

# **Africa is not a good maize export market for SA farmers right now**

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The favourable agricultural season for most African countries has not reached the corners of Kenya sufficiently. Kenya is one of the few African countries that will likely remain significant maize importers in the 2021/22 marketing year. Several countries such as Malawi, Tanzania, Zambia, Zimbabwe, Mozambique, and Ethiopia expect a large domestic harvest, which should reduce the import needs compared to the previous season and place some at the net exporting position.

A [report](#) released by the United States Department of Agriculture (USDA) on April 12, 2021, indicates that Kenya's 2020/21 maize production would likely increase marginally from the previous season to 4,0 million tonnes (this production year corresponds with the 2021/22 marketing year). Such a harvest falls short of Kenya's annual maize consumption of 4,5 million tonnes. Hence, imports are set to increase by 25% y/y to about 500 000 tonnes. This will primarily be white maize, which exporting countries such as South Africa will have in abundance for the 2021/22 marketing year.

Nevertheless, South Africa will not play a meaningful role in Kenya's maize market despite the expected supplies of white maize for export markets of 1,2 million tonnes in 2021/22. This is part of the expected total available maize supplies for exports of 2,8 million tonnes, with 1,6 million tonnes being yellow maize, which will likely be exported to Japan, South Korea and Taiwan.

Kenya still [prohibits](#) the importation and growing of genetically modified maize. This is a significant hindrance for South Africa as [roughly 80%](#) of maize grown in the country is genetically modified.

South Africa's maize export market will remain the domestic, neighbouring countries and the Far East market – mainly Japan, South Korea, and Taiwan. However, the neighbouring countries' maize imports demand will likely soften notably in the likes of Zimbabwe because of large domestic harvests and growing competition from Zambia.

To illustrate the improvement in domestic maize production in a few African countries this year, consider these estimates from the USDA; Zambia's 2020/21 maize production could reach 3,4 million tonnes (up 69% y/y). In comparison, Malawi's maize harvest is estimated at 3,8 million tonnes (up 25% y/y), Mozambique's maize crop is estimated at 2,1 million tonnes (up 8% y/y), Kenya's maize is forecast at 4,0 million tonnes (up 5% y/y). Tanzania's maize harvest is estimated at 6,3 million tonnes (up 8% y/y).

Given these available maize supplies for various African countries, Kenya will receive maize for the 2021/22 marketing year maize from the Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC). The primary incentive will not be so much a price decision. Rather a regulatory matter as the regions mentioned above produce non-genetically modified maize (an opposite of the South Africa situation). Importantly, Zambia and Tanzania will likely dominate Kenya's maize import list, as has been the case over the past decade.

In sum, the talk of growing maize import needs in Kenya will be of little value to the South African maize exporters. However, there will be ample supplies on the back of an expected second-largest maize harvest on record of 16,7 million tonnes. The ban on importing genetically modified crops remains a significant barrier for South African maize exporters to Kenya and several African countries. Only Zimbabwe has recently [reversed this ban](#) and opened a way for maize trade between the two countries. Such regulatory barriers are an example of issues that will likely persist regarding agricultural commodities, irrespective of the countries uniting under the African Continental Free Trade Area.

South African maize exporters should focus on the Far East markets, especially in the 2021/22 marketing year where available maize for exports could amount to 2,8 million tonnes, the largest volume since 1994/95. The African continent will not be a favourable maize export market for now.

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