



ZIMBABWE

PRESS RELEASE

**FLOOR PRODUCER PRICES FOR STRATEGIC
COMMODITIES (MAIZE, TRADITIONAL GRAINS,
SOYABEAN AND SUNFLOWER)**

**FOR THE 2023 MARKETING SEASON, AND THE PRE-
PLANTING FLOOR PRODUCER PRICE FOR WHEAT FOR
THE 2023 WINTER SEASON**

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21 APRIL 2023

1. INTRODUCTION

1.1. Maize, traditional grains, soyabean, wheat and sunflower are strategic crops and play an integral role in the Zimbabwean economy. Floor producer prices and marketing arrangements for maize, traditional grains, soyabean, sunflower for the 2023 marketing season pronouncement is key to ensuring that farmers receive viable strategic crop producer prices. The wheat pre-planting floor producer price for the 2023 winter production season will incentivise farmers to commit more land under wheat production this season. The marketing and pricing system being proposed is consistent with achieving both food and nutrition security and macroeconomic stability.

1.2. DETERMINATION OF MAIZE, TRADITIONAL GRAINS, SOYABEAN AND SUNFLOWER FLOOR PRODUCER PRICES; AND THE WHEAT PRE-PLANTING PRICE

The floor producer price determination is based on the approved pricing policy which uses a standardised production model, cost-plus pricing model, an average yield level and a 15% margin above breakeven price. Submissions from various stakeholders were also taken into consideration.

2. MARKETING ARRANGEMENTS

The marketing and pricing system being proposed is “consistent with achieving both food security and macroeconomic stability”. The proposed marketing arrangement notes that there are four categories of farmers:

1. Farmers financed under the Climate Proofed Presidential Input Scheme (Pfumvudza/Intwasa)
2. Self-financed farmers.
3. NEAPS financed farmers supported by AFC and CBZ
4. Farmers financed by private contractors

The following marketing arrangements are being proposed;

- a) The proposed floor producer prices for maize, traditional grains, soyabean, sunflower and wheat are obligatory prices for commodities being purchased by the Grain Marketing Board (GMB).
- b) GMB will only purchase strategic commodities financed under the Presidential Input Programme as well as by self-financed farmers.
- c) All contractors including the Food Crop Contractors Association (FCCA), Commercial Bank of Zimbabwe (CBZ) and Agriculture Finance Corporation (AFC) are obligated to buy back contracted crops at market prices.
- d) Self-financed farmers will sell to the best advantage on the market or to GMB.

e) GMB will provide commercial warehouse receipt services to all players.

RECOMMENDATIONS

The following floor producer prices (minimum support prices) for the 2023 marketing season are approved;

1. A floor producer price of USD335/MT for maize paid to farmers by GMB as USD200 in foreign currency plus USD135 in ZWL at the interbank rate of every Tuesday.
2. A floor producer price of USD335/MT for traditional grains derived from the determined maize pre-planting floor producer price paid to farmers by GMB as USD200 in foreign currency plus USD135 in ZWL at the interbank rate of every Tuesday.
3. The GMB maize and traditional grains price to millers be USD368/MT paid as USD200 in foreign currency plus USD168 in ZWL at interbank rate of every Tuesday.
4. A floor producer price of USD580/MT for soyabean paid to farmers by GMB as USD348 in foreign currency plus USD232 in ZWL at the interbank rate of every Tuesday.

5. The GMB soyabean price to oil expressers be USD638/MT paid as USD348 in foreign currency plus USD290 in ZWL at interbank rate of every Tuesday
6. A floor producer price of USD696/MT for sunflower giving farmers a 20% premium above the soya bean floor producer price paid to farmers by GMB as USD418 in foreign currency plus USD278 in ZWL at the interbank rate of every Tuesday.
7. The GMB sunflower price to oil expressers be USD765.6/MT paid as USD418 in foreign currency plus USD347.6 in ZWL at interbank rate of every Tuesday.
8. A pre-planting floor producer price of USD520/MT for wheat.
9. The GMB exit price of wheat to millers for current stocks of wheat be reviewed to USD572/MT paid as USD300 in foreign currency plus USD272 in ZWL at interbank rate of every Tuesday.
10. That GMB be allowed to retain the mark-up after selling strategic commodities to millers to reduce over reliance on the fiscus for operational expenses.

11. That registered millers continue to be exempt from the retention specifically to purchase grain from registered contractors, self-contracted farmers, and GMB.
12. That all registered members of contractors be exempt from the retention and IMTT for the purchase of grain from their registered farmers and self-contracted farmers in order to ensure that there is a level playing field between GMB and the contractors.

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