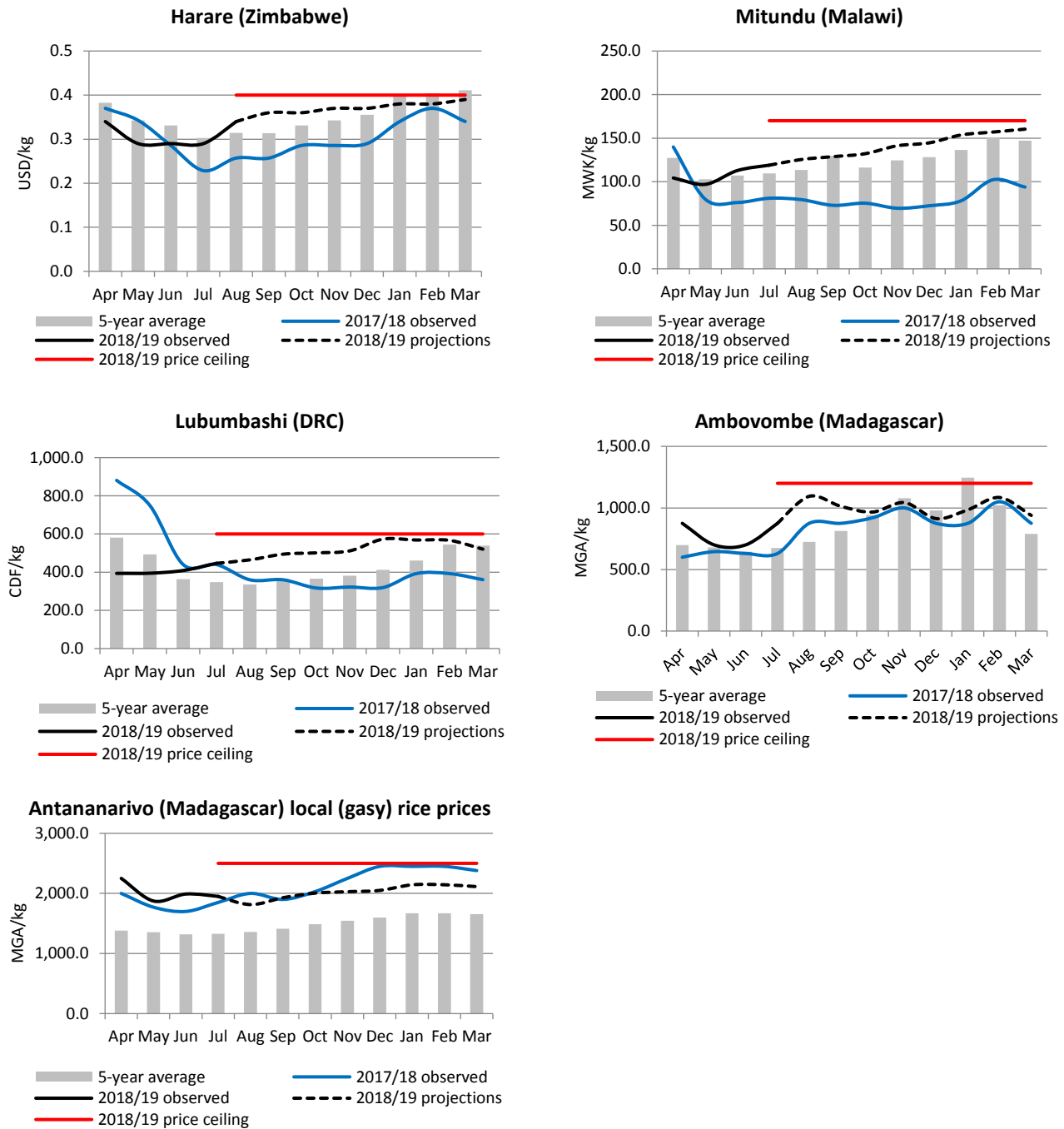
- El Nino conditions are expected for the 2018/19 rainfall season and will likely result in delayed harvests and reduced maize production levels. Thus maize grain prices in deficit countries may stabilize between March 2019 and April 2019 instead of declining as is typically the case prior to harvests.

Figure 5. Maize price projections for selected regional markets August 2018 - March 2019



Source: FEWS NET 2018

Figure 6. Maize price projections for selected regional markets August 2018 - March 2019



Source: FEWS NET 2018.

MARKET MONITORING INDICATORS FOR THE 2018/19 MARKETING YEAR

Indicator	Justification
International maize exports	South Africa will continue exporting to international markets. Stronger than anticipated export demand may draw on the surplus that would otherwise contribute to opening stocks for the 2019/20 marketing year. Exports should be monitored closely.
Regional maize trade flows	Regional maize grain (formal and informal) volumes from Zambia and South Africa will assure needs of maize deficit countries in the region. High prices in Zambia may be transmitted to Malawi. Formal and informal trade flows, as well as prices should be monitored closely.
SGR purchases and Government grain sales	Purchases for national SGR and sales by government grain agencies have the potential to affect market behavior significantly. Grain sales by ADMARC in Malawi have the potential to cap maize prices. Thus purchase quantities and prices should be monitored closely.
Currency fluctuations	<p>The behavior of regional currencies throughout the region vis-à-vis the USD may impact import and export parity prices.</p> <p>The macroeconomic context in Zimbabwe needs to be monitored closely as the liquidity crisis may influence maize price changes.</p>
Food assistance	Food assistance typically fills cereal gaps in countries such as Malawi, Mozambique, and Zimbabwe and should be monitored.

ANNEX 1: Maize balance sheets by country²

Country	Item	2017/18	2018/19	FN 5-year average (2013/14 – 2017/18)	percent change over one year	percent change over 5 year average	Change one year	Change 5 year average
Botswana	Harvest	16	11	17	-31%	-36%	▼	▼
Botswana	Opening Stocks	1	4	3	300%	16%	▲	▲
Botswana	Supply	17	15	21	-12%	-27%	▼	▼
Botswana	Requirements	221	269	208	22%	29%	▲	▲
Botswana	SGR Carry over	40	40	40	0%	1%	►	►
Botswana	Net Supply	-244	-294	-227	-	-	-	-
Botswana	Self sufficiency	7%	5%	9%	-25%	-44%	▼	▼
DRC – Haut Katanga	Harvest	149	149	149	0%	0%	►	►
DRC – Haut Katanga	Opening Stocks	0	0	0	0%	0%	►	►
DRC – Haut Katanga	Supply	149	149	149	0%	0%	►	►
DRC – Haut Katanga	Requirements	571	542	542	-5%	0%	▼	►
DRC – Haut Katanga	SGR Carry over	0	0	0	-	-	-	-
DRC – Haut Katanga	Net Supply	-422	-393	-393	-	-	-	-
DRC – Haut Katanga	Self sufficiency	26%	27%	28%	5%	0%	▲	►
Lesotho	Harvest	200	65	94	-68%	-31%	▼	▼
Lesotho	Opening Stocks	20	49	26	145%	89%	▲	▲
Lesotho	Supply	220	114	120	-48%	-5%	▼	▼
Lesotho	Requirements	245	264	250	8%	6%	▲	▲
Lesotho	SGR Carry over	2	0	2	-	-	-	-
Lesotho	Net Supply	-27	-150	-126	-	-	-	-
Lesotho	Self sufficiency	90%	43%	50%	-52%	-14%	▼	▼
Madagascar	Harvest	289	309	343	7%	-10%	▲	▼
Madagascar	Opening Stocks	0	0	0	-	-	►	►
Madagascar	Supply	289	309	343	7%	-10%	▲	▼
Madagascar	Requirements	552	523	523	-5%	0%	▼	►
Madagascar	SGR Carry over	0	0	0	-	-	-	-
Madagascar	Net Supply	-263	-214	-180	-	-	-	-
Madagascar	Self sufficiency	52%	59%	66%	13%	-10%	▲	▼
Malawi	Harvest	3,093	2,792	3,040	-10%	-8%	▼	▼
Malawi	Opening Stocks	302	561	79	86%	611%	▲	▲
Malawi	Supply	3,396	3,353	3,119	-1%	7%	►	▲
Malawi	Requirements	3,228	3,308	3,073	2%	8%	►	▲
Malawi	SGR Carry over	217	96	183	-56%	-48%	▼	▼
Malawi	Net Supply	-49	-51	-137	-	-	-	-

² Data for the 2017/18 marketing year (MY 2017/18) are FEWS NET estimates as of July 31st 2017; ► denotes less than or equal to 10 percent change; ▲ denotes greater than 10 percent increase; ▼ denotes greater than 10 percent decrease.

Country	Item	2017/18	2018/19	FN 5-year average (2013/14 – 2017/18)	percent change over one year	percent change over 5 year average	Change one year	Change 5 year average
Malawi	Self sufficiency	105%	99%	96%	-6%	2%	▼	►
Mozambique	Harvest	2,346	2,449	1,875	4%	31%	►	▲
Mozambique	Opening Stocks	40	122	122	205%	0%	▲	►
Mozambique	Supply	2,386	2,571	1,997	8%	29%	▲	▲
Mozambique	Requirements	2,330	2,319	2,319	0%	0%	►	►
Mozambique	SGR Carry over	10	8	8	-20%	0%	▼	►
Mozambique	Net Supply	46	244	-330	-	-	-	-
Mozambique	Self sufficiency	102%	110%	86%	8%	29%	▲	▲
Namibia	Harvest	62	59	57	-5%	4%	▼	►
Namibia	Opening Stocks	2	0	6	-	-	►	►
Namibia	Supply	64	59	63	-8%	-6%	▼	▼
Namibia	Requirements	163	157	157	-3%	0%	►	►
Namibia	SGR Carry over	10	10	10	0%	0%	►	►
Namibia	Net Supply	-109	-108	-101	-	-	-	-
Namibia	Self sufficiency	39%	35%	41%	-10%	-14%	▼	▼
South Africa	Harvest	16,067	13,801	12,419	-14%	11%	▼	▲
South Africa	Opening Stocks	1,095	3,689	1,530	237%	141%	▲	▲
South Africa	Supply	17,162	17,490	13,949	2%	25%	►	▲
South Africa	Requirements	11,805	11,709	11,420	-1%	3%	►	►
South Africa	SGR Carry over	1,273	1,306	1,233	3%	6%	►	▲
South Africa	Net Supply	4,084	4,475	1,296	-	-	-	-
South Africa	Self sufficiency	145%	134%	113%	-8%	19%	▼	▲
Swaziland	Harvest	98	113	82	15%	39%	▲	▲
Swaziland	Opening Stocks	0	0	3	-	-	-	-
Swaziland	Supply	98	113	84	15%	34%	▲	▲
Swaziland	Requirements	135	128	135	-5%	-5%	▼	▼
Swaziland	SGR Carry over	3	0	3	-	-	-	-
Swaziland	Net Supply	-40	-15	-54	-	-	-	-
Swaziland	Self sufficiency	73%	88%	63%	21%	40%	▲	▲
Tanzania	Harvest	5,347	5,250	5,484	-2%	-4%	►	►
Tanzania	Opening Stocks	298	885	334	197%	165%	▲	▲
Tanzania	Supply	5,645	6,135	5,818	9%	5%	▲	▲
Tanzania	Requirements	5,396	5,407	4,903	0%	10%	►	▲
Tanzania	SGR Carry over	270	150	294	-44%	-49%	▼	▼
Tanzania	Net Supply	-21	578	621	-	-	-	-
Tanzania	Self sufficiency	105%	110%	128%	6%	-14%	▲	▼

Country	Item	2017/18	2018/19	FN 5-year average (2013/14 – 2017/18)	percent change over one year	percent change over 5 year average	Change one year	Change 5 year average
Zambia	Harvest	3,607	2,395	2,996	-34%	-20%	▼	▼
Zambia	Opening Stocks	569	844	727	48%	16%	▲	▲
Zambia	Supply	4,176	3,239	3,723	-22%	-13%	▼	▼
Zambia	Requirements	2,497	2,198	2,364	-12%	-7%	▼	▼
Zambia	SGR Carry over	500	500	500	0%	0%	►	►
Zambia	Net Supply	1,179	541	959	-	-	-	-
Zambia	Self sufficiency	167%	120%	141%	-28%	-15%	▼	▼
Zimbabwe	Harvest	2,156	1,000	1,130	-54%	-12%	▼	▼
Zimbabwe	Opening Stocks	236	900	373	282%	141%	▲	▲
Zimbabwe	Supply	2,391	1,900	1,503	-21%	26%	▼	▲
Zimbabwe	Requirements	2,615	2,470	2,007	-6%	23%	▼	▲
Zimbabwe	SGR Carry over	0	0	151	-	-	-	-
Zimbabwe	Net Supply	-224	-570	-655	-	-	-	-
Zimbabwe	Self sufficiency	91%	77%	73%	-16%	5%	▼	▼

Source: FEWS NET estimates based on SAGIS, SADC, FAO/GIEWS, and Ministry of Agriculture data.

ANNEX 2: Regional maize balance sheet, including Tanzania (April – March) in '000 MT

	2018/19	2017/18	FN 5-year average (2013/14 – 2017/18)	percent change over one year	percent change over 5 year average	Change one year	Change 5 year average
Harvest	27,935	32,992	27,195	-15%	3%	▼	►
Opening Stocks	7,054	2,564	3,203	175%	120%	▲	▲
Supply	34,989	35,555	30,398	-2%	15%	►	▲
Requirements	28,229	28,636	26,837	-1%	5%	►	▲
SGR Carry over	2,615	2,325	2,323	12%	13%	▲	▲
Net Supply	4,145	4,595	1,237	-	-	-	-
Self sufficiency	113%	124%	106%	-9%	7%	▼	▲

Note: This table considers data from Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

Source: FEWS NET estimates based on SAGIS, SADC, FAO/GIEWS, and Ministry of Agriculture data.

ANNEX 3: Regional maize balance sheet, including Tanzania and DRC- Haut Katanga (April – March) in '000 MT

	2018/19	2017/18	FN 5-year average (2013/14 – 2017/18)	percent change over one year	percent change over 5 year average	Change one year	Change 5 year average
Harvest	28,084	33,140	27,344	-15%	3%	▼	►
Opening Stocks	7,054	2,564	3,203	175%	120%	▲	▲
Supply	35,138	35,704	30,547	-2%	15%	►	▲
Requirements	28,771	29,207	27,378	-1%	5%	►	▲
SGR Carry over	2,110	2,325	2,323	-9%	-9%	▲	▲
Net Supply	4,257	4,172	845	-	-	-	-
Self sufficiency	114%	122%	105%	-7%	8%	▼	▲

Note: This table considers data from all countries considered in Annex 2, in addition to DRC – Katanga.

Source: FEWS NET estimates based on SAGIS, SADC and Ministry of Agriculture data.