Required Report: Required - Public Distribution **Date:** April 15, 2024

Report Number: RH2024-0001

Report Name: Sugar Annual

Country: Zimbabwe

Post: Pretoria

Report Category: Sugar

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Report Highlights:

Cane production in Zimbabwe is forecast to increase in MY 2024/25, as major dams have sufficient volumes to supply irrigation water to cane-producing regions. Production will also be supported by carry-over cane due to the late start to the MY 2023/24 harvests after a contractual dispute between growers and millers. Post expects sugar production will also improve due to increased cane quality and the expectation of timely deliveries. The government of Zimbabwe introduced a sugar tax on sweetened beverages and a 15 percent VAT on refined sugar, which may have a slight effect on consumption, but the reinstatement of the import duty of sugar is expected to boost domestic sales for Zimbabwean sugar producers. Zimbabwe is expected to fully utilize its allocation of the U.S. sugar tariff-rate quota in FY 2024.

Background

Sugar cane in Zimbabwe is grown under irrigation in the lowveld (low-lying) areas of Triangle and Hippo Valley, which are located in the Chiredzi District of Masvingo Province, as shown in **Figure 1**. "Lowveld" describes areas at an elevation of between 500-2,000 feet above sea level. About 80 percent of Zimbabwe`s sugar cane crop is produced by two large estates: Triangle Sugar Estate and Hippo Valley Estate. Private producers, including large- and small-scale farmers, produce the remaining 20 percent of the country's sugar cane crop. Private growers include all the individual farmers who are not part of the Triangle and Hippo Valley Estates.

There are two sugar mills in Zimbabwe: Hippo Valley Estates Ltd and Triangle Sugar Estates Ltd. The two mills have a combined sugar production capacity of about 640,000 metric tons (MT) and installed milling capacity of 4.8 million MT of sugar cane per year. Tongaat Hulett owns 100 percent of the Triangle Sugar mill and 50.5 percent of the Hippo Valley mill. The remaining 49.5 percent of the Hippo Valley mill shares are publicly owned through the Zimbabwe Stock Exchange. The Hippo Valley mill only produces raw sugar, while the Triangle Sugar mill produces raw sugar and about 20 percent of the total refined sugar in Zimbabwe.

Zimbabwe has two sugar refineries: Triangle Sugar Refinery and Star Africa Sugar Refinery Ltd, an independent sugar refinery based in Harare. Star Africa produces about 80 percent of the total refined sugar in Zimbabwe, including bottler-grade white sugar (premium refined sugar that has been graded). The Star Africa refinery has the capacity to produce 180,000 MT of refined sugar annually, while the Triangle refinery can produce 140,000 MT of refined sugar per year.

The Zimbabwe Sugar Association is the highest decision-making authority on issues regarding sugar cane growers and sugar millers, including sugar cane pricing and policy advocacy. In addition, the Zimbabwe Sugar Association Experiment Station (ZSAES), which is funded by sugar sales, conducts research on sugar cane varieties, pests, and diseases.

Due to diverse interests and regular disagreements, there are at least 10 associations representing private growers, as shown in **Figure 2**. The Zimbabwe Sugar Sales Company (ZSSC) was founded by growers and is the main organization that exports and sells sugar to the Star Africa and Triangle sugar mills for further processing.

Zimbabwe currently has 14 commercial varieties of sugar cane approved for planting. On October 12, 2023, the Zimbabwe Sugar Association Experiment Station released 8 new varieties. While the industry seeks to limit any single variety to less than 40 percent of planted area to minimize and diversify risk, the N14 variety currently accounts for about 54 percent of total production. One of the new varieties, ZN10, has been gaining popularity with farmers because of its high sucrose content. Although the industry had agreed to limit the production of ZN10 to 10 percent of planted area due to its fine particles that can flood mill diffusers and reduce extraction efficiencies, this variety is estimated to account for at least 27 percent of total sugar cane production in the country. Other ZN varieties [ZN3L, ZN8, ZN9] account for about 14 percent of sugarcane production.

The main diseases of concern in Zimbabwe include smut, ratoon stunting disease (RSD), leaf scald, brown rust, orange rust, and sugar cane yellow leaf. The main pests of concern include eldana moths, sugar cane yellow aphids, and black maize beetles. Viral diseases in crops are not closely monitored or controlled. As part of the industry's biosecurity and risk-mitigating strategy, the ZSAES routinely scouts for pests and diseases in all sugar cane farms, including subsistence farms that produce chewing sugar cane.

Figure 1: Location of the Sugar Cane Growing Areas and Mills in Zimbabwe

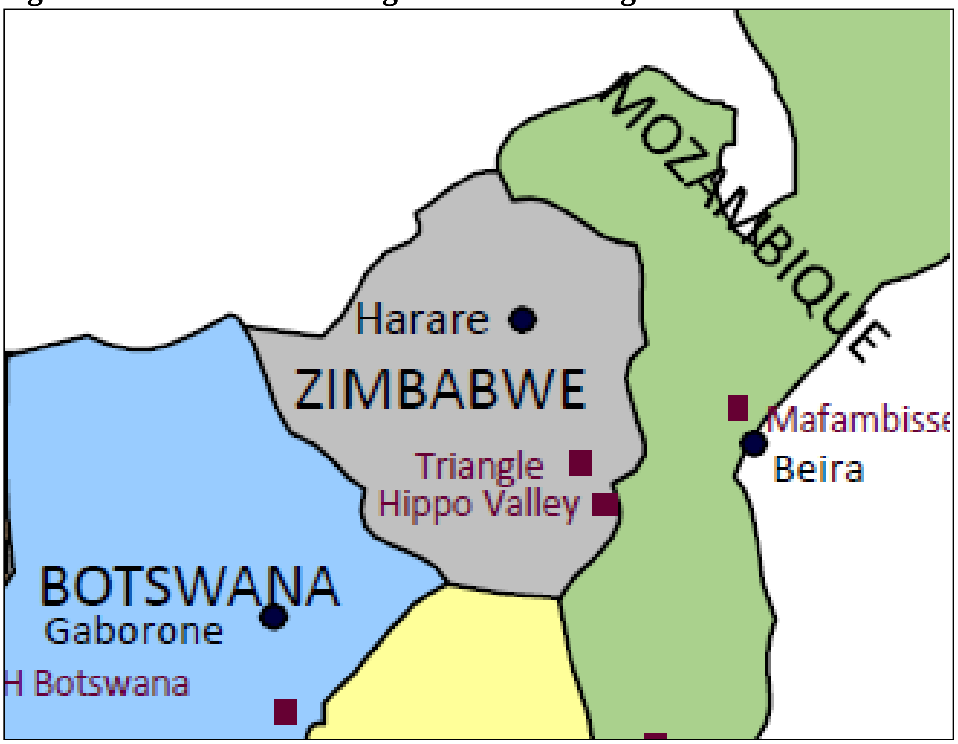
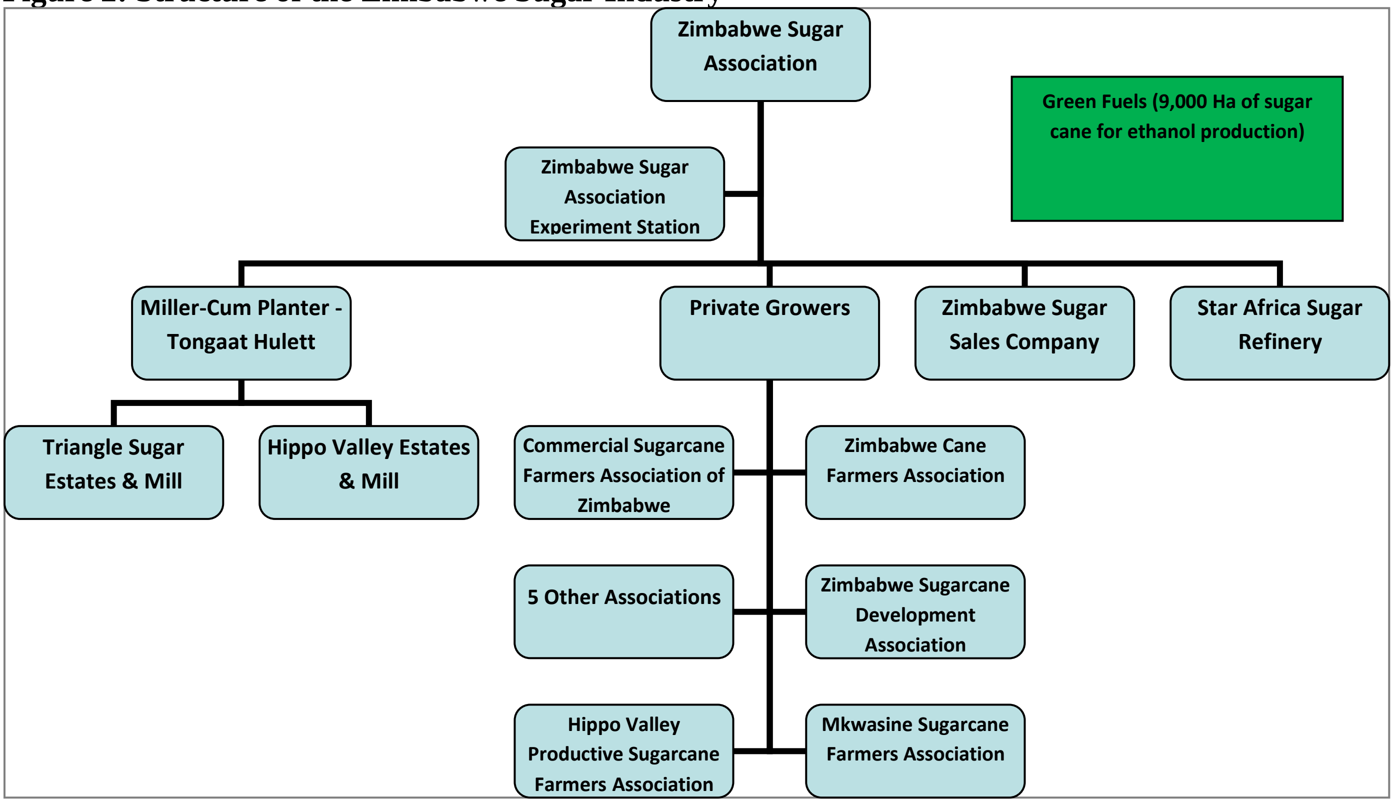


Figure 2: Structure of the Zimbabwe Sugar Industry



Source: Zimbabwe Sugar Association

The market year (MY) for sugar cane is April-March, while the sugar marketing year is considered May-April,

Sugar Cane

Production

Post forecasts area under cane production will remain unchanged at 54,350 hectares (ha) in MY 2024/25 as producers are focusing on replanting area already under production to improve cane quality. Growers continue to be constrained by increasing production costs and a changing policy environment, which limit the expansion of planted area. Zimbabwe uses a multi-currency system anchored by the U.S. dollar. Utilities such as electricity, water, fertilizers, and chemicals are pegged to the U.S. dollar, thus making these costs more expensive, especially as the Zimbabwe dollar continues to weaken. Additionally, growers are no longer able to claim VAT on the purchase of some inputs. Post contacts confirm that producers also face challenges from the increased cost of labor and fuel for transporting cane to mills, which further erodes profit margins. The cost of borrowing is also high, limiting cash flow for expansion.

Post forecasts sugar cane production in MY 2024/25 will rebound by 6 percent to 3.34 million MT on rebounding yields, carry over cane, and timely harvesting as the season commences. Additionally, some growers are continuing aerial spraying to control for yellow leaf aphids and improve yields. Production in MY 2023/24 is revised downwards to 3.17 million MT, showing an 8 percent drop from MY 2022/23. Cane production in MY 2023/24 was affected by the yellow leaf aphid, which is known to cause losses to yield and sugar content at harvest. At the beginning of the season in MY 2023/24, harvesting was delayed by about six weeks due to a contractual dispute between growers and millers. Once the dispute was resolved, mills experienced congestion of deliveries and mill breakdowns, which contributed to high cane carry over. Post contacts reported that about 3,995 ha of cane was carried over to MY 2024/25.

Production in MY 2022/23 is revised downwards to 3.45 million MT on new information about the extent of damage in areas affected by yellow aphids. Additionally, farmers were unable to apply optimal amounts of fertilizer and chemicals due to high input costs. Heavy intermittent rains led to water-logged fields compromising cane yield and caused delays in harvest, which affected sugar content in the cane.

Table 1 shows dams supplying water to major cane producing regions. The Tugwi-Mukosi and Mutirikwi dams supply about 72 percent of total sugar cane area, followed by Manjireni (24 percent) and Manyuchi (4 percent). Zimbabwe declared a national disaster over an El Nino-induced drought on April 3, however sugar cane in Zimbabwe is irrigated and a majority of dams have sufficient water volumes to support sugar cane irrigation for MY 2024/25. Post contacts report that producers who receive water from Manjirenji dam plan to irrigate at 60 percent to ensure water supply throughout the season and cane production in that area will still be at average volumes.

Table 1: Levels of Dams Supplying Irrigation Water to the Sugar Industry

Dam Name	Full Volume (Cubic Meters)	% Full on					
		2-Apr-19	2-Apr-20	23-Mar-21	22-Apr-22	13-Feb-23	06-Mar-24
Tugwi Mukosi	1,802,600	59	42	104	100	91	85
Mutirikwi	1,378,080	52	40	96	100	97	97
Manjirenji	274,170	83	71	96	80	53	48
Manyuchi	30,600	77	51	102	100	84	84

Source: Zimbabwe National Water Authority

Table 2 provides statistics on Zimbabwe's sugar cane production and yields from MY 2014/15 to forecast yields in MY 2024/25. While average yields are estimated at 73.6 MT/Ha in MY 2023/24, the variation in yields in the country ranged widely from 4 MT/Ha for poorly performing farms to about 200 MT/Ha for well managed sugar estates.

Table 2: Zimbabwe Sugar Cane Production and Yields

Marketing Year	Area Planted (Ha)	Area Harvested (Ha)	Cane Crushed (MT)	Yield (MT/ha)
2014/15	44,749	43,121	3,856,000	89.4
2015/16	44,952	43,094	3,348,000	77.7
2016/17	45,339	43,500	3,483,000	80.1
2017/18	45,245	41,000	3,101,000	75.6
2018/19	47,055	45,000	3,582,994	79.6
2019/20	48,937	46,000	3,562,000	77.4
2020/21	53,000	47,000	3,543,771	75.4
2021/22	54,000	47,000	3,450,000	73.4
2022/23	54,000	43,000	3,452,873	80.3
2023/24*	54,350	43,022	3,165,058	73.6
2024/25**	54,400	45,000	3,357,595	74.6

Sources: Zimbabwe Cane Farmers Association and Post Forecasts
*Post Estimate **Post Forecast

Table 3: Production, Supply, and Distribution (PSD) Table for Sugar Cane

Sugar Cane for Centrifugal	2022/2023		2023/2024		2024/2025	
Market Year Begins	Apr 2022		Apr 2023		Apr 2024	
Zimbabwe	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	54	54	54	54	0	54
Area Harvested (1000 HA)	43	43	44	43	0	45
Production (1000 MT)	3453	3453	3500	3165	0	3358
Total Supply (1000 MT)	3453	3453	3500	3165	0	3358
Utilization for Sugar (1000 MT)	3384	3384	3431	3096	0	3289
Utilizatn for Alcohol (1000 MT)	69	69	69	69	0	69
Total Utilization (1000 MT)	3453	3453	3500	3165	0	3358
(1000 HA) ,(1000 MT)						

Sugar:

Production

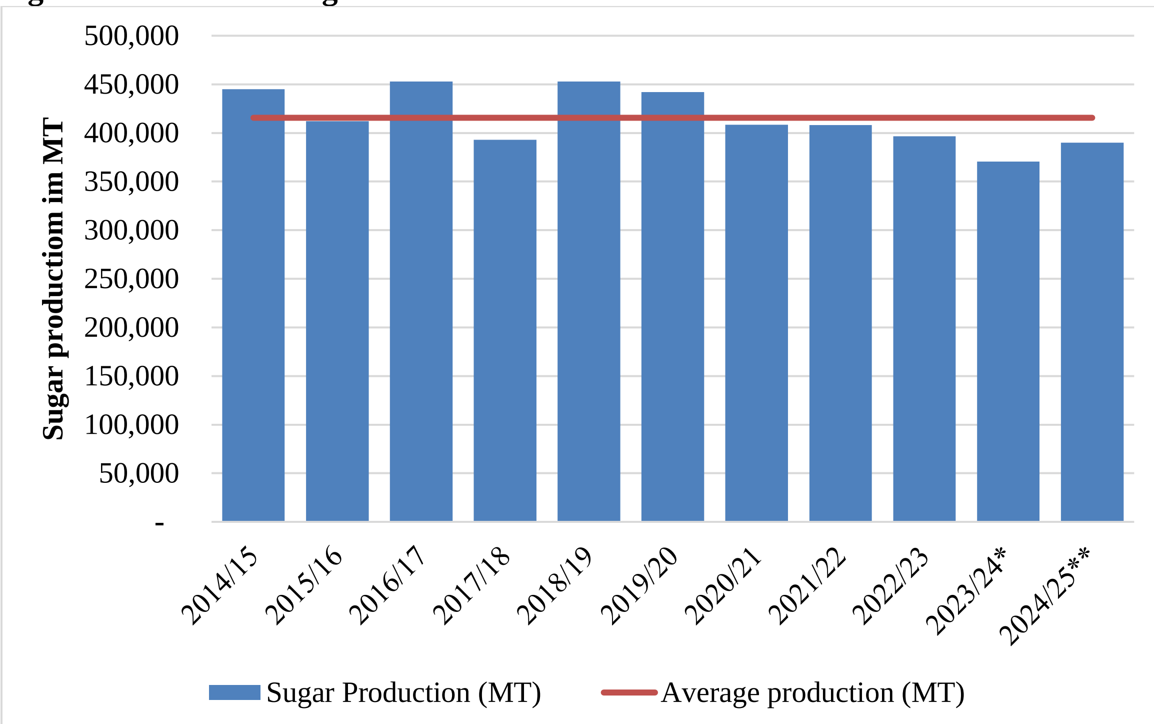
Post forecasts sugar production will rebound by 5 percent in MY 2024/25 to 390,000 MT based on an expected increase in cane deliveries and quality, stable milling efficiency, and a rise in available working capital following the reinstatement of sugar import duties in Zimbabwe. In MY 2023/24, cane was delivered almost 8 weeks after the crushing season started due to a payment dispute between millers and growers. However, the start to milling for MY 2024/25 is expected to start in a timely manner, which will likely boost sugar production for the year. Post expects improved milling performance in MY 2024/25, as millers had sufficient time to conduct the requisite off-season maintenance.

In MY 2023/24, mills experienced equipment breakdowns that affected cane intake and sugar production. In MY 2022/23, the government relaxed import duties to reduce price inflation on essential products, including sugar, leading to a surge in sugar imports. Competition with cheaper imports reduced sales revenue for sugar produced in Zimbabwe. The resulting cash flow squeeze left insufficient funding for off-crop maintenance, causing a decline in milling performance in MY 2023/24. Additionally, Zimbabwe faced significant power cuts lasting for about 12-24 hours a day, affecting millers as they have some reliance on power supplied by the national grid. Some of the cane moves to the mills by rail, and towards the end of the crushing season Post contacts report that there were significant rail breakdowns, which affected delivery time and cane quality. Therefore, Post revises downwards the MY 2023/24 production estimate to 371,000 MT, a 7 percent drop from MY 2022/23.

One refinery suspended operations for about three months following significant increases in raw sugar price increase, operating costs and stiff competition against imported sugar, which led to working capital challenges. As a result, the refinery experienced a drop in the production of its refined sugar to about 84,000 MT, down from 110,000 MT in MY 2022/23. Post contacts expect that refined sugar production from the refinery this MY will rebound to 105,000 MT, in line with average production on the back of a reinstated import duty.

Figure 3 shows that Post's forecast for MY 2024/25 remains below the 10-year industry average and has not returned to the peak production of 453,000 MT achieved in the MY 2016/17

Figure 3: Zimbabwe Sugar Production



Sources: Zimbabwe Cane Farmers Association, Zim Sugar Sales and Post Forecasts
*Post Estimate **Post Forecast

Sugar recovery/extraction rate refers to the amount of sugar obtained from a metric ton of sugar cane, expressed as a percentage. **Table 4** shows that the sugar-to-cane ratio is forecast to remain at 11.7 percent in MY 2024/25.

Table 4: Zimbabwe Sugar Production and Mill Sugar Recovery Rates

Marketing Year	Cane crushed (MT)	Sugar Production (MT)	Sugar/Cane Ratio (Percentage)
2014/15	3,856,000	445,000	11.5%
2015/16	3,348,000	412,000	12.3%
2016/17	3,483,000	453,000	13.0%
2017/18	3,101,000	393,000	12.7%
2018/19	3,582,994	452,972	12.6%
2019/20	3,562,000	442,000	12.4%
2020/21	3,543,771	408,518	11.5%
2021/22	3,450,000	408,000	11.8%
2022/23	3,452,873	396,683	11.5%
2023/24*	3,165,058	370,600	11.7%
2024/25**	3,357,595	390,000	11.6%

Sources: Zimbabwe Cane Farmers Association and Post Forecasts
*Post Estimate **Post Forecast

Consumption

Post estimates that in MY 2024/25 domestic consumption of sugar is expected to drop by 9 percent in response to higher sugars prices based on the reinstated import duty (see policy section). Additionally, the Zimbabwean government introduced a 15 percent Value Added Tax (VAT) on refined sugar as of March 1, 2024, which will also cause refined sugar prices to rise. Further, inflation and exchange rate volatility continue to erode consumer purchasing power in Zimbabwe. Annual inflation is reported to have surged to 47.6 percent in February 2024, from 34.8 percent in January 2024.

Domestic consumption of sugar in MY 2023/24 is revised upwards to 395,000 tons, an increase of 4 percent from MY 2022/23. The Zimbabwean government introduced Statutory Instrument 80 in 2023, which allowed duty-free imports of sugar between May 2023 and January 2024, leading to a rise in the supply of sugar in the market. Post contacts report that there were about 40-50 brands of imported sugar available in Zimbabwe in MY 2023/24. Imported sugar is usually traded below the cost of Zimbabwean production, making it cheaper than locally produced sugar. Additionally, sugar produced in Zimbabwe must comply with labelling and Vitamin A fortification regulations, while some imported sugar did not comply with those requirements, further undermining price levels of domestic production. Post contacts report that there was a roughly 15 percent price differential between imported and locally produced sugar. This resulted in revenue loss and cashflow constraints for millers and cane producers, as consumers chose to purchase cheaper imported sugar.

Post revises MY 2022/23 consumption figures upwards to 381,000 tons on confirmed industry figures. Additionally, the government relaxed import duty on sugar, which led to an influx of cheaper sugar in the market and drove up consumption. Post contacts report that there were 17 imported sugar brands on the market in Zimbabwe in MY 2022/23.

The two main categories of sugar consumers in Zimbabwe are manufacturers (beverages, confectioners, bakers, and pharmaceuticals) and private households. White sugar makes up about 30 percent of domestic sugar consumption, while brown sugar accounts for the remaining 70 percent. Independent sugar refinery Star Africa has significantly improved its processing capacity in terms of the quality and volume of refined sugar that it produces, including bottler-grade sugar (premium refined sugar that has been graded).

The industry currently sees minimal impact from the use of alternative sweeteners by some beverage producers, as the quantities utilized are still low.

Trade:

Exports

Post forecasts that sugar exports will drop by 58 percent to 50,000 MT, back to normal export averages after Zimbabwe reinstated its import duty, increasing domestic demand and leading to more sales on the local market. The government of Zimbabwe requires exporters to convert 25 percent of export receipts into the local currency, which discourages exports, as revenue from foreign sales lose some of their value due to the conversion requirement while the local currency continues to lose value against the U.S. dollar.

MY 2023/24 sugar exports surged to 139,000 MT, up 140 percent compared to the previous year as sugar producers increased exports in the face of challenges in the domestic market due to the influx of cheaper imports. Increased export volumes were also supported by an additional allocation of U.S. sugar quota and higher global sugar prices due to adverse weather impacts in other sugar-producing countries, leading to an 18 percent increase in global sugar prices. Post also revises sugar exports to 52,000 MT in MY 2022/23 on newly available industry data. For Post's forecast and estimates, refined sugar has been converted to raw value using a factor of 1.07.

Table 5: Zimbabwe's Raw Sugar Exports in Tons

Zimbabwe Exports to the World Commodity: 170111/170112/170113/170114					
	May – April			Year to Date: May - Jan	
Reporter	**MY 2021/22**	**MY 2022/23**	**%Δ**	**MY 2022/23**	**MY 2023/24**
Total	**50,200**	**51,148**	**2%**	**43,609**	**124,010**
Mozambique	13,500	21,564	60%	16,714	67,713
United States Consumption	13,087	17,751	36%	17,751	18,331
Botswana	18,609	11,829	-36%	9,140	12,972
Namibia	4,944	4	-100%	4	
Zambia	60	0	-100%	0	
EU 27	0	0	-	0	24,994

Source: Trade Data Monitor, LLC.

Table 6: Zimbabwe's Refined Sugar Exports*

Zimbabwe Exports to _World Commodity: Refined Sugar, HS170191, HS170199 May – Apr			
Reporter	**Unit**	**MY 2021/22**	**MY 2022/23**
_Total	**RV#**	**8,725**	**6,805**
Kenya	RV	3,344	6,805
Namibia	RV	5,345	0
South Africa	RV	36	0

Source: Trade Data Monitor, LLC. *Mirror data

 # Refined sugar volumes in this table have been converted to raw value using a factor of 1.07.

Imports

Post expects Zimbabwe's MY 2024/25 sugar imports will drop by 66 percent to 31,000 MT in response to the reinstated import duty, which will drive down the demand for imported sugar. From May 2023 through January 2024, the Zimbabwean government removed import duties for various products to increase supply in the market and control for hyperinflation. Zimbabwe uses the U.S. dollar, so exporters entered the market to earn in dollar terms, even if it was below their cost of production. This caused a 165 percent hike in sugar imports for MY 2023/24 compared to the previous year. However, with the tariff reimposed as of February 1, 2024, Post expects a return to more typical import volumes. Imports by Zimbabwe in MY 2023/24 came mostly from South Africa.

Table 7: Zimbabwe's Raw Sugar Imports

Zimbabwe Imports from the World Commodity: 170111/170112/170113/170114					
	May – April			Year to Date: May - Jan	
Reporter	**MY 2021/22**	**MY 2022/23**	**%Δ**	**MY 2022/23**	**MY 2023/24**
Total	**2,365**	**6,336**	**168%**	**5,346**	**28,019**
South Africa	4	4,018	100,350%	4,017	14,477
Zambia	1,484	1,230	-17%	240	8,673
Malawi	180	1,088	504%	1,088	2,134
India	0	0		0	1,053
United Arab Emirates	0	0		0	540
Brazil	0	0		0	530
Mozambique	687	0	-100%	0	180
Saudi Arabia	0	0		0	162
Botswana	0	0		0	162
Eswatini	0	0		0	108

Source: Trade Data Monitor, LLC.

Table 8: Zimbabwe's Refined Sugar Imports

Zimbabwe Imports from _World Commodity: Refined Sugar, HS170191, HS170199							
Partner Country	**Unit**	May - Apr			Year to Date: May - Jan		
		MY 2021/22	**MY 2022/23**	**%Δ**	**MY 2022/23**	**MY 2023/24**	**%Δ**
_World	**RV#**	**14,007**	**27,826**	**99%**	**13,618**	**60,014**	**341%**
South Africa	RV	7,901	15,556	97%	8,704	16,269	87%
India	RV	0	5,451		0	6,570	
Eswatini	RV	1,436	3,342	133%	1,596	1,170	-27%
Mauritius	RV	3,029	1,849	-39%	1,727	7,515	335%
Brazil	RV	36	1,266	3,417%	1,229	4,440	261%
Mozambique	RV	0	257		257	0	-100%
Botswana	RV	0	105		105	324	209%
UAE	RV	0	0		0	12,233	
Malawi	RV	0	0		0	6,829	
Thailand	RV	0	0		0	535	
United States	RV	0	0		0	289	
Zambia	RV	1,605	0	-100%	0	3,839	

Source: Trade Data Monitor, LLC.

 # Refined sugar volumes in this table have been converted to raw value using a factor of 1.07.

Closing Stocks

Post forecasts that closing stocks will increase slightly to 108,000 MT in MY 2024/25, up from 105,000 MT in MY 2023/24, based on the expected increase in sugar production and a drop in exports. All the sugar produced in each marketing year is considered sold at the end of the season, as the industry must share revenue between growers and millers per the agreed “division of proceeds” formulas used by the milling companies and industry. Ownership of closing stocks is usually held by wholesalers, retailers, refineries, and to a limited extent, the Zimbabwe Sugar Sales Company. Larger closing stocks, especially those held by the Zimbabwe Sugar Sales Company pose a cost challenge to the industry, as growers and millers must pay for the storage of such sugar.

Table 9: Production, Supply, and Distribution (PSD) Table for Sugar

Sugar, Centrifugal	2022/2023		2023/2024		2024/2025	
Market Year Begins	May 2022		May 2023		May 2024	
Zimbabwe	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	186	186	295	178	0	105
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	397	397	410	371	0	390
Total Sugar Production (1000 MT)	397	397	410	371	0	390
Raw Imports (1000 MT)	3	6	3	28	0	5
Refined Imp.(Raw Val) (1000 MT)	15	28	7	62	0	26
Total Imports (1000 MT)	18	34	10	90	0	31
Total Supply (1000 MT)	601	617	715	639	0	526
Raw Exports (1000 MT)	19	51	19	125	0	50
Refined Exp.(Raw Val) (1000 MT)	7	7	6	14	0	8
Total Exports (1000 MT)	26	58	25	139	0	58
Human Dom. Consumption (1000 MT)	280	381	284	395	0	360
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	280	381	284	395	0	360
Ending Stocks (1000 MT)	295	178	406	105	0	108
Total Distribution (1000 MT)	601	617	715	639	0	526
(1000 MT)						

Trade Policy and Regulations:

U.S. Sugar Quota

The United States allows duty-free access for Zimbabwe sugar exports under the sugar tariff-rate quota (TRQ) program. For FY 2024 (October 1, 2023-September 30, 2024), Zimbabwe received an initial TRQ allocation of 12,910 MT, and an additional allocation of 6,601 MT (total of 19,511 MT for FY 2024). Zimbabwe usually fully utilizes its sugar quota as prices in the U.S. market remain attractive compared to other countries. Post expects that Zimbabwe will fully utilize its allocated TRQ volume for FY 2024.

Customs Duties

In 2014, the Zimbabwe government instituted a 10 percent customs duty plus $100/MT surtax on all sugar imports from countries outside of Southern African Development Community (SADC) and the Common Market for Eastern and Sothern Africa (COMESA) in a bid to protect the local industry from an influx of sugar imports from countries such as Brazil and India. In May 2022, the Zimbabwean government suspended custom duties on basic commodities, including sugar, for a period of six months (until November 2022) to combat serious supply shortages in the market. The tariff was then re-instituted on November 16, 2022, at 10 percent customs duty plus $100/MT surtax on all sugar imports from countries outside of SADC and COMESA.

To control for food price inflation, the Zimbabwean government again suspended import duties on essential goods (sugar, cooking oil, corn meal, milk, rice, flour, salt) from May 23, 2023, to February 1, 2024. Now that the duty on sugar has been reinstated, the Zimbabwean sugar sector expects to see a rebound in domestic sales, complimented by a decrease in exports.

Levy on Sugar Content of Beverages

The Zimbabwean Minister of Finance in a national budget speech on November 30, 2023, announced the introduction of a tax on beverages containing added sugar. The Zimbabwean government cited health concerns linked to high sugar consumption as the main reason for imposing the tax. A levy of $0.02 per gram of added sugar in beverages went into effect on January 1, 2024. Post contacts shared that the tax was reduced to $0.001 per gram for specified beverages.

Import Permits

In 2014, the Zimbabwean government confirmed that no import permits would be issued for raw sugar from countries outside of SADC and COMESA. However, the import permit restriction does not apply to sugar imports intended to satisfy the requirements for bottler-grade sugar. Zimbabwe believes that there is an untapped market for sugar in African countries, and the prospective implementation of the African Continental Free Trade Area (AfCFTA) could present market opportunities. It is unclear whether the import permit restriction will be loosened to comply with AfCFTA implementation rules.

Domestic Retail Sugar Price Support

Star Africa Corporation, an independent refinery, supplies the majority (at least 80 percent) of refined sugar in Zimbabwe. To maintain low retail prices for sugar in Zimbabwe, the government negotiates a fair price at which Star Africa buys raw sugar from the sugar mills. As a result, Star Africa is also required to obtain permission from the government to increase the wholesale and retail prices of refined sugar sold in Zimbabwe.

Ethanol Production

Zimbabwe introduced mandatory blending of fuel with ethanol in 2011. Currently, minimum mandatory blending of vehicle fuels with ethanol is 20 percent, but the level varies depending on the domestic supply and availability of ethanol. Green Fuels had a monopoly in the production and supply of ethanol for fuel blending purposes. However, Triangle Sugar recently entered into a partnership with the National Oil Company of Zimbabwe, to produce and market ethanol for fuel-blending purposes. There are about 11 companies with licenses to blend ethanol into gasoline for retail sale at the pump.

Post estimates that total annual ethanol production in Zimbabwe ranges between 40 million to 120 million liters. The volume varies based on changes in sugar cane production, the quality of sugar cane, and factory efficiencies. Green Fuels has about 9,000 ha under cultivation for sugar cane for the sole purpose of ethanol production. The company has the capacity to produce about 120 million liters of ethanol annually. Fuel-grade ethanol produced by Triangle Sugar is a complementary product to sugar and is produced from molasses, a co-product of sugar production. This makes ethanol produced by Triangle Sugar cheaper (but also less efficiently produced) than the ethanol produced by Green Fuels from fermentable sugar. Triangle Sugar’s ethanol production is estimated to range from 20 to 50 million liters annually.

Vitamin A Fortification

In 2017, the Zimbabwean government implemented a regulation for the mandatory fortification of household sugar with Vitamin A. This regulation was passed as part of the Zimbabwe National Food Fortification Strategy 2014-2018, which is aligned to the National Food and Nutrition Strategy for Zimbabwe that serves as a guideline to both policy and implementation levels to prevent micronutrient deficiencies. The strategy was developed to address the micronutrient deficiency burden in the country as revealed by the 2012 Zimbabwe Micronutrient Survey. According to the survey, 19 percent of children aged 6-59 months are Vitamin A deficient.

Project Kilimanjaro

Project Kilimanjaro is an initiative by the Zimbabwean government, Tongaat Hulett, and private banks to assist up to 1,070 private farmers supplying cane to mills to increase productivity on their 22,822 ha by increasing yields to at least 100 MT/ha by MY 2023/24. The project plans to develop 4,000 ha of virgin land into new sugar cane fields to benefit 200 new farmers on a full cost recovery basis, creating 2,000 new jobs. About $17.1 million has been spent to date with 2,700 ha of virgin land cleared, storage dams and water canals built, water pumps installed, and 455 ha planted to cane.

Report Sources:

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Tongaat Hulett – https://www.tongaat.com/
Zimbabwe Sugar Association Experiment Station – https://www.zsaes.org.zw/
Zimbabwe National Water Authority – http://www.zinwa.co.zw

Attachments:

No Attachments