



Zimbabwe Vulnerability Assessment (ZimVAC)

Market Assessment Report 2016



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2016 Market Assessment Report

FOREWORD

The Market assessment is a critical component of the Food and Nutrition Security Information System (FNSIS) in Zimbabwe which provides credible and reliable information to inform programming and policies. The Zimbabwe Vulnerability Assessment Committee (ZimVAC) undertook the 2016 Market assessment to determine and monitor among other issues, the functionality of the food market systems (especially cereals market system) and make recommendations to the Government and Development Partners on the best modality of assistance for each geographical area.

ZimVAC recognises that markets are an important component of the food security equation due to the fact that most household's dependant of the market for part or all of their food needs. This market dependency is greater following a drought, particularly one as bad as the El Niño induced drought experienced in the 2015/16 agricultural season. In that regard, the findings of the Market assessment will be critical in informing the responses for the 42% of the rural population (about 4.1million people) that was projected to be food insecure at the peak of the January – February 2017 hunger season.

As this is the second Market assessment, with the first having been undertaken in 2015, the 2016 assessment will also be critical in updating the findings of the 2015 Market assessment. It is pleasing to note that the recommendations from the inaugural assessment were used to inform the current food and nutrition security interventions.

We submit this report to you all for your use and reference as you work towards addressing the prevailing food and nutrition security challenges in our rural communities.



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Special thanks goes to WFP which provided the funding for the exercise; to FNC, the Ministry of Agriculture, Mechanisation and Irrigation Development, the Ministry of Public Service, Labour and Social Welfare, National AIDS Council, Ministry of Youth Indigenization and Economic Empowerment, Ministry of Women Affairs, Gender and Community Development, Ministry of Health and Child Care, Ministry of Rural Development, Promotion and Preservation of National Culture and Heritage, ZIMSTAT, WFP, FAO, Care International, ENSURE, AMALIMA, World Vision, UNICEF, Red Cross and FEWSNET for providing enumerators and vehicles for the exercise; to UNICEF, Care International, ENSURE and World Vision for providing the required android operated tablets for the assessment; and to the Technical Working Group (FNC, MoPSSW, MoAMID, WFP, FEWSNET, MoHCC, Red Cross, DFID and USAID) for their financial and technical contributions from the assessment review, analysis and refinement of the data collection tools to data analysis and report writing. WFP and UNICEF provided the smart tablets that were programmed used to collect data and WFP provided the electronic platform for data aggregation during data collection.

Sincere appreciation goes to the District Food and Nutrition Security Committee and District Drought Relief Committee members for providing invaluable key market information, which guided the selection of the key markets that were assessed. In addition, we would also like to thank the Provincial Coordinators from the eight rural provinces for their support during the assessment and participation in the report writing exercise.

Our sincere gratitude also extends to the traders and key informants in various markets who generously gave their time to provide the required information and without whom the assessment would not have been successful.

ACRONYMS

CBT	Cash Based Transfer
C&V	Cash and Vouchers
FAO	United Nations Food and Agriculture Organization
FEWSNET	Famine Early Warning System Network
FNC	Food and Nutrition Council
FNSC	Food and Nutrition Security Committee
GMAZ	Grain Millers Association of Zimbabwe
GMB	Grain Marketing Board
KG	Kilograms
KCal	Kilocalorie
Km	Kilometers
Lt	Litres
MoAMID	Ministry of Agriculture, Mechanization, and Irrigation Development
MoPSSLW	Ministry of Public Service, Labour and Social Welfare
MT	Metric Tonne
USD	United States Dollars
WFP	United Nations World Food Programme
WVI	World Vision International
ZIMSTAT	Zimbabwe National Statistics Agency
ZimVAC	Zimbabwe Vulnerability Assessment Committee
DFID	Department for International Development
USAID	United States Agency for International Development

CONTENTS

Executive Summary	10
1. Background	11
1.1 The Economy	11
1.2 Food Availability	12
1.2.2 Agricultural Production	12
1.2.3 Cereal Production Trends	13
1.2.4 Food Imports	13
1.3 Food and Nutrition Security	14
1.4 Food Assistance	15
1.5 Cash Based Transfers in Zimbabwe	16
2. Objectives, Methodology and Limitations	17
2.1 Objectives	17
2.2 Methodology	17
2.3 Limitations	18
3. Food Market Structure, Conduct and Import Requirements.....	20
3.1 Maize Market Structure	20
3.2 Maize Market Conduct	20
3.3 Sources of Maize Grain	21
3.4 Level of competition of maize grain traders	22
3.5 Level of Competition of Mealie Meal Traders	23
3.6 Ease of Doing Business in Zimbabwe	23
3.7 National Cereal Balance Sheet	23
3.8 GMB Activity	24
4. Market Accessibility	25
5. Traders and Markets Characteristics	27
5.1 Trader Characteristics	27
5.1.1 Type of traders interviewed	27
5.1.2 Gender of Business Owner	27
5.1.3 Frequency of Operating and Number of Years in Business	28

5.1.4 Traders with Bank Accounts:	29
5.2 Volumes Traded	29
6. Price Analysis and Price Volatility	32
6.1 Price Setting Behavior	32
6.2 Price Trend and Seasonality	33
6.3 Spatial maize prices by District	35
6.4 Price Volatility	36
7. Response Capacity and Constraints	38
7.1 Trader Capacity to Meet Demand	38
7.2 Restocking Frequency	39
8. Trader constraints	40
9. Credit and Payment Options	41
9.1 Credit Facilities to Clients	41
9.2 Traders Accessing Credit Facility to Run Business	42
9.3 Use of Mobile and Plastic Money	42
9.4 Mobile Network Coverage	43
10. Livestock	46
10.1 Prices	46
10.2 Cost of compliance	48
11. Agricultural Inputs	49
11.1 Availability of Seeds	49
11.2 Availability of Fertiliser	51
12. Recommended Market Intervention Modality Options	52
13. Conclusions and Recommendations	53
Annex 1: Markets Covered by the Assessment	56
Annex 2: Average Quantities Purchased per Week by Trader Size	60
Annex 3: Intervention Modality Selection by Market	61

LIST OF FIGURES

Figure 1: Zimbabwe GDP Annual Growth Rates	12
Figure 2: Cereal Production Trends	13
Figure 3: 2016/17 Regional Maize Balance Sheet by Country ('000 MT)	14
Figure 4: Food Insecurity Trends (2002 to 2016)	14
Figure 5: Household Dietary Diversity Score in May 2016	15
Figure 6: Current Modality for Food Assistance by Non-State Agencies by District	16
Figure 7: Market Assessment Districts and Markets Covered	18
Figure 8: Zimbabwe Maize Grain Trade Flow Diagram	21
Figure 9: Maize Grain Sources	22
Figure 10: Level of Maize Grain Competition	22
Figure 11: National Level of Competition of Maize Meal Market	22
Figure 12: Road Type to Market Source	23
Figure 13: Accessibility of Markets by Month	25
Figure 14: Type of Traders Interviewed	26
Figure 15: Gender of Business Owner	27
Figure 16: Business Operating Days per Week	27
Figure 17: Number of Years Business Has Been Operating.....	28
Figure 18: Traders Operating Throughout the Year	28
Figure 19: Traders with Bank Accounts	29
Figure 20: Current Maize Grain Stocks	29
Figure 21: Current Stocks of Unrefined Mealie Meal	30
Figure 22: Price Setting for Maize Meal by Province	31
Figure 23: Price Setting for Maize Grain by Province	32
Figure 24: Nominal National Average Monthly Prices: Maize Grain (USD/KG)	32
Figure 25: Maize Grain Grand Seasonal National Price Index Data Covering 2010-2016	33
Figure 26: Forecasted Maize Grain Price for 2015-16 (USD/KG)	34
Figure 27: Maize Grain Prices by District: September 2016	34
Figure 28: Mealie Meal Average Prices by District	35
Figure 29: Maize Price Volatility	36

Figure 30: Basic Commodity Price Change with 25% Increase in Demand	37
Figure 31: Traders' Capacity to Meet Increased Maize Grain Demand	38
Figure 32: Traders' Capacity to Meet Increased Pulses Demand	38
Figure 33: Traders' Capacity to Meet Cooking Oil Demand	38
Figure 34: Traders' Capacity to Meet Mealie Meal Demand	39
Figure 35: Traders' Capacity to Restock	39
Figure 36: General Operational Constraints at National level	39
Figure 37: Main Constraints Preventing Traders from Substantially Increasing Existing Business by Province..	40
Figure 38: Main Constraints Preventing Traders from Substantially Increasing Existing Business	40
Figure 39: Proportion of Traders Offering Credit to Clients	41
Figure 40: Proportion of Traders by Type Offering Credit to Clients	41
Figure 41: Proportion of Traders Accessing Credit to Run Business	42
Figure 42: Proportion of Traders Accepting Plastic Money	42
Figure 43: Proportion of Traders Accepting Mobile Money Payments by Province	43
Figure 44: Proportion of Traders That Reported Good Econet Quality of Network	43
Figure 45: Proportion of Traders That Reported Good Netone Quality of Network	44
Figure 46: Proportion of Traders That Reported Good Telecel Quality of Network	44
Figure 47: Methods Used to Determine Livestock Prices	45
Figure 48: Cattle Prices per Province: September 2016	46
Figure 49: Cattle Prices by District: September 2016	46
Figure 50: Goats Prices by District	47
Figure 51: Small Livestock Prices: September 2016	47
Figure 52: Maize Seed Availability by Province	48
Figure 53: Maize Seed Availability by District	49
Figure 54: Maize Seed Prices: September 2016	50
Figure 55: Proportion(%) of Traders selling Fertilizer by Province	50
Figure 56: 2016 Assessment Recommended Modality by Districts	51

LIST OF TABLES

Table 1: Food and Basic Commodities Market Players in Zimbabwe	20
Table 2: Zimbabwe Cereal (maize, sorghum and millets) for 2016/17 Consumption Year as at 31 October 2016	24
Table 3: Active GMB Sales Points.....	24
Table 4: Road types by Province	25
Table 5: Average Quantity Sold per Week In Commodity by Trader Size	30
Table 6: Other food commodity prices	36
Table 7: Cost of Compliance	48
Table 8: Recommended modality by district	52

EXECUTIVE SUMMARY

This report intends to guide decision making on the best modality of assistance for each district as it summarizes on the markets' infrastructure, actors, limitations and constraints facing the traders as well as covering the dynamic nature of the markets throughout different seasons in the year. Markets are just a component of the decision making tree and organizations are encouraged to conduct further analysis of financial systems and connectivity for each district.

1. Zimbabwe – similar to other countries in Southern Africa - has been impacted by two consecutive years of below normal rainfall, including the influence of El Nino in the 2015/16 agricultural season. As a result, food production – mainly cereals - was estimated at 38% of the annual national human consumption of about 1.5 million Mt. The total estimated number of food insecure rural people at the peak of the current consumption period (April 2016 to March 2017) is about 4.1 million people (ZimVAC 2016).
2. This relatively high levels of food insecurity as well as the desire to update on the 2015 market assessment motivated ZimVAC to undertake the 2016 Market assessment. The main purpose of the market assessment was to update the findings of the 2015 assessment given the deteriorating economic situation, the liquidity challenges and the impacts of the El Nino.
3. The assessment employed primary and secondary data collection methods. Structured trader and key informant questionnaires were used while key stakeholder discussions were carried out to obtain information from national and regional level market actors. Secondary data was obtained from various Government departments, UN agencies, NGOs, trader and farmer organizations among others.
4. A total of 2061 traders were interviewed from 410 markets in 51 districts across 8 Provinces. In total, 38 wholesalers, 80 medium vendors, 1815 small retailers and 128 informal traders were interviewed.
5. Key variables considered for food assistance transfer modality selection were: capacity of markets to supply adequate amounts of food basket commodities against the requirements, road quality, strength of mobile network, number of traders and their trade volume size, traders' ability to absorb additional demand, food price stability, historical trade trends, previous intervention modality experience in the district, security and contextual factors.
6. Availability of food, financial infrastructure and networks (transport and communication) as well as the market performance would suggest that cash transfer modality is a viable option in 42 of the 51 districts.
7. Five districts were recommended for in-kind however when cash is the only resource available then cash transfer modalities should fulfill a few conditions such as analysis of cost of trade and mobile network availability among others (Section 13).
8. A combination of cash and in-kind transfer modalities were recommended for 3 districts. These districts show that cash is possible in the more accessible areas within the district. However in-kind transfers are recommended for the more difficult to reach areas as the market is unlikely to have the capabilities necessary to ensure availability of the required food commodities at an affordable cost to the most vulnerable local population.
9. In-kind transfer modality was recommended in Bubi district as the markets were found not to be suitable for cash distributions.
10. Main constraints identified by traders were cash shortages, low demand, lack of capital, high transport costs and client liquidity challenges. 11. The recommendations from this report are based mainly on market functionality and each organisation is encouraged to conduct further assessments and analysis that contribute to the final decision on whether cash is the best food assistance modality. These include:
 - logistic assessments which focus on traders' stocking capacity;
 - procurement assessments which focus on the selection of traders for programmes that involve vouchers or electronic cards;
 - analysis to determine the cost of cash transfer versus in-kind transfers;
 - lessons learnt from any organisation that implemented cash transfers in the district or area; and
 - beneficiary modality preferences.

1. BACKGROUND

Zimbabwe is a landlocked country situated in Southern Africa with an estimated population of 13.6 million (ZIMSTAT Population Projections 2014). Agriculture is the backbone of the Zimbabwean economy, providing livelihoods to over 80% of the population. Most of the agricultural activities are rain-fed and the majority of rural households eke out a living in drought prone agro ecological regions III, IV and V. This underpins the vulnerability of their livelihoods.

Zimbabwe is classified as a low-income, food-deficit country. The 2015 UNDP Human Development Index¹, ranked the country at 155 out of 188 countries. About 72% of Zimbabweans were classified as poor in 2011/12 (ZIMSTAT Poverty Headcount ratio). Extreme poverty was more prevalent in rural areas where 23% of the population was found to have inadequate resources to meet their minimum food needs².

National unemployment is pegged at 11%.³ Of those employed (15 years and above), 94% are informally employed.⁴ The informal sector has grown disproportionately over the last few years, mainly in response to the decline in the formal sector.

Zimbabwe Fact File

Population	13.6million, 67% live in rural areas
Climate	Tropical, rainy season Oct-March. Temperatures range between 16° C and 26°C in the rainy season and dip as low as 7°C in the dry winter season.
Political administration	The country is divided into 10 provinces: 2 urban (Harare and Bulawayo) and 8 rural: Masvingo, Matabeleland North, Matabeleland South, Midlands, Mashonaland West, Mashonaland Central, Mashonaland East, Manicaland. Provinces are divided into 72 districts which are further subdivided into wards.
Currency	Zimbabwe operates a multi-currency regime since January 2009 A bond note with a value of 1:1 with the US Dollar was introduced in November 2016.

1.1 The Economy

Following close to a decade of sustained decline, the Zimbabwean economic performance bounced into positive territory in 2009, as a result of the adoption of a multi-currency system and other economic policy measures. These saw the country's growth rate increasing steadily from 5.4% in 2009 to 11.9% in 2011, however, the growth rate started declining thereafter to 10.6% in 2012 and later to 1.1% in 2015. The growth rate for 2016 was forecasted at 0.6% (Figure 1). Key factors attributed to the subdued economic growth include;

- Depressed international commodity prices, particularly for minerals;
 - Limited domestic and foreign direct investment, also associated with debt overhang;
 - The growing fiscal deficit, also impacting on the liquidity of the financial system, as well as on business activity; and
- The resultant overall decrease in incomes and weakening of domestic aggregate demand.
- The impact of the El Nino induced drought on agriculture, with attendant supply challenges along the agro-processing linkage value chain;

1 <http://hdr.undp.org/en/countries/profiles/ZWE>

2 Zimbabwe National Statistics Agency (ZIMSTAT), April 2013, Poverty Datum Line Analysis in Zimbabwe 2011-12, Harare

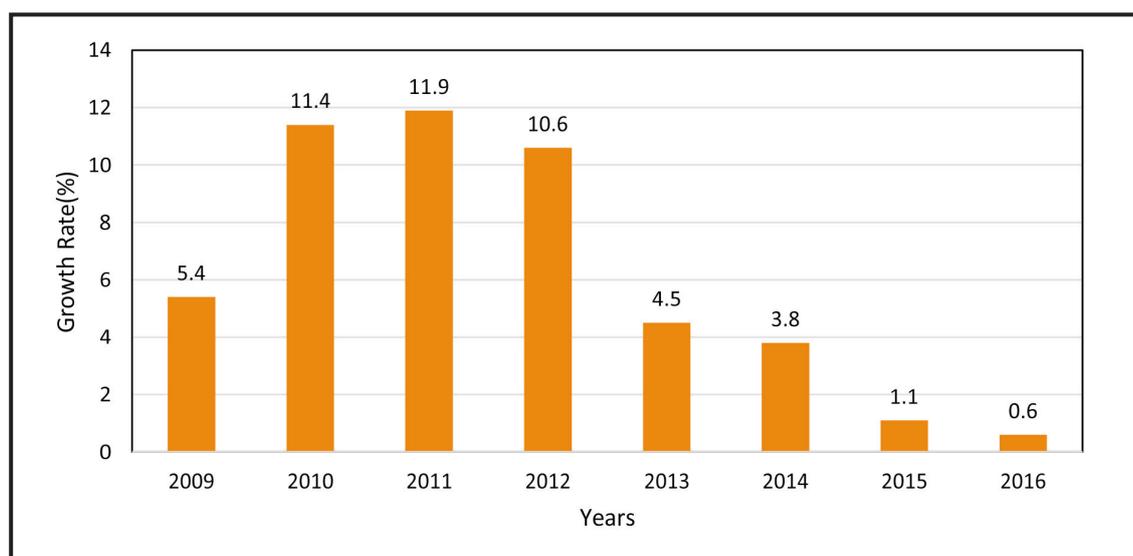
3 Ibid; Zimbabwe National Statistics Agency (ZIMSTAT) 2014, 2014 Labour Survey Report, Harare

4 Zimbabwe National Statistics Agency (ZIMSTAT) 2014, 2014 Labour Survey Report, Harare

Contrary to the earlier recession (2008) characterized by high inflation rates, the current economic recession is accompanied by a deflationary environment that has been worsened by a liquidity crunch caused by a trade deficit.

During the last decade, overall exports continued to decline in both value and volume compared to the 1990s. Export earnings, declined by 49% from a peak of around USD 2.6 billion in 1997 to around USD 1.3 billion in 2006. Exports were USD 1.613, billion in 2009, rose to USD 3.317 billion in 2010 and USD 4.496 billion in 2011. On a sectoral basis, declared mineral export shipments accounted for (64%), followed by tobacco (19.4%), agriculture produce (9.1%), manufacturing (7%), horticulture (0.3%) and hunting (0.2%). Others include nickel (20%), diamonds and platinum. Zimbabwe’s main trading partners are South Africa and China and the country recorded a trade deficit of USD 241.27 Million in August of 2016. According to ZIMSTAT, balance of trade in Zimbabwe averaged USD -294.37 Million from 1991 until 2016, reaching an all-time high of USD 293 Million in December of 2000 and a record low of USD -3957.75 Million in December of 2009⁵.

Figure 1: Zimbabwe GDP Annual Growth Rates



Source: The Ministry of Finance and Economic Development

To address the import/export disparities and foreign currency generation, the Reserve Bank of Zimbabwe put in place a 5% export incentive which included Bond notes being injected into the system in conjunction with the export incentives. The Bond notes were released on November, 28th 2016 mainly to ease cash shortages affecting markets, trade and general macro-economic conditions in the country.

1.2 Food Availability

Basic food commodities were generally available on the markets in most parts of the country, supplied from both domestic production and commercial imports.

1.2.2 Agricultural Production

Agriculture is the mainstay of the Zimbabwean economy and provides many raw materials required by the manufacturing sector. It contributes about 12 - 15% to the GDP⁶, employs about 30% of the working population⁷ and is a major source of livelihoods for over 80% of Zimbabweans.

⁵ <http://www.tradingeconomics.org>

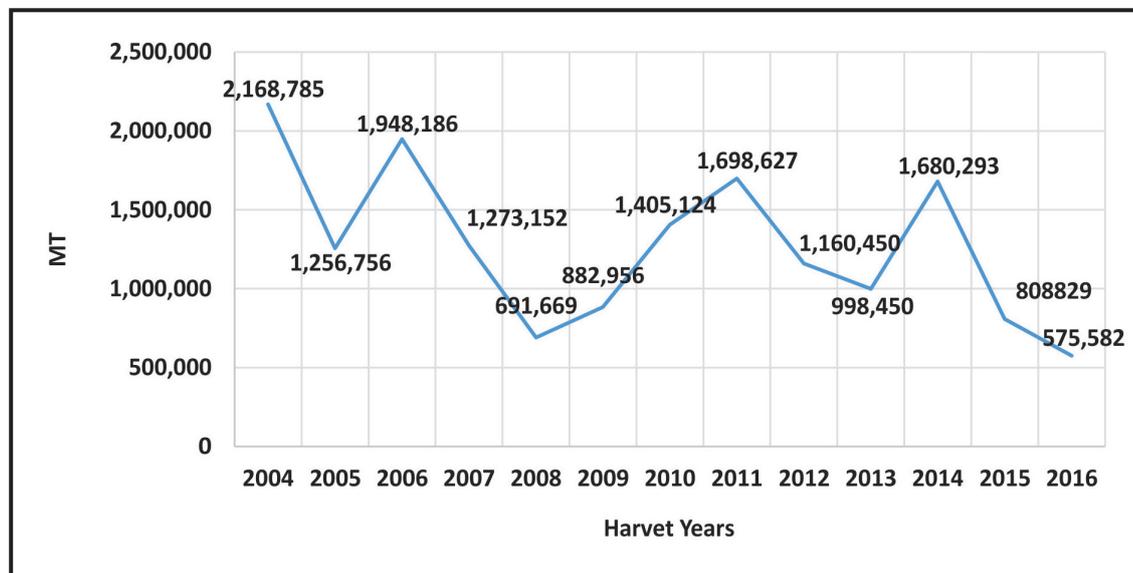
⁶ <http://www.zimstat.co.org>, 2014

⁷ <http://www.zimbabwe.8m.com/zimagr.html>

1.2.3 Cereal Production Trends

As a result of the poor performance of the 2015-16 rainfall and cropping season, an estimated 576,000 MT of major cereals (maize, sorghum and millets) was harvested- translating to about 50% of the five-year average production (figure 2).

Figure 2: Cereal Production Trends



Source: Crop and Livestock Assessment (2012 – 2016)

Cereal production in Zimbabwe show a highly erratic pattern that is significantly influenced by variations in the rainfall season quality. The pattern, therefore, demonstrates the vulnerability of cereal production to the vagaries of the weather and climate change that is underpinned by a high dependence of the production systems on rainfall.

1.2.4 Food Imports

The Government in 2016 came up with Statutory Instrument 64 of 2016 which controls the importation of certain goods. However, the importation of cereals remained a priority for the country and over 516 126 MT of maize had been imported since the beginning of the consumption period (April 2016 to October 2016). The import process has been affected by a number of challenges, including delays in processing of payments.

Most of the Southern African Region was in deficit except for Zambia and this resulted in Zimbabwe having to also source cereals distant markets (figure 3). Maize imports from the Zambian market faced a number of challenges including export restrictions imposed by the Zambian government in the 2015/2016 consumption year on its carry-over maize stock and a ban on exports of the newly harvested crop significantly reducing imports. The other countries Zimbabwe imported maize from included Mexico, USA, UK, and South Africa.

Figure 3: 2016/17 Regional Maize Balance Sheet by Country ('000 MT)⁸

Country	Ang	Bot	Les	Mal	Moz	Nam	RSA	Swa	Zam	SADC
A. Domestic	2282	5	47	2133	1988	55	10060	42	3397	20734
A.1 Opening Stocks	44	1	22	15	194	17	2332	9	668	3515
Formal/ SGR	44	1	16	15	97	17	2332	4	361	3050
On Farm			5		97			1	39	192
Other								4	268	272
A.2 Gross Harvest	2238	4	25	2118	1794	38	7728	33	2729	17283
B. Gross Domestic Requirements	3129	308	253	3205	2102	173	11673	157	2562	25101
C. Desired SGR Carryover Stocks										
D. Domestic Shortfalls/Surplus	-847	303	-206	1072	-114	-118	-1613	-115	835	-4367
E. Percent availability vs requirement	73%	2%	19%	67%	95%	32%	86%	27%	133%	83%

Source: Regional Vulnerability Assessment Committee Report, 2016

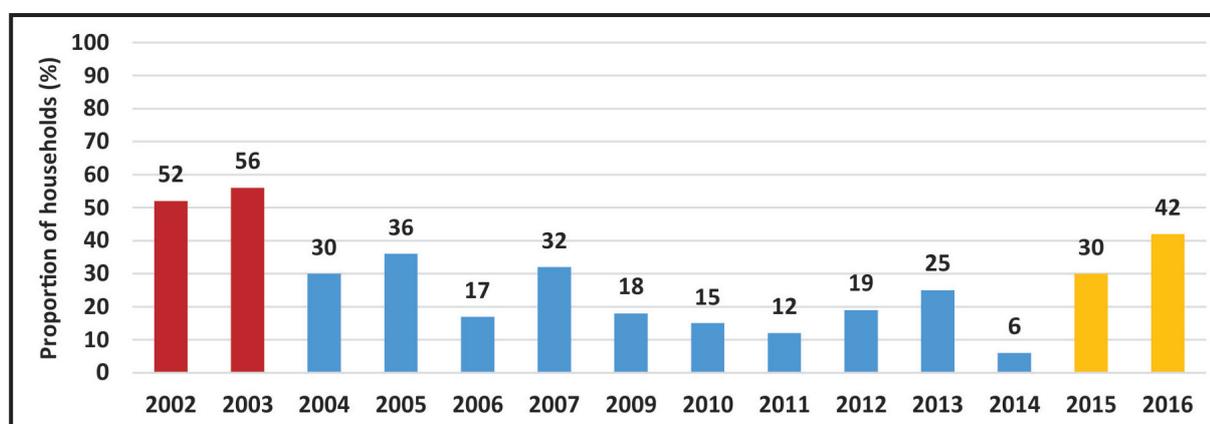
1.3 Food and Nutrition Security

Recurrent droughts, unfavorable weather conditions, a series of poor harvests, high levels of under-employment, restructuring of the agriculture sector, low productivity, high poverty levels, vulnerable livelihoods, relatively high food prices and a high HIV/AIDS prevalence rate (at 14.7%, the fifth highest in the world), have all contributed to increasing levels of livelihood vulnerability and acute food and nutrition insecurity since 2001. This resulted in an upsurge of large-scale humanitarian food relief operations in the country between 2002 and 2016.

The Zimbabwe Vulnerability Assessment Committee (ZimVAC), through its Rural Livelihoods Assessment conducted in June 2016, estimated 42% of the rural population (about 4.1million people) as food insecure at the peak of the hunger season (January to March 2017). (figure 4).

The projected 42% food insecurity is the highest in the country since 2009. It is comparable to the years 2002 and 2003 when the nation experienced two consecutive poor agricultural production seasons.

Figure 4: Food Insecurity⁹ Trends (2002 to 2016)



Source: ZimVAC 2002 – 2016 Reports

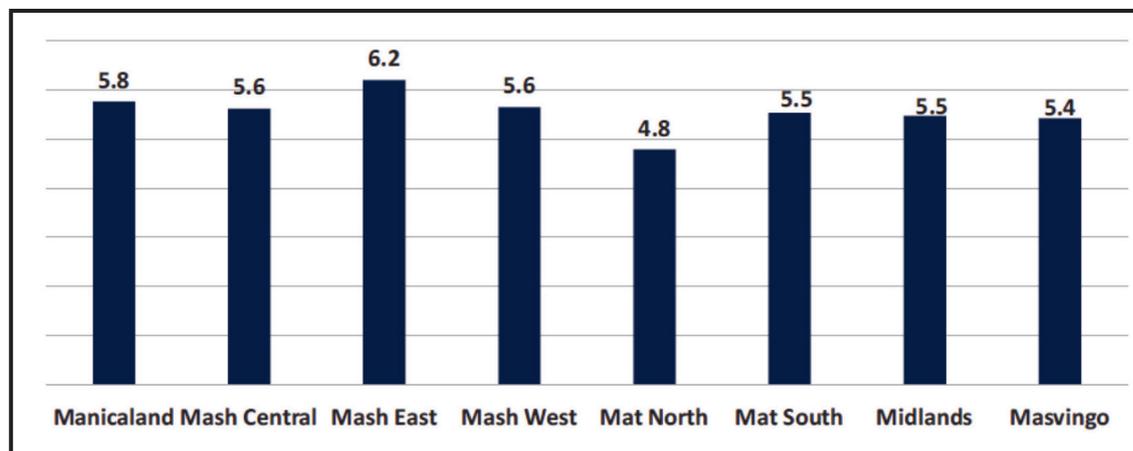
⁸ For Zimbabwe the requirement was based on 110kg per person per annum

⁹ ZimVAC defines food insecurity as inability to reach the minimum daily caloric intake, through combination of consumption of household produced foods, purchases and gifts.

The Global Acute Malnutrition rate was at 5.7%, the highest in 15 years, and 2.1% of the children under five years had severe acute malnutrition¹⁰. Household Dietary Diversity Score is used as a proxy for food access. Availability of diverse food on the market can improve household dietary diversity score. Figure 5 shows the average number of food groups out of 12 food groups consumed by households.

Household Dietary Diversity Score

Figure 5: Household Dietary Diversity Score in May 2016



Source: ZimVAC 2016 Rural Livelihoods Assessment Report

Most households in the rural areas were net food buyers and market dependent, as they acquired on average 65% of their maize from markets while food purchases made up 56% of the overall household expenses. Casual labour was the dominant source of income followed by remittances, food assistance and livestock and livestock products sales. Usually maize prices increase from October when individual household stocks start depleting.

1.4 Food Assistance

An estimated 4.1 million rural people (ZimVAC, 2016) were projected to be food insecure during the peak of the lean season in January to March 2017.

The Government of Zimbabwe, through the Ministry of Public Service, Labour and Social Welfare (MoPSSLW) is implementing a number of food assistance programmes to assist vulnerable households. Since the launch of the Domestic and International Drought Disaster Appeal by Government in February, the ministry has been implementing the food deficit and mitigation programme (grain distribution) which is running in all Provinces (rural and urban). The total number of households covered is 792,289 households. Of these 769,632 are rural households and 22,623 are urban Households. While this is the monthly target, it is not being consistently reached due to persistent challenges notably transport and lack of bagging. In total, these households require a monthly tonnage of about 39,614 Metric Tonnes of maize grain. Through the School Feeding Programme, the Ministry is providing grain to schools in all the 8 rural provinces. Currently the programme is benefiting 1,1 million learners. Rice Distributions of about 1,000 MT per province have been made and these are mainly targeting Social Institutions, Hospitals and Schools among others.

Under the Inter-Agency Humanitarian Response Plan (HRP) for drought affected populations, about 1.4 million rural people (64%) of the estimated 2.2 million food insecure people for the period October to December 2016 were reached by September 2016.

¹⁰ <https://www.usaid.gov/zimbabwe/food-assistance>

2. OBJECTIVES, METHODOLOGY AND LIMITATIONS OBJECTIVES

2.1 Objectives

This assessment was conducted to update the findings of the multi-stakeholder market assessment led by the ZimVAC in 2015 which covered 50 out of the 60 rural districts. The main objective of the assessment was to establish the market functionality and recommend the best modality for food assistance by district. The current modalities for food assistance were predominantly based on the recommendations of the 2015 market assessment. Given that the 2015 market assessment was undertaken prior to the occurrence of the El Niño, the 2016 Market assessment findings are expected to enhance Government and its development partners' understanding of the impact and implications of the El Niño on markets in ways that assist in developing and refining market based interventions post the El Nino induced drought.

More specifically the market assessment's objectives were to:

- Identify and roughly sketch the supply chain of basic food commodities which are critical to the food security of vulnerable households.
- Determine the accessibility of markets to affected populations and establish current prices for food commodities and livestock on the local markets and how these will most likely change as the lean period progresses;
- Assess the current and potential availability (volumes) of cereal supplies for the districts during the lean period;
- Determine the ability of the markets to respond to increased demand for food commodities;
- Assess the capacity of traders to supply the local markets during the lean period.
- Analyse the food commodity market systems and identify contributing factors constraining access to food for the community with special attention to the poor and vulnerable households during the lean period.
- Identify any potential risks / benefits associated with increased local demand arising from the use of cash transfers given the cash crisis being experienced in the country.
- Assess the market linkages between the cereal surplus and the cereal deficit districts within the country
- Project how markets will most likely respond during the peak lean period (from January to March 2017)
- Establish a baseline for monthly monitoring of markets data to constantly update on changes affecting markets, evaluate the functionality of markets and to strengthen the national food security analysis, early-warning and support decision making for market-based interventions.
- Recommend the most appropriate responses to food insecurity during the lean period and also map food market related recommendations on suitable areas and how to address identified bottlenecks for traders to meet increased demand and strengthen respective supply chains.

2.2 Methodology

The market assessment employed both secondary and primary data sources to meet the agreed objectives and to identify suitable markets for the assessment. The secondary data and reports obtained from various sources (WFP, ZimVAC, FEWSNET, FNC, Ministry of Agriculture, Ministry of Finance, FAO, ZIMSTAT among others) provided background analysis and strengthened the analysis of primary source data by providing the relevant context.

Maize grain and sugar beans are some of the prime food commodities traded informally between households and do not reach a structured market. Household informal trade was found to be particularly important for the trade of sugar beans which many traders reported takes place in greater scale between households especially in areas with irrigation schemes.

- The market assessment mainly focused on markets in rural districts and in a few urban areas which were identified as source markets for the traders and are located closer to the assessed markets, focus was mainly on wholesalers and retailers frequently visited by rural food insecure households.
- These assessment findings remain valid depending on other factors remaining constant. However, markets are dynamic and evolving and heavily depend on the prevailing supply and demand situation. The assessment assumes that markets will at least maintain numbers of traders and volume of commodities sold as the lean season takes hold.

3. FOOD MARKET STRUCTURE, CONDUCT AND IMPORT REQUIREMENTS

3.1 Maize Market Structure

In any location, the market structure influences the trader’s behavior whether it is efficient, and the level of profits it can generate. The structure of a market refers to the number of traders in the market, their market shares, and other features which affect the level of competition in the market. The market assessment was conducted in 51 districts, and the distribution of wards serviced by 7 key markets in each district is outlined in Annex 1. Table 1 provides an in-depth description of the main market actors in Zimbabwe.

Table 1: Food and Basic Commodities Market Players in Zimbabwe

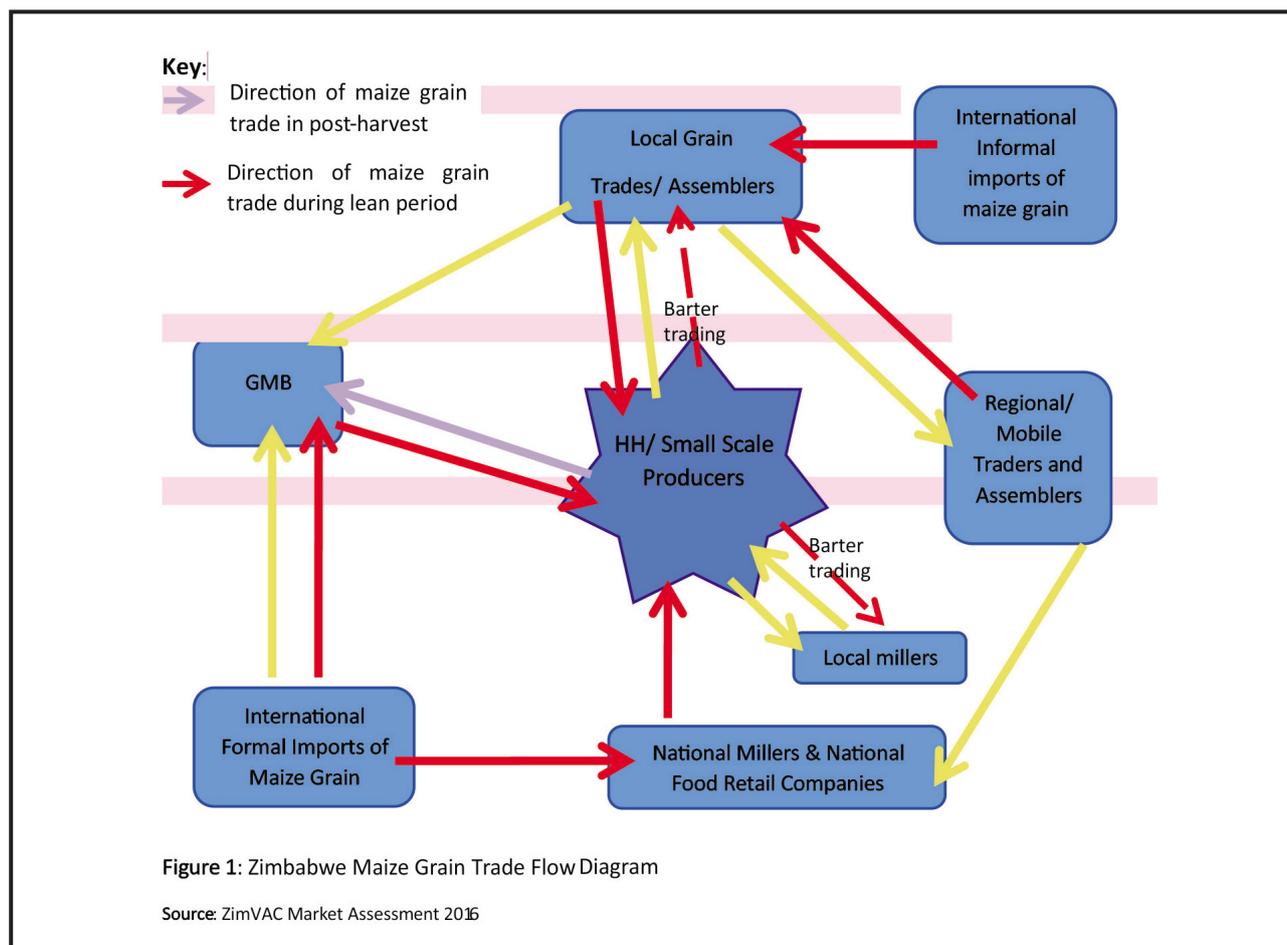
MARKET ACTOR	CHARACTERISTIC
Wholesaler ¹¹	These are intermediary entities in the distribution channel that buy in bulk and sell to resellers rather than directly to consumers. These traders purchase from producers and traders at their store or farm gate, selling to the processors or traders using wholesale units. However, a number of wholesalers in Zimbabwe combine this function with some retailing also.
Medium vendor	A vendor is a supplier that sells goods or services in the economic production chain. A medium vendor is the type of trader who purchases from producers and traders selling to other traders and or consumers but they use both retail and wholesale units
Retailer or general dealer	A general dealer or retailer is a rural or small town store that carries a general line of merchandise. They trade in a broad selection of merchandise sometimes in a small space where people from the town and surrounding rural areas come to purchase their general goods. These traders sell to the final consumers.
Informal trader	It refers to any person who carries out a business as a street vendor, hawker and includes any person who trades in a public place. These types of traders are not registered and normally sell in open markets.

3.2 Maize Market Conduct

Informal traders usually supply maize grain during the post-harvest period. Maize grain is usually assembled by market actors (assemblers and/or collectors) from small-scale farmers or from growth points. It is then transported to the district’s key markets, which either store the commodity locally for resale during the lean season or sell to maize deficit provinces/ districts for sale to local traders and consumers. Maize grain is also imported from neighboring countries mainly Zambia and maize meal from South Africa. Once imported, the maize grain is transported to the main maize grain market hubs in major centres. The source markets for mealie meal is mainly from local millers and also across the borders with Botswana, South Africa and Zambia.

¹¹ N.B In this assessment, for maize grain actors wholesalers refer to the Grain Marketing Board which buys grain and wheat locally from individual households/ local producers and also regionally from neighboring countries. GMB stores the acquired stocks as part of the strategic grain reserve and sells to local millers, traders, and consumers. GMB also provides grain for Government food assistance programmes through MoPSSLW. GMB also procures maize internationally for its strategic grain reserve and can sell grain commercially.

Figure 8: Zimbabwe Maize Grain Trade Flow Diagram



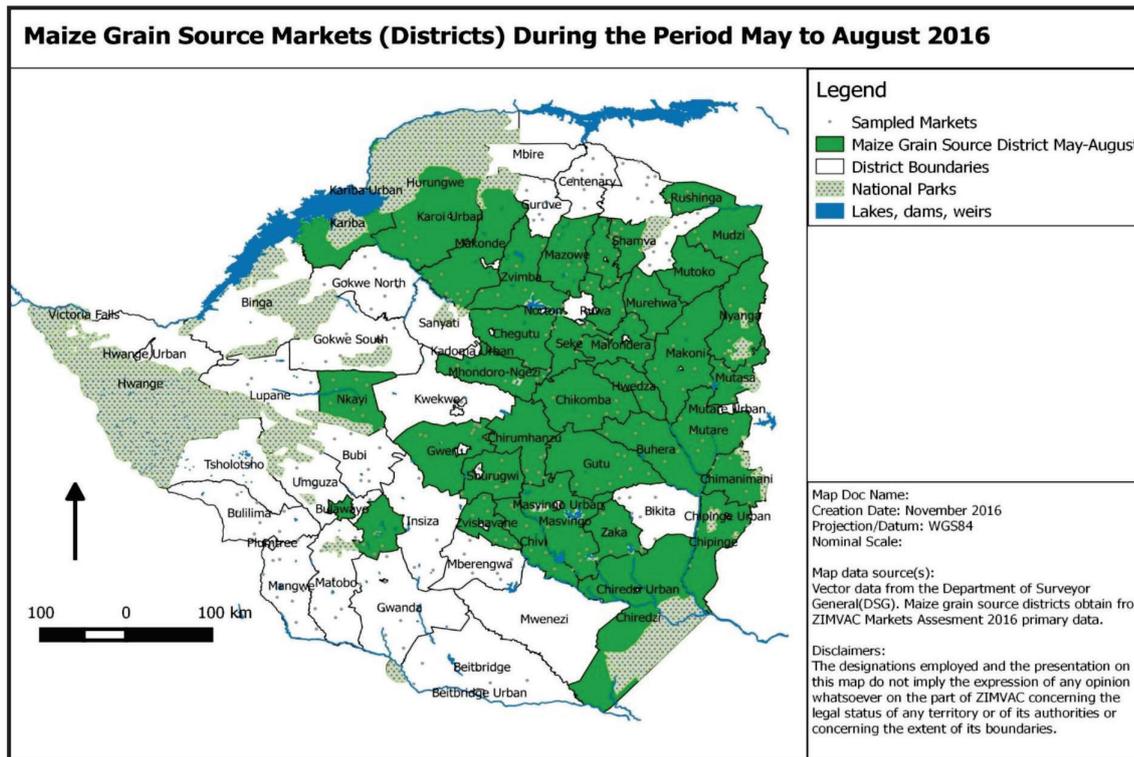
Source: ZimVAC Market Assessment 2015

3.3 Sources of Maize Grain

In Zimbabwe the main sources of maize grain are the northern and eastern regions. These regions are the major maize producing areas and the main GMB holding depots are situated in these parts of the country. Maize grain flows from these regions to the cereal deficit regions which were mainly found in the south, south-east and south-west parts of the country (figure 9).

ZimVAC Assessments have shown that there were no major variations in the source markets of maize grain over the years and different seasons. About 54% of the traders assessed confirmed sourcing grain from the northern parts of the country and / or importing from neighboring districts or countries. Nkayi and Umzingwane were observed as key destination markets for maize grain. These districts then supply the maize grain to other areas. Barter trade was the most prevalent means of commodity exchange in these districts. For example, in Nkayi traders were accepting maize grain as payment for other commodities at \$5 per bucket which they would resale at a higher price.

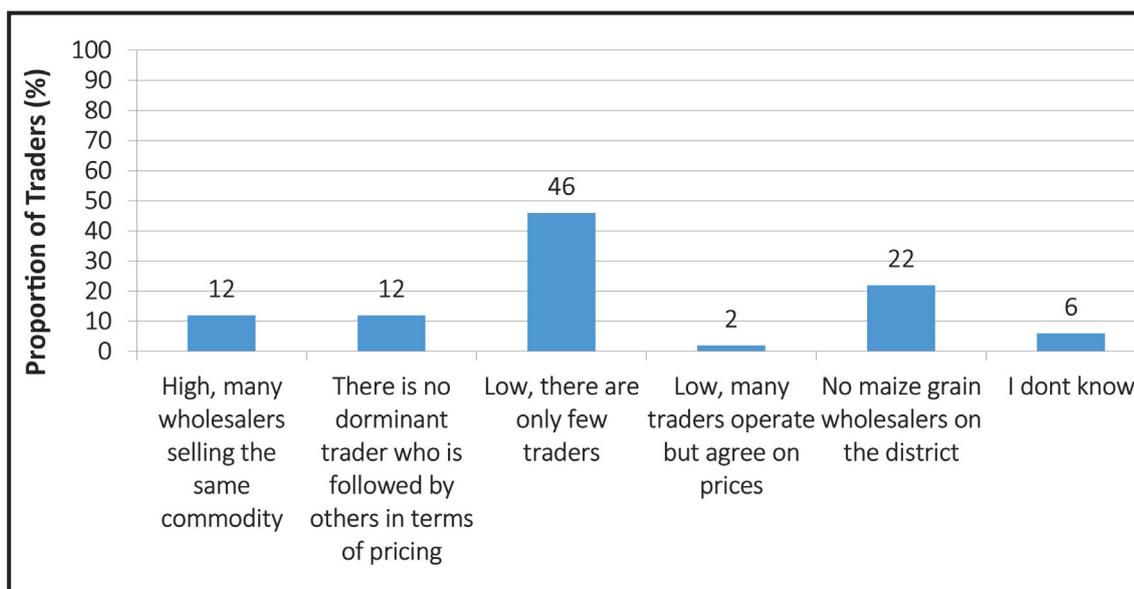
Figure 9: Maize Grain Sources



3.4 Level of competition of maize grain traders

Competition encourages innovativeness, efficiency, creates a wider choice for consumers and helps reduce prices and improve quality of services. Competition ensures that the trader’s interests are aligned with the buyer’s interests. Generally, across all provinces in the country the level of competition among maize grain traders was very low as reported by only 46% of the respondents (figure 10).

Figure 10: National Level of Competition of Maize Meal Market

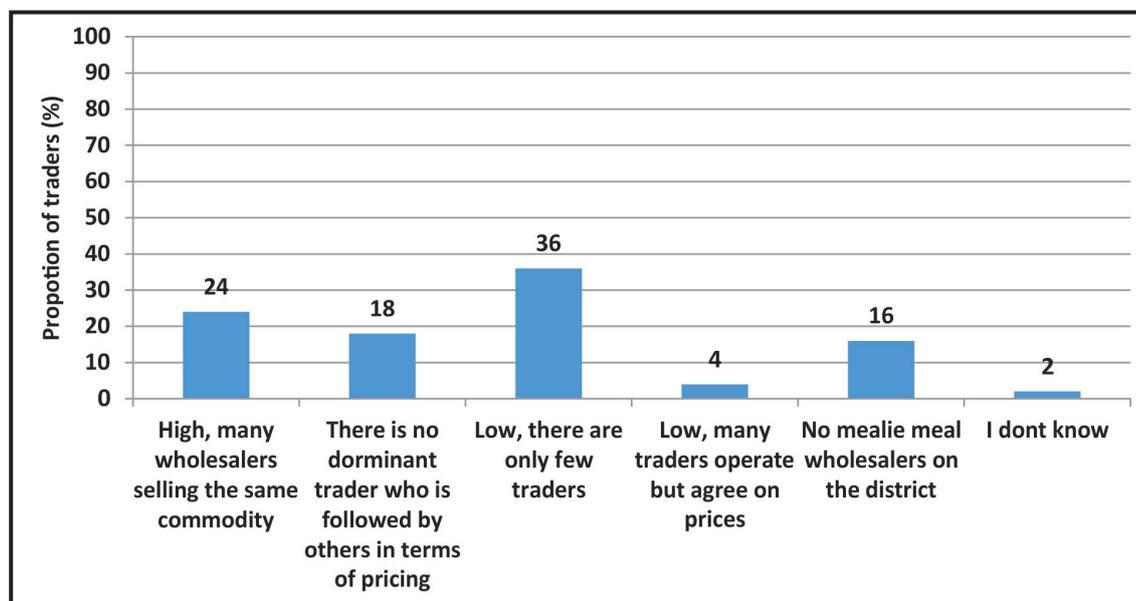


The competition in maize grain trade was reported to be low in high producing provinces such as Mashonaland Central, Mashonaland East and Mashonaland West. In the low producing province of Masvingo the level of competition was also reported to be low and this might be as a result of high influx of mealie meal from bordering South Africa and its proximity to Midlands Province which is a high producing region.

3.5 Level of Competition of Mealie Meal Traders

Similarly, the level of competition among maize meal traders was low with only 19% and 30% trading in refined mealie meal and unrefined mealie meal, respectively. The low mealie meal competition might partly be due to the relatively low demand for the commodity whose substitute, maize grain, is more preferred by most consumers on account of relatively lower prices.

Figure 11: National Level of Competition of Maize Meal Market



The level of competition for other food commodities was very high as most traders were selling these at their own determined prices.

3.6 Ease of Doing Business in Zimbabwe

In Zimbabwe traders need a license to operate. The main levies and taxes being paid by traders across the country include Local Council and ZIMRA taxes. Most districts (94%) reported that it was easy to obtain an operating license if one has the money to cover the required expenses. Only 6% indicated that it was not easy to get an operating license even if one had money (Zvishavane, Bikita and Zaka).

3.7 National Cereal Balance Sheet

The drought affected 2015/16 agricultural season’s cereal harvest left a cereal deficit of about 1,170,420MT. Considering the estimated GMB and private sector (including on-farm) stocks of 213,000MT the seasonal cereal imports requirements were estimated at 960,000MT to cover the annual requirements for people, livestock and other industrial uses. When only human requirements are prioritized the import need for 2016/17 marketing year reduces to about 700,000MT (Table 2).

Table 2: Zimbabwe Cereal (maize, sorghum and millets) for 2016/17 Consumption Year as at 31 October 2016¹²

Requirements		MT
A	Annual human Requirements	1,496,000
B	Provision for livestock, industrial uses and losses	250,000
C	<i>National Cereal Requirements(A+B)</i>	<i>1,746,000</i>
Available Cereals		
D	Opening Stocks as at 1 April 2016	213,000
E	Domestic Production	575,582
F	<i>Domestic cereal availability as at 1 April 2016(D+E)</i>	<i>788,582</i>
Cereal Imports		
H	Imports Requirements(C-F)	957,418
I	Imports as at 31 October 2016	516,126
J	Outstanding import as at 31 October 2016(H-I)	441,292

In response to the gap the Government of Zimbabwe created a Grain Import Taskforce in order to facilitate grain imports for cereal importation into the country. The coordinated efforts resulted in cereal imports from South Africa, Zambia, Mexico, Brazil, USA and UK. Over the period from 1 April to 31 October 2016 516,126 MT of staple cereals were imported. These imports closed about 54% of the import gap when livestock and industrial uses are provided for and 73% of the import gap when only human requirements are provided for.

3.8 GMB Activity

GMB has a total of 89 depots across the country an indication of its high storage capacity. Out of these, 12 locations have silos, 82 locations have cement floors where tents can be pitched up, and 24 locations have sheds or wooden structures to store grain. Discussions with key informants revealed that some of the GMB depots were not active, however for those that had active points it was not clear whether the points were dealing in all food commodities (cereals, mealie meal, beans) or just a few. GMB has also ventured into livestock feeds thus other points were actively selling livestock feeds only.

In general, the number of GMB selling points had increased in the districts interviewed (table 3). Some districts had opened selling points in response to the drought situation in order to make sure that basic food items were available in rural communities. However, there were provinces where GMB selling points were closing due to low business.

Table 3: Active GMB Sales Points

Province	Number of Districts assessed	2015 districts with active points	2016 districts with active points
Manicaland	7	7	7
Mash Central	7	7	6
Mash East	8	5	7
Mash West	5	3	5
Masvingo	5	4	3
Mat North	4	1	2
Mat South	7	4	5
Midlands	8	6	5
National	51	37	40

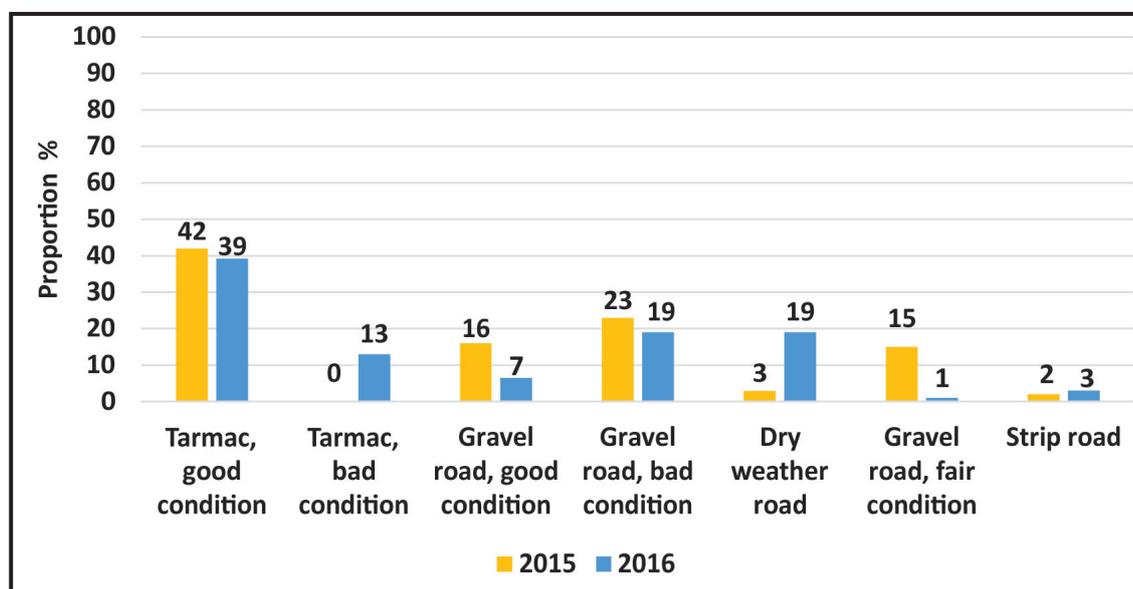
¹² The cereal balance sheet used the Ministry of Agriculture Mechanization and Irrigation Development Crop and Livestock Assessment cereal harvest estimates for 2016, the per-capita annual cereal consumption rate of 110kg and the ZimSTAT national population projection for 2016 of 13.6million people.

4. MARKET ACCESSIBILITY

Market accessibility is affected by physical and financial factors amongst many others. Market accessibility has an impact on the household food and nutrition security status as some communities depend on markets as their major source of food. For example, the further the market is from the household, the more difficult it is to access or the higher the commodity prices, the more vulnerable the people are likely to be food and nutrition insecurity. Households also depend on markets to access information and other essential services. Market accessibility also has an impact on the modality for food assistance. If cash based transfers are used; beneficiaries would need to access the markets to purchase the food.

Nationally about 46% of the roads linking markets to their source markets were reported to be in good condition and of these, 39% were tarmac and 7% were gravel roads (figure 12). About 19% of the roads linking markets to their source markets were dry weather roads which were inaccessible during the rainy season. Compared to the previous market assessment there seems to be an increase in the proportion of dry weather roads.

Figure 12: Road Type to Market Source



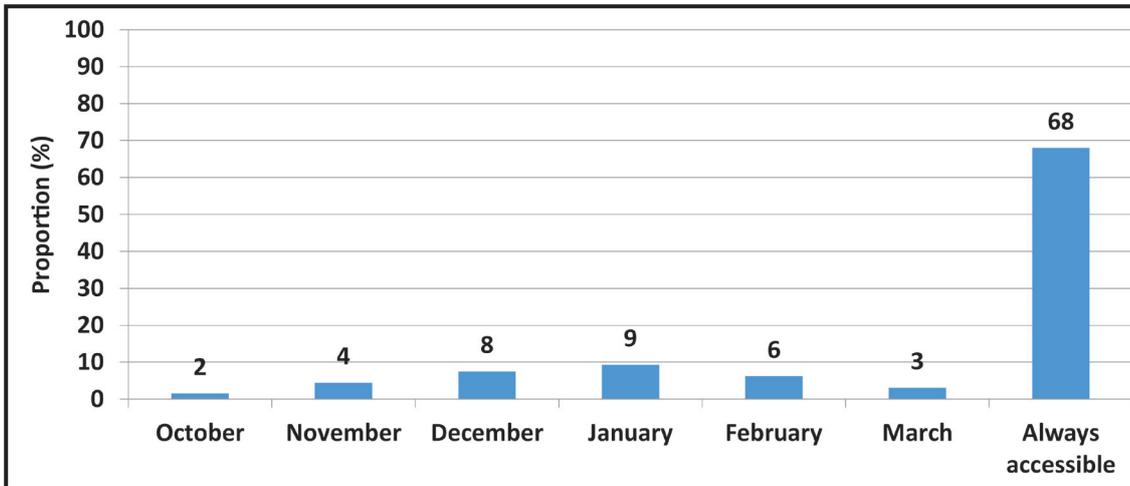
The highest proportion of good tarmac roads was reported in Manicaland province (52%) followed by Mashonaland East (52%). The least proportion was reported in Matabeleland South (21%) and Masvingo (24%), as shown in Table 4. Mount Darwin (86%), Makonde (71%), Umzinganwe (57%) and Hurungwe (57%) recorded the highest proportion of dry weather roads.

Table 4: Road types by Province

Province	Tarmac, good condition %	Tarmac, bad condition %	Gravel road, good condition %	Gravel road, bad condition %	Dry weather/road %	Gravel road, fair condition %	Strip road %
Manicaland	54	7	2	20	14	2	2
Mash Central	49	5	7	4	25	4	5
Mash East	52	9	3	13	19	0	4
Mash West	32	11	2	18	34	0	2
Mat North	28	26	9	11	20	0	7
Mat South	21	7	7	52	12	0	0
Midlands	35	15	12	18	15	2	2
Masvingo	24	26	11	24	13	0	2

The majority of roads (68%) were reported to be accessible throughout the year. About 32% of the roads linking the markets to their source markets were reported to be inaccessible during the months of October to March (figure 13).

Figure 13: Accessibility of Markets by Month



The longest distance travelled by households to access the nearby market was reported to be 14.2km in Matabeleland North followed by 14km in Midlands.

5. TRADERS AND MARKETS CHARACTERISTICS

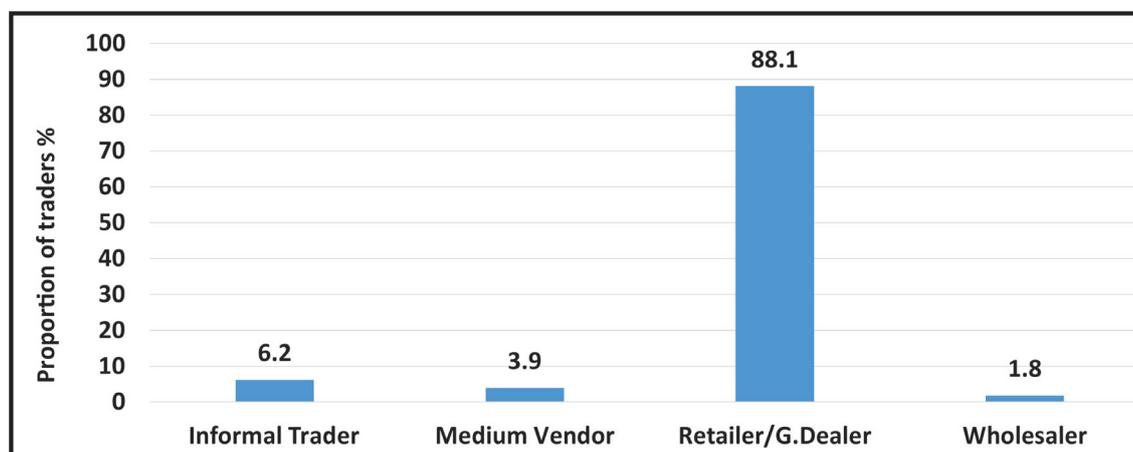
5.1 Trader Characteristics

This section focuses on the characteristics of traders including types of traders, gender of business owner, operating days, number of years traders have been operating, flow and volumes of commodities traded.

5.1.1 Type of traders interviewed

A total of 2061 traders were sampled for the assessment and of these, 1.8% were wholesalers, 3.9% were medium vendors, 88.1% were retailers or general dealers and 6.2% were informal traders (Figure 14). Informal trading is defined as the economic activity undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property within the informal sector. Although the activities by informal traders are mostly not regulated, informal trading is a positive development in the micro business sector as it contributes to the creation of jobs and has the potential to expand further the country's economic base.

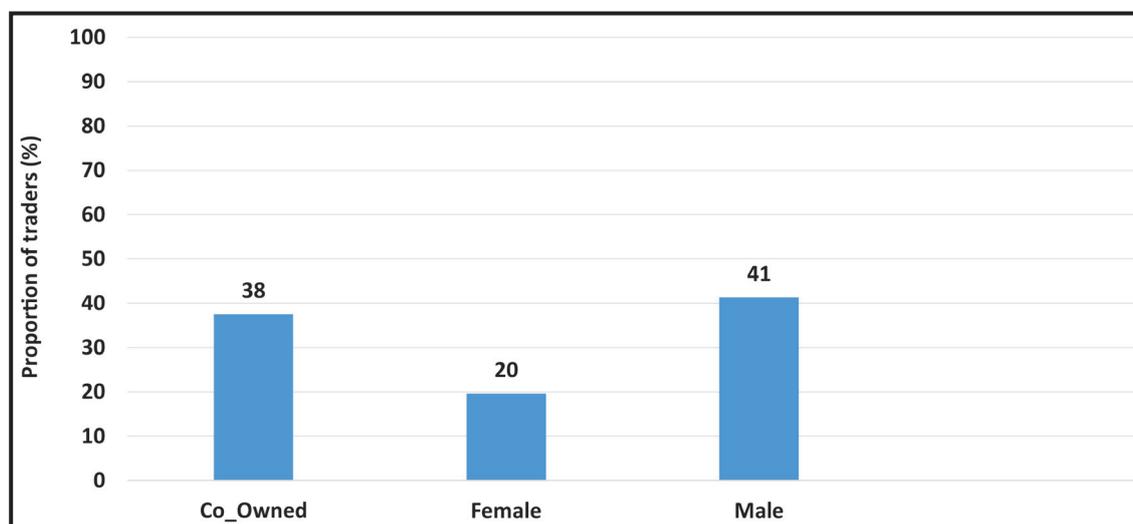
Figure 14: Type of Traders Interviewed



5.1.2 Gender of Business Owner

A higher proportion of business owners in Zimbabwe were male (41%) followed by co-ownership (38%) and female (20%) (Figure 15). However, the proportion of businesses that are co-owned is still significant compared to the 2015 markets assessment.

Figure 15: Gender of Business Owner

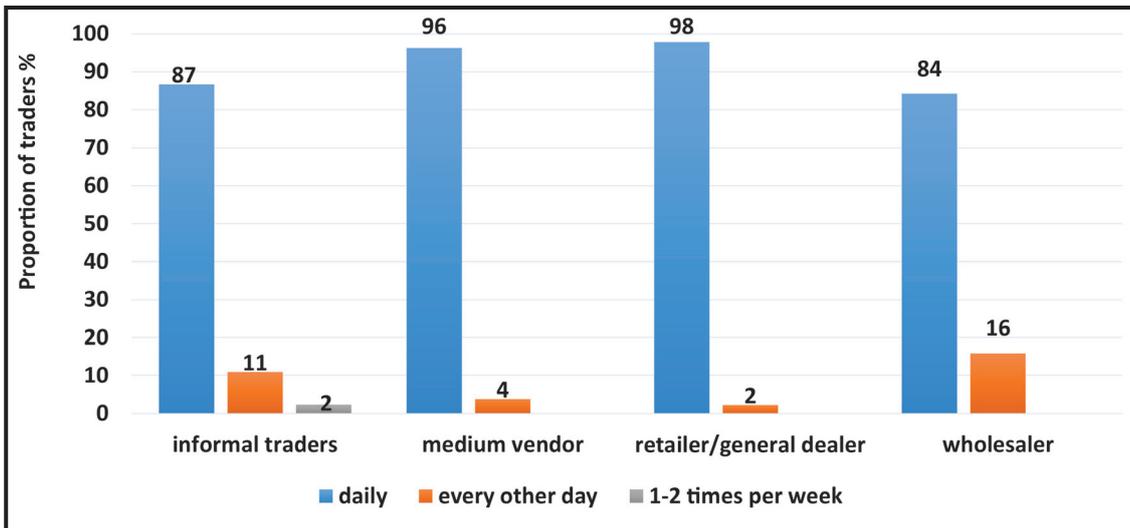


5.1.3 Frequency of Operating and Number of Years in Business

The length of time a shop has been operating has an implication on the performance and trade capacity of the business as well as the functionality of the market. The more the number of years the shop has been operating, the more stable and experienced the trader becomes.

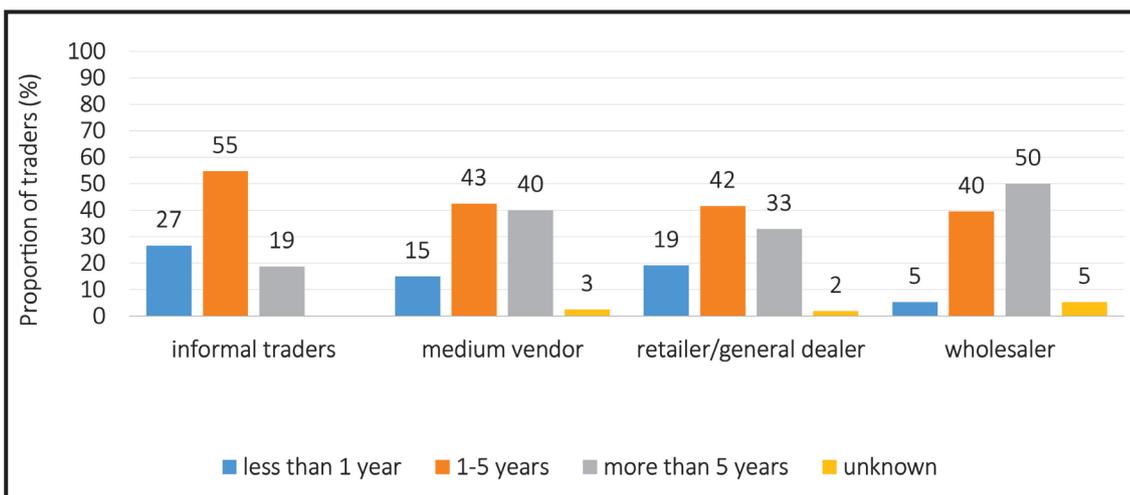
The majority of traders across all activities reported to be operating daily. About 15.8% of wholesalers reported to be operating every other day whilst 2.3% of informal traders operated once or twice a week (Figure 16).

Figure 16: Business Operating Days per Week



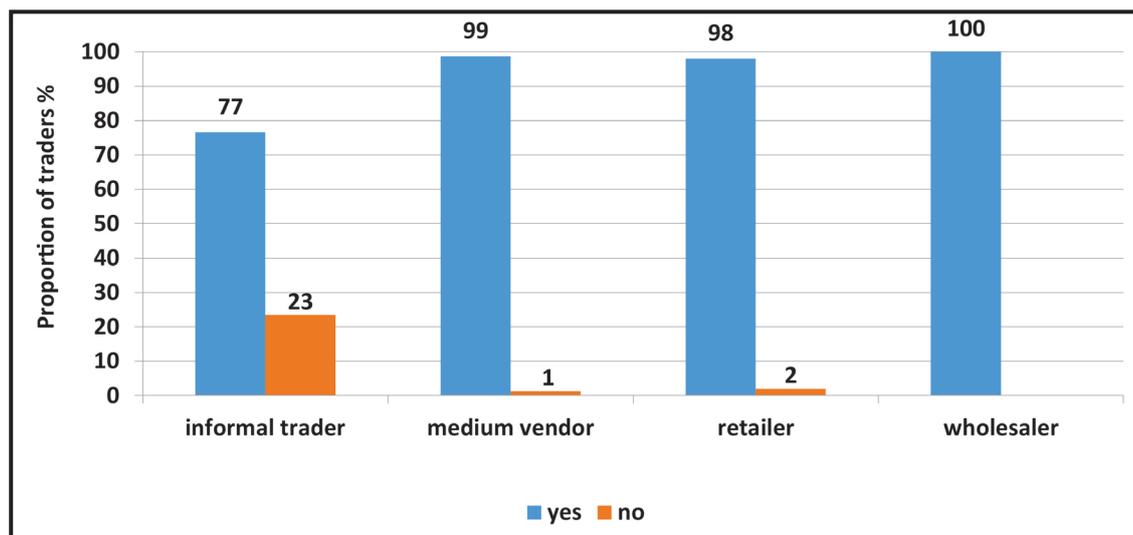
The majority of traders across the business activities reported to have been in business between 1 to 5 years. Nearly 50% of wholesalers reported to have been in business for more than 5 years (Figure 17).

Figure 17: Number of Years Business Has Been Operating



The market assessment also analyzed whether trader operations were seasonal or if traders operated throughout the year. For informal traders, 76.6% reported that they operated throughout the year whilst medium vendors, retailers and wholesalers had more than 90% reporting that they operate throughout the year (figure 18).

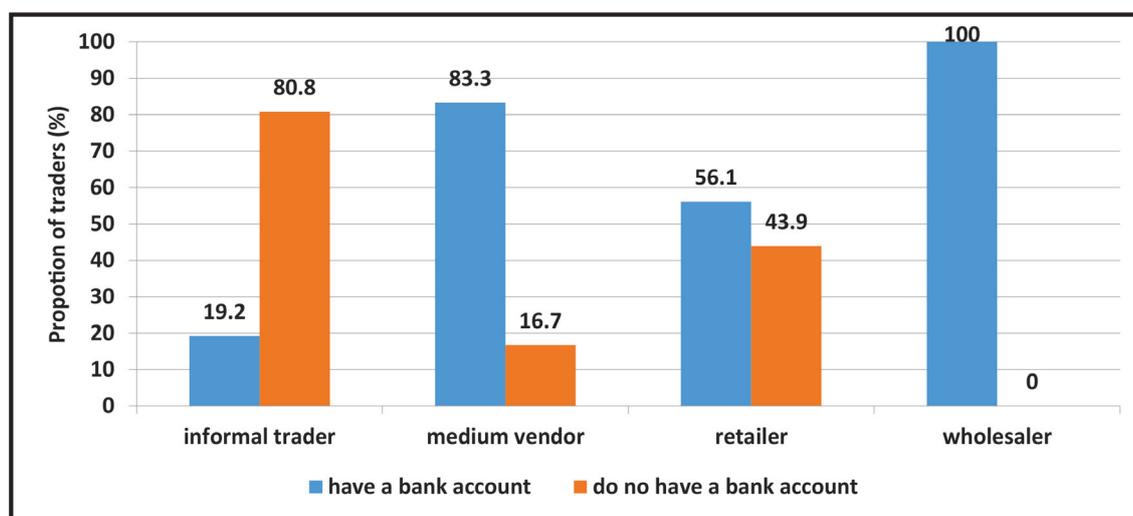
Figure 18: Traders Operating Throughout the Year



5.1.4 Traders with Bank Accounts:

About 81% of informal traders reported not having bank accounts while 83.3% of medium vendors and 56.1% of retailers reported that they had a bank account (figure 19). All wholesalers interviewed reported that they had a bank account with a registered financial institution. Traders are encouraged to use bank accounts as it improves the way they run their businesses.

Figure 19: Traders with Bank Accounts

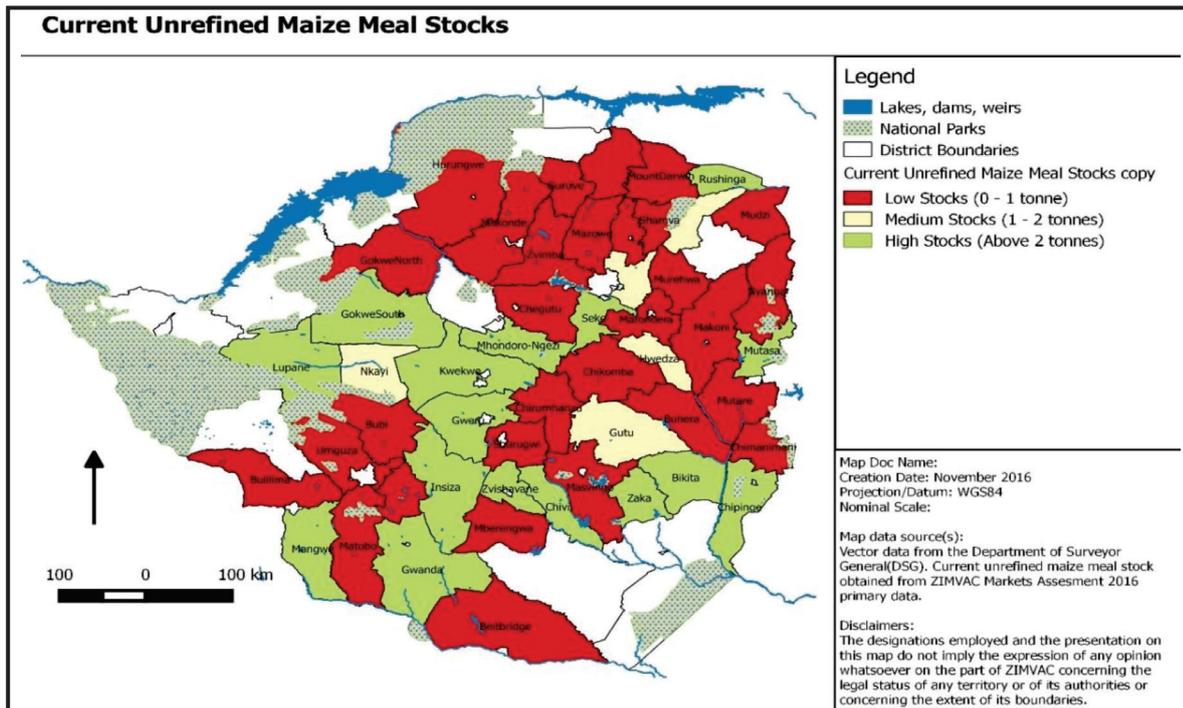


5.2 Volumes Traded

This section summarizes volumes purchased per week by trader and by food commodity (maize grain, refined mealie meal, unrefined mealie meal, cooking oil and rice). There is a fluctuation in terms of traders' volumes of purchase per week. Wholesalers purchase more maize grain during the peak lean season (January to March) as compared to the post-harvest season (May to August). This might be attributed to low demand of maize purchases from consumers after they have harvested. Generally, across all traders, unrefined mealie meal was the most preferred compared to refined mealie meal. This could be attributed to the high cost of refined mealie meal as compared to that of unrefined mealie meal.

The market for small grains is quite thin currently, mainly due to consumer preferences for maize. Informal traders have the highest volume of purchase of small grains per week. There is a general high volume of

Figure 21: Current Stocks of Unrefined Mealie Meal

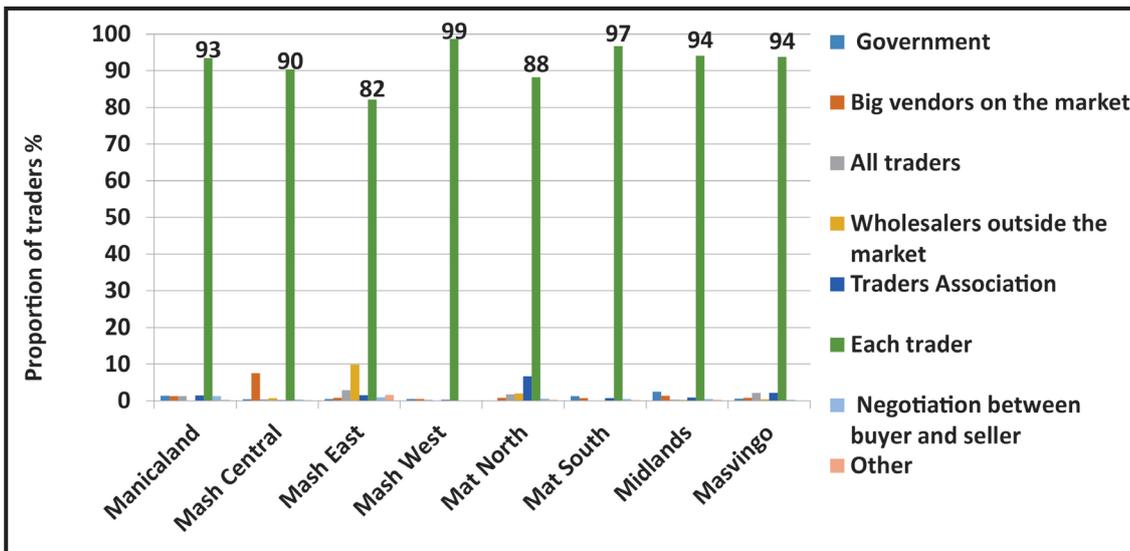


6. PRICE ANALYSIS AND PRICE VOLATILITY

6.1 Price Setting Behavior

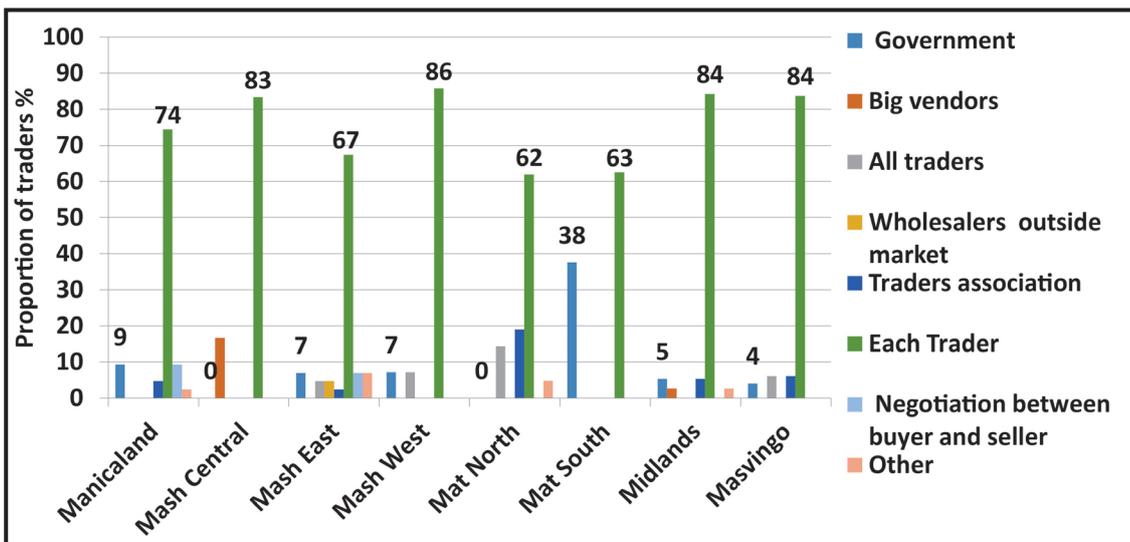
It was noted that throughout the eight provinces 90% of the traders confirmed setting prices for their commodities by themselves. They mentioned that they consider several factors in setting up prices such as the commodity purchase price, transport cost and overheads among others. Figure 22 and 23 show the prevalent practices in price setting

Figure 22: Price Setting for Maize Meal by Province



The same practice (each trader setting his/her own price) was also observed with maize grain prices across all provinces (figure 23). However, 38% of traders interviewed in Matabeleland South confirmed fixed maize grain prices being set by the Government.

Figure 23: Price Setting for Maize Grain by Province

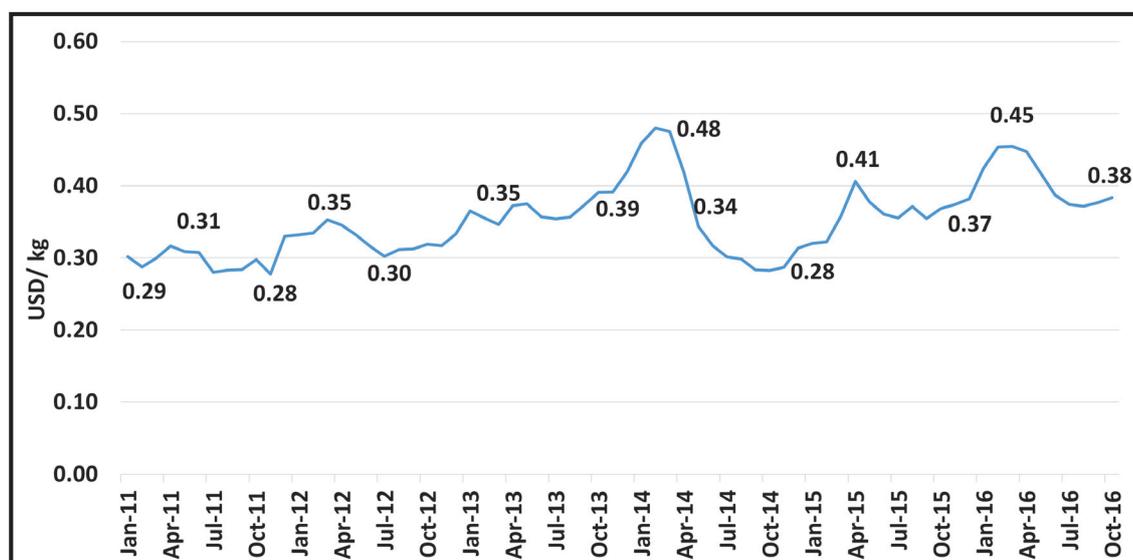


6.2 Price Trend and Seasonality

Prices of agricultural goods tend to follow seasonal trends. Maize is the prime cereal grown by most farmers in Zimbabwe and the bulk of it is grown under dryland production. Hence, there are periods in the year where maize grain supply is relatively high (soon after harvesting) and when it is relatively low (during the lean season).

This seasonal trend is clearly observed in Zimbabwe’s maize grain price trends. Figure 24 shows the variation of the observed nominal monthly maize grain prices. The average price of maize grain is highest during the period January –March that are synonymous with the lean period and lower levels of maize grain stocks and low soon after the harvesting time (May – July). This pattern is, however, distorted during the years of drought and poor harvests.

Figure 24: Nominal National Average Monthly Prices: Maize Grain (USD/KG)

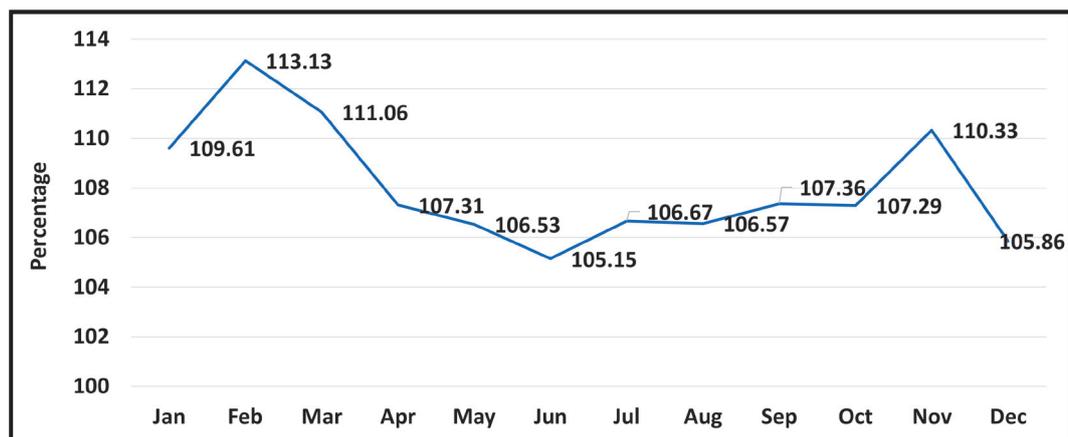


Source: Data from AGRITEX

High maize prices were recorded during the 2013-2014 period and dropped significantly during the July 2014 - January 2015 period. This is attributable to increased maize supply. In 2016 maize grain prices registered an increasing trend (figure 24) in response to a poor domestic maize harvest.

It is important to note that nominal prices do not factor in inflation making it difficult to understand how much of the change in price is led by inflation over time or influenced by the supply and demand situation. The Grand Seasonal Index was used to factor out the influence of the general economy-wide inflation levels so that the actual forces of supply and demand can be depicted. According to Department of Agricultural Economics and Extension, Bayero University Kano “the Grand Seasonal Index is an average of the seasonal indices that removes all random movement of the time-series. Hence, the GSI represents the pure seasonal average of the series during the period under analysis. It shows the real seasonal fluctuation for the prices of the series. The GSI is thus a good starting point of analysis of the feasibility of storage”. Nominal prices though have the disadvantage that they do not factor out inflation levels on the price hereby making it difficult to understand how much of the change in price is led by inflation over time and how much instead is a direct effect of the supply and demand trends.

Figure 25: Maize Grain Grand Seasonal National Price Index Data Covering 2010-2016

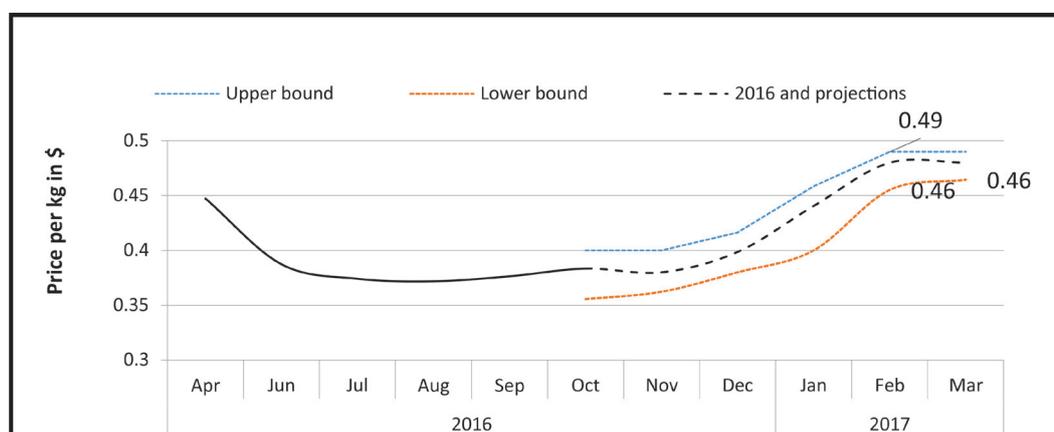


The result of the Grand Seasonal Index which represents the typical seasonal behavior of time series of the 12 calendar months for maize grain prices in Zimbabwe showed a deviation from hundred (figure 24), meaning that seasonality existed in the country. Grand seasonal index for January (2010–16) in Zimbabwe was found to be 109.61 which means that the maize price on an average is 9.61% higher than the average of the entire period as a whole. The graph illustrates that prices in June tend to be 4.7% lower than in November, 7% lower than in February and 2% lower than in April. This means that in Zimbabwe, the law of supply and demand prevails thus prices fall during the post-harvest season (increased supply; low demand) and rises during the lean period (low supply; high demand). The results showed that seasonality in the supply of maize is one of the major causes of variation in prices, it is therefore recommended that, Government should ensure that supply is adequate in the markets so that the vulnerable households will not be exploited by traders.

Understanding maize price trends and their causes enhances programming for market based responses. Particularly, it helps forecast the likely price level of foods on the market in a particular month and forms a prime factor in selecting the appropriate cash and voucher transfer value. Furthermore, price trends also help indicate the availability of foods on markets throughout the year and their likely volume levels compared to other periods in the year, hereby highlighting possible nutrient access issues.

Figure 26 uses the current price trend and by applying the grand seasonal average data, forecasts how future national average maize prices are likely to develop. The graph depicts three scenarios, a low trend price increase to 0.46 USD/KG by February 2016 and that the price will remain constant till March 2017. The medium price scenario projects the price of maize grain to continue increasing till February 2017 when the price will peak at 0.48 USD/KG. The high price scenario anticipates the price of maize grain to increase sharply from 0.37 USD/KG in August 2016 to 0.49 USD/KG in February 2017. In this forecast the price of maize grain will remain roughly at 0.49 USD/KG until March 2017.

Figure 26: Forecasted Maize Grain Price for 2015-16 (USD/KG)



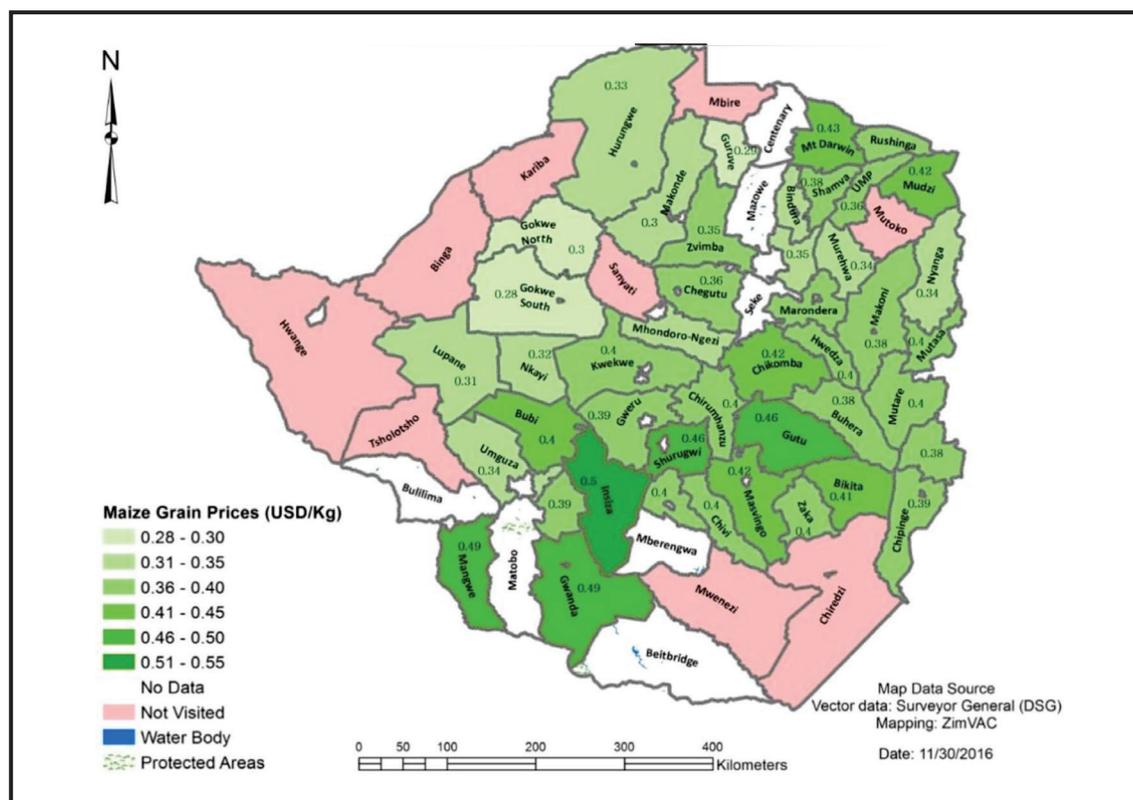
Source: Data from Ministry of Agriculture

The results show that the price of maize grain will continue to increase and will be higher during the peak hunger period, it is therefore recommended that the nation should import more maize grain. As the results have shown that supply and demand are the major determinants of price, it is therefore recommended that prices should be continuously monitored because they give a signal of whether the markets are adequately supplied or not.

6.3 Spatial maize prices by District

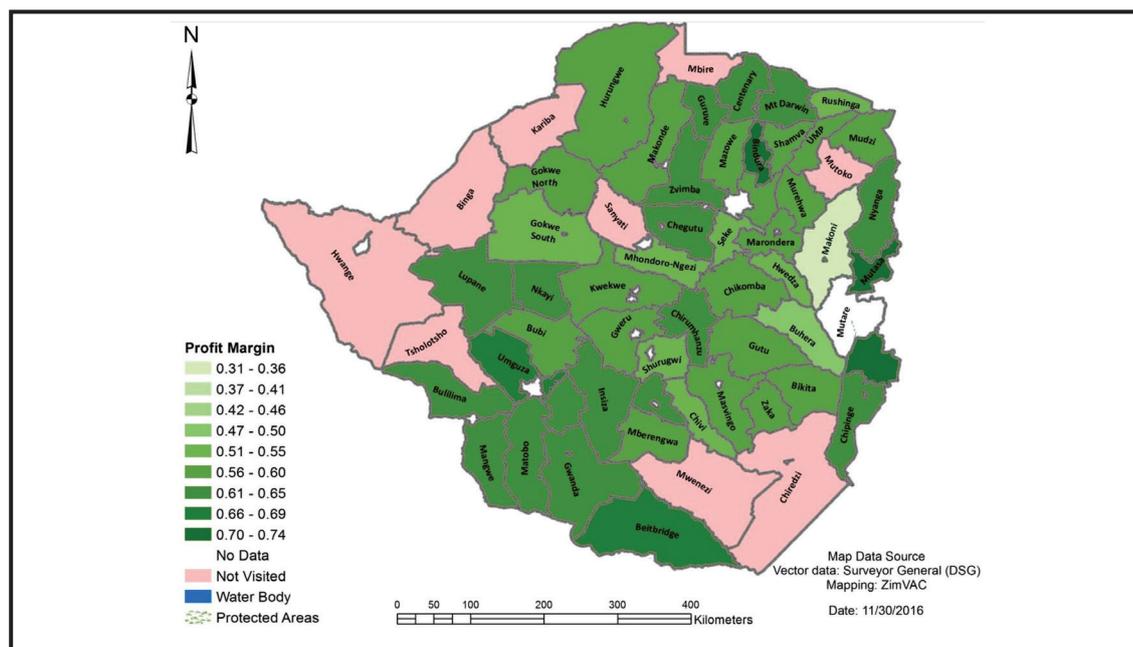
Insiza, Gwanda and Mangwe districts reported the highest maize grain prices of about USD 0.50/kg in September 2016. The majority of the districts covered by the assessment reported average prices of between USD 0.30 and USD 0.40/kg. The lowest prices for maize grain were reported in Gokwe South(USD 0.28/kg) and Guruve(USD 0.29/kg) Figure 27.

Figure 27: Maize Grain Prices by District: September 2016



Beitbridge, Chimanemani, Bindura and Mutasa had the highest mealie meal prices ranging between USD 0.70/kg- USD 0,74/kg (Figure 27).

Figure 28: Mealie Meal Average Prices by District



Prices of other food commodities (rice, sugar beans and cooking oil) were generally comparable across all the districts (table 6). However, Chimanimani and Centenary districts had significantly higher prices of these food commodities. This could be attributed to relatively longer distances to source markets and poorer quality of the roads linking the retail markets to the source markets in these districts.

Table 6: Other food commodity prices

	Rice(\$/kg)	Sugar beans(\$/kg)	Cooking oil(\$/L)
Manicaland	USD 0.97	USD 1.62	USD 1.93
Mash Central	USD 1.05	USD 2.00	USD 1.77
Mash East	USD 1.09	USD 1.72	USD 1.76
Mash West	USD 1.16	USD 1.94	USD 1.78
Mat North	USD 1.12	USD 1.96	USD 1.88
Mat South	USD 1.11	USD 2.11	USD 2.00
Midlands	USD 1.12	USD 1.89	USD 1.88
Masvingo	USD 0.95	USD 2.10	USD 1.83

6.4 Price Volatility

Price volatility is measured through the difference of the market price for a commodity at any moment in time compared to the average price for the period analysed. This analysis is computed through the coefficient of variation¹³ which indicates the level of dispersion prices have from their average. The coefficient of variation provides a useful understanding of how prices have changed in the past and uses this information as a useful indication as to the likelihood of price levels in the future. With little variation in price overtime we can be sure that prices will tend to remain relatively stable while with high reported variation the opposite is likely to occur. This is a useful indicator which helps reduce uncertainty for decision making and provides evidence to support market based response options.

High price variability creates an atmosphere of uncertainty among market actors. High price variability can be caused by a number of issues, some of which are: poor local and regional harvest, poor road infrastructure, few traders leading to an oligopoly/monopoly system, limited trader storage capacity, limited selection of

¹³ Coefficient of variation is calculated as the ratio of the number of standard deviation a particular figure has from the mean/average figure for the sample.

alternative foods on the market and resistance by consumers to eat a varied range of foods, and alternating government policies such as on the placing and removing of food import/export bans. These factors make it difficult to understand the functionality of the market as they can lead to a multitude of responses/mitigating factors by market actors.

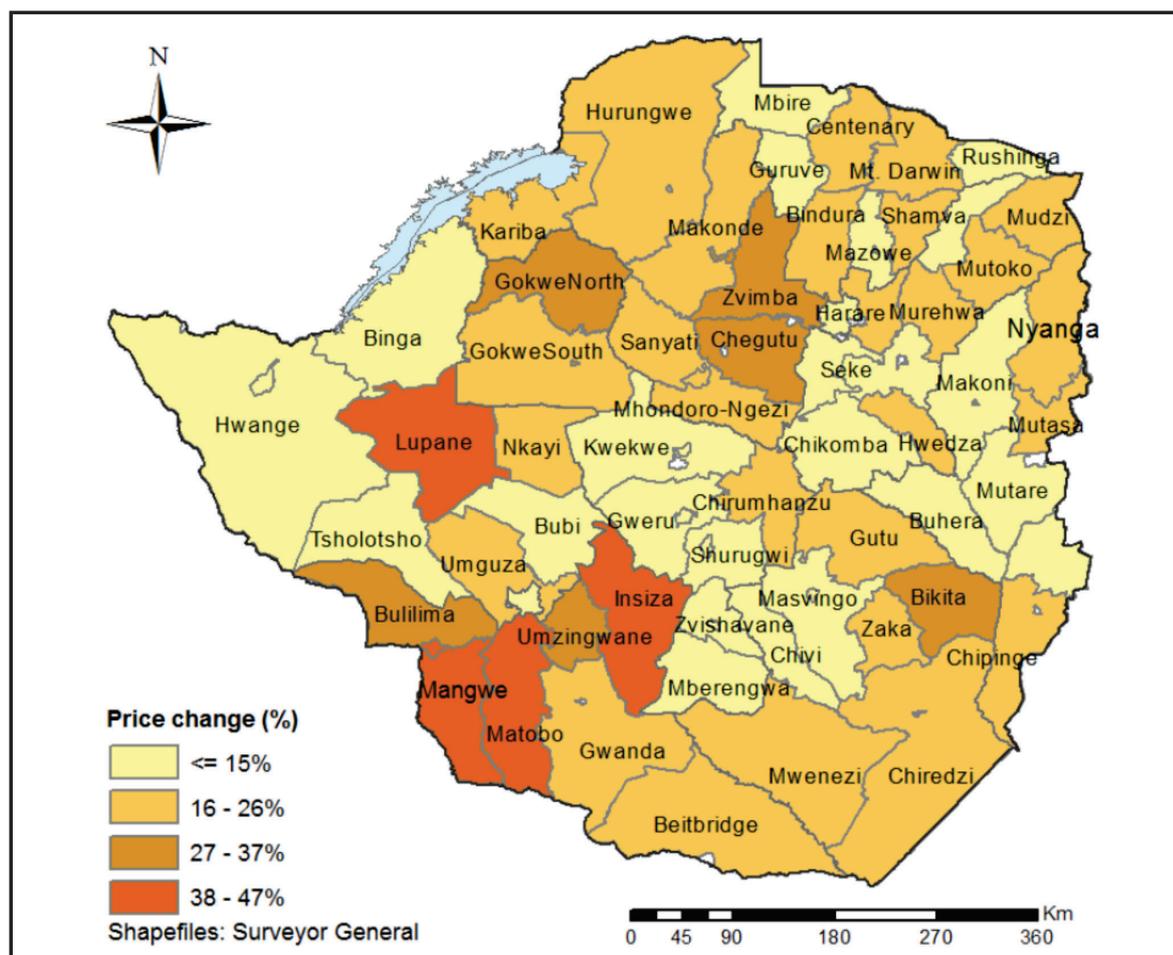
High price variability can lead to a distorted and dysfunctional/fragmented market system as well as leading market actors to take mitigating measures to minimize their risk to and repercussions from the high price variability.

The problem with high price variability is that the transfer value given to targeted food insecure populations will constantly have to be updated so as to continue providing the equivalent of the in-kind basket. Therefore, markets with lower price variability are more preferred to support cash and voucher interventions.

Figure 29 shows price variability for maize grain based on a 5 year period from 2011 to 2016. From the analysis price variability is high in some districts at more than 15%. It is important to note that cash based transfers cannot be efficiently and effectively implemented in districts with high price variability, but if this modality has to be used then the value of the basket has to be closely monitored. Other food commodities have been stable over the 5 year period with average price variability of less than 5%.

Most markets seemed to be integrated with the source markets as a price movement in the source market was reflected in the markets visited. Most traders reported that when they receive a price promotion for any of their products they also reflect it in their selling price. This was mainly due to the competition from other traders and some also sighted good business ethics.

Figure 29: Maize Price Volatility



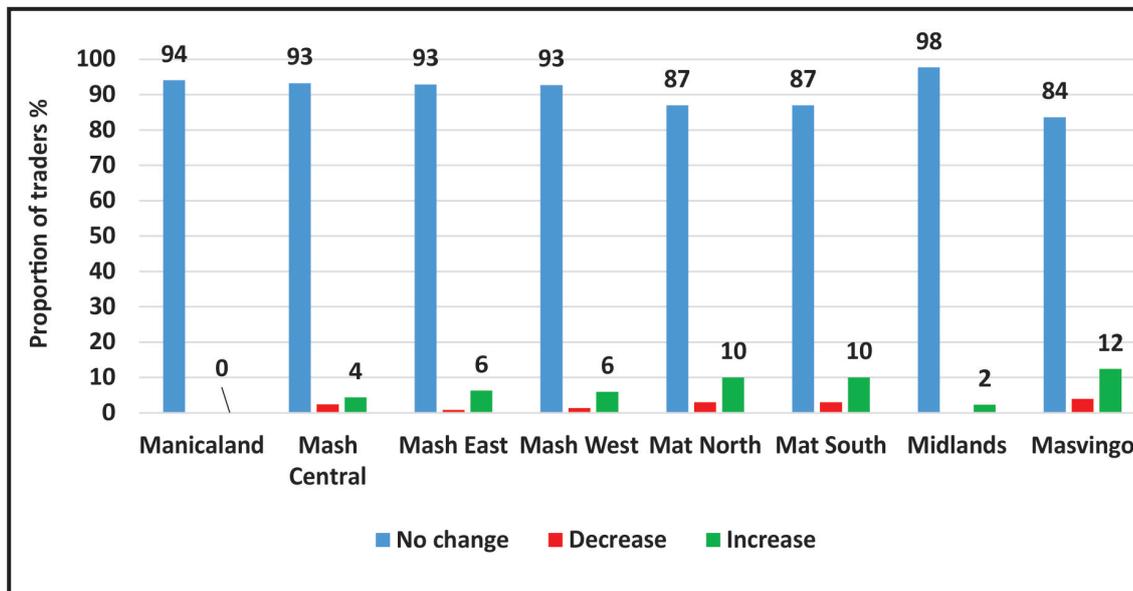
7. RESPONSE CAPACITY AND CONSTRAINTS

The assessment included questions to assess the capacity of local markets and traders to provide adequate quantities and varieties of food commodities at the right prices, and the major constraints faced by traders to meet demand throughout the consumption year.

7.1 Trader Capacity to Meet Demand

Most traders indicated that they would be able to absorb increased demand without increasing the prices. Masvingo province had the highest proportion of traders (12.4%) indicating that they might increase their prices if demand were to increase by 25% or more. This was followed by Matabeleland South (10%) and Matabeleland North (10%) (Figure 30).

Figure 30: Basic Commodity Price Change with 25% Increase in Demand



Analysis of price stability by commodity showed that at least 70% of the traders were able to meet demand increases of 10%, 25%, 50%, and 100% without an increase in price for the 4 basket commodities (figure 31 - 34). Most traders indicated that if there is a change in price it will be temporary and will not be sustained.

Figure 31: Traders' Capacity to Meet Pulses Increased Maize Grain Demand

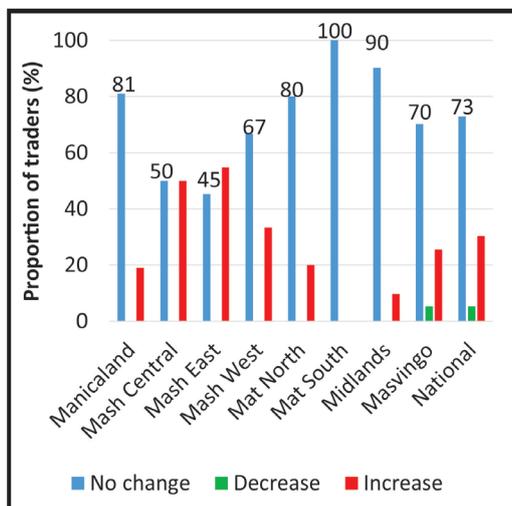


Figure 32: Traders' Capacity to Meet Increased Demand

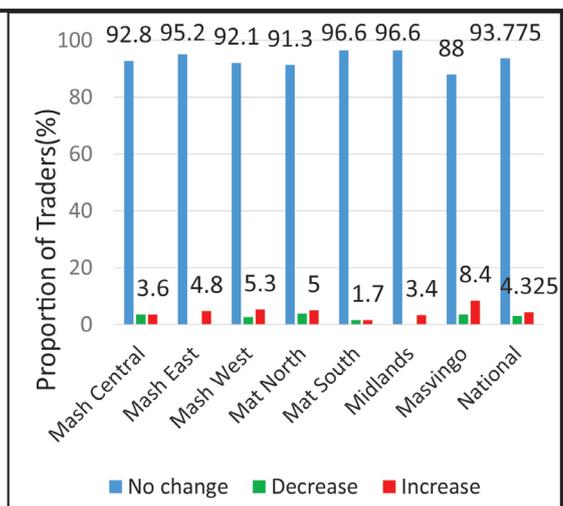


Figure 33: Traders' Capacity to Meet Cooking Oil Demand

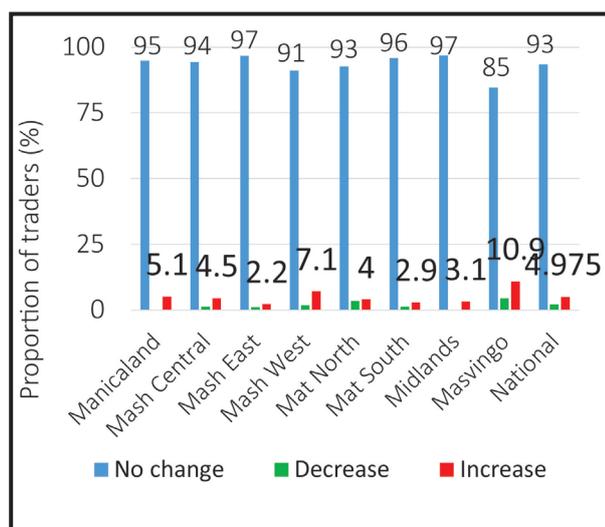
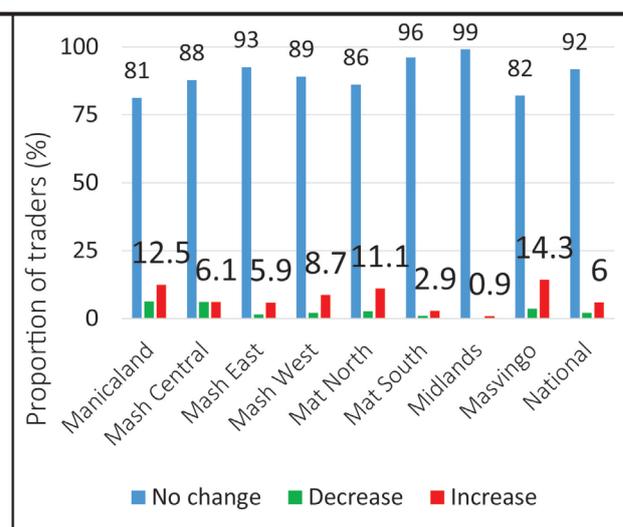


Figure 34: Traders' Capacity to Meet Mealie Meal Demand



7.2 Restocking Frequency

The trade network in the country is strong with most traders (77-92%), having the ability to restock the required quantities within a week (figure 35) and even within a day for some. Some traders confirmed receipt of door to door supplies of basic commodities from selected manufacturers.

Figure 35: Traders' Capacity to Restock

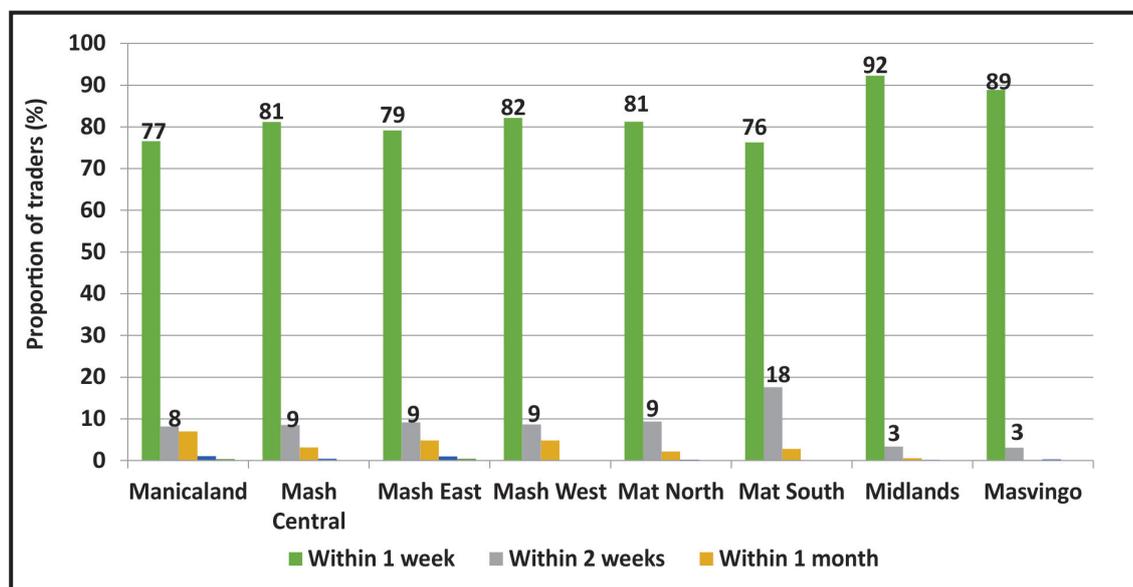


Figure 35 shows that more than 70% of the traders had the capacity to increase their stocks within a week in the event of increased demand across all provinces. They argued that the current stock levels are in line with the current demand which is low due to the liquidity challenges being faced in the country. Some traders indicated that due to the complexity of the maize grain supply chain they do not trade the commodity. All wholesalers indicated that they had the capacity mainly due to the provision of maize under the Government's lean season assistance programme and food assistance by other Government partners.

8. TRADER CONSTRAINTS

Cash shortages were reported by traders as the major constraint in their day to day operations. Other major constraints include low demand, lack of capital, high transport cost and client liquidity (figure 36). High transport costs coupled with lack of means of transport was reported by some traders who highlighted it as a major challenge in restocking.

Figure 36: General Operational Constraints at National level

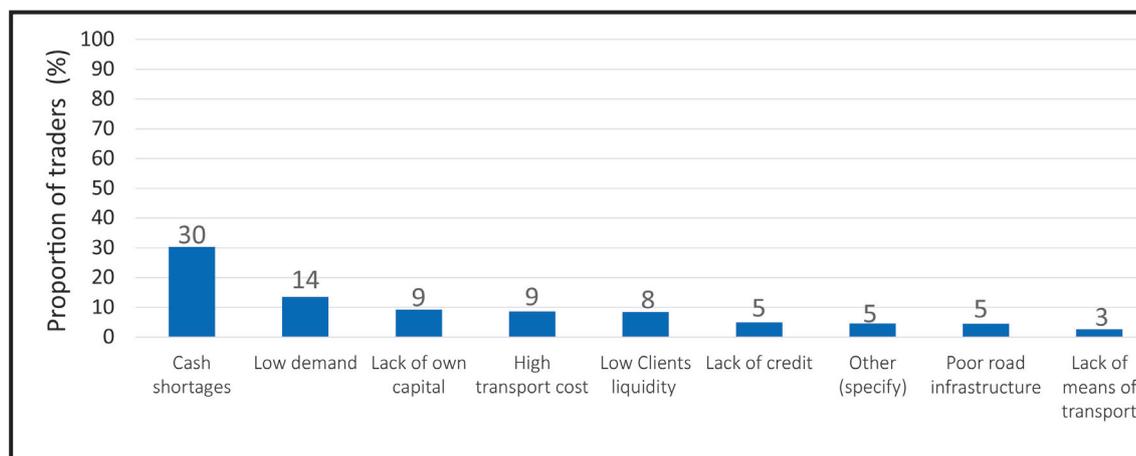
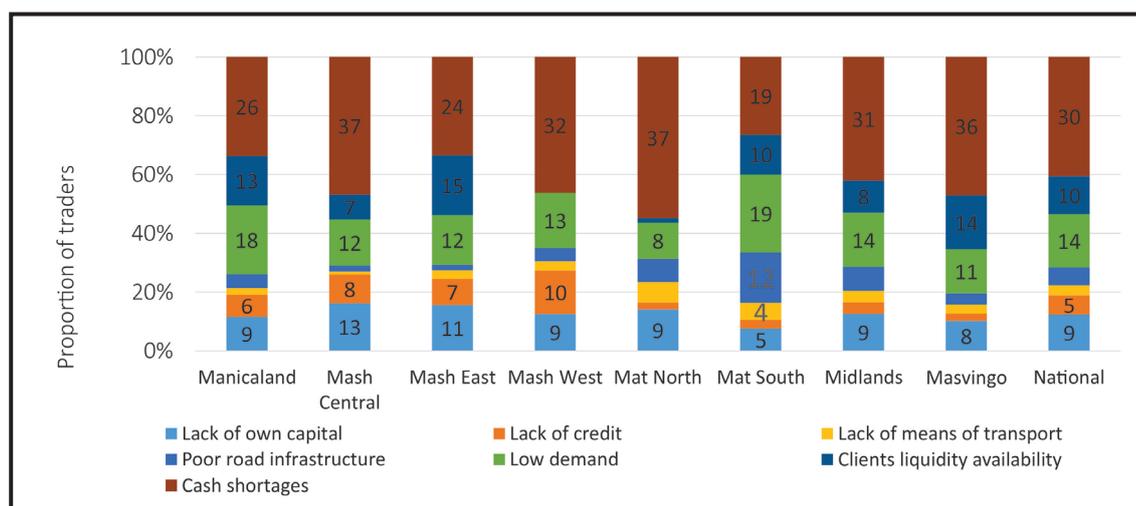


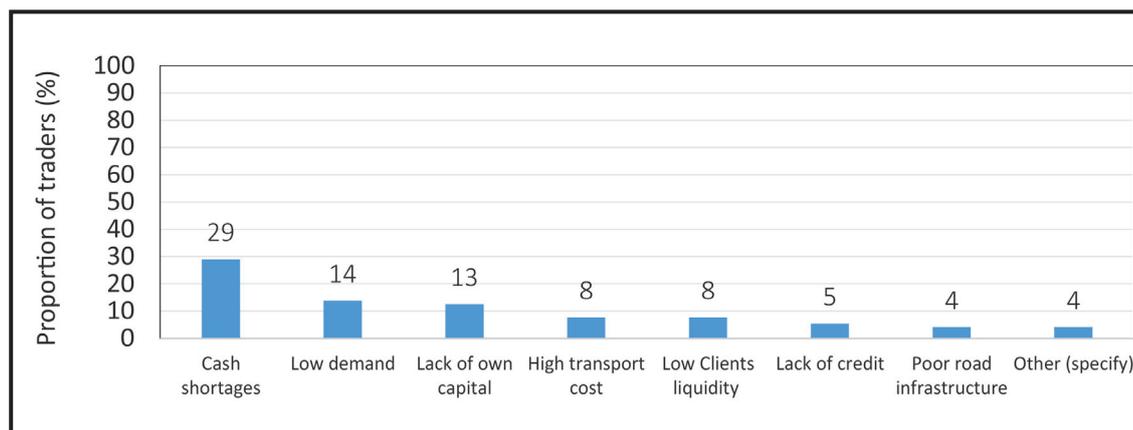
Figure 37 presents the provincial picture of some of the main constraints preventing traders from substantially increasing existing business. Cash shortages were reported as the major constraint faced by traders mainly affecting client liquidity and demand for the goods and services they offer. The highest number of traders that reported cash shortages as a major constraint were in Mashonaland Central (37%) and Matabeleland North (37%) and the least proportion was in Matabeleland South (19%). At least 5% of traders reported lack of credit as a constraint. Poor road network was reported by about 5% of the traders who sighted it as a challenge in accessing commodity source markets.

Figure 37: Main Constraints Preventing Traders from Substantially Increasing Existing Business by Province



Nationally the identified constraints include cash shortages (29%), low demand (14%) and lack of own capital (13%). High transport cost, client's liquidity and lack of credit were identified as minor constraints (figure 38). The pattern is similar to that for general operational constraints.

Figure 38: Main Constraints Preventing Traders from Substantially Increasing Existing Business



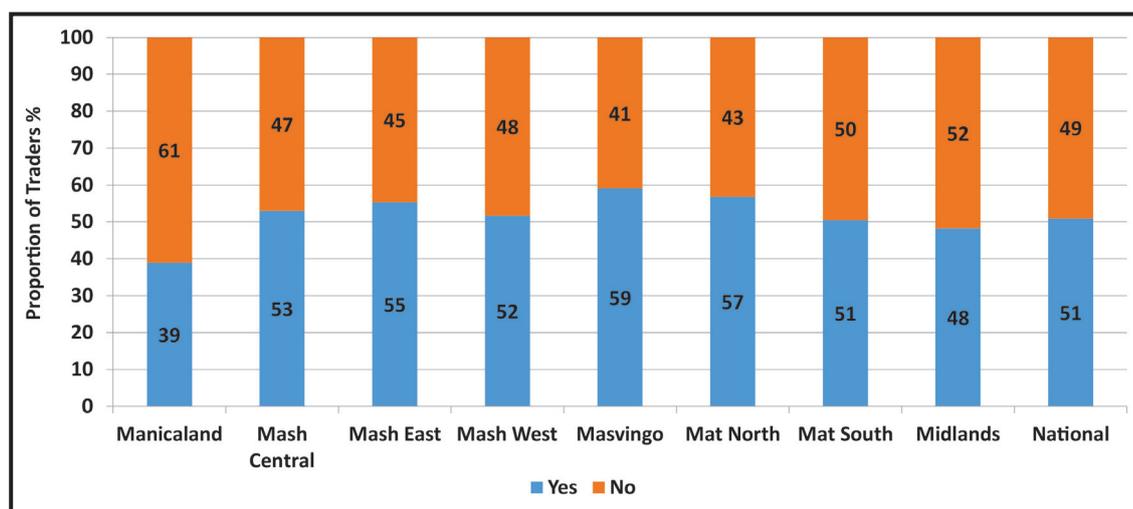
9. CREDIT AND PAYMENT OPTIONS

In order to understand the food market dynamics credit and payment options need to be considered. Considerations also need to be given to the behavior of rural traders in terms of access to credit facilities to run business, traders availing credit facilities to their clients as well as usage of both mobile and plastic money in business transactions.

9.1 Credit Facilities to Clients

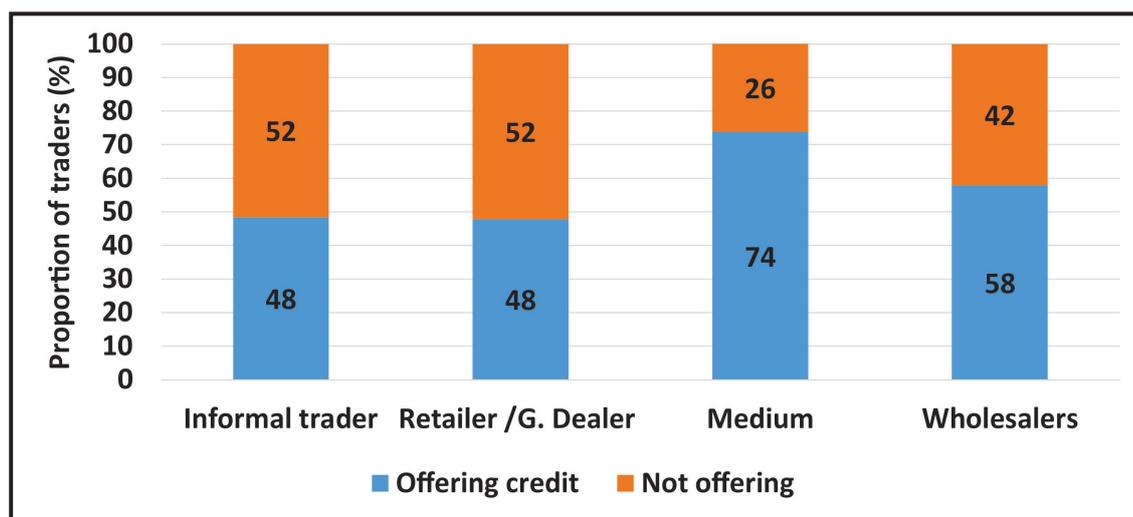
About 51% of traders were offering credit facilities to their trusted clients (figure 39). Manicaland (40%) had the lowest number of traders providing credit sales while Masvingo (59%) recorded the highest. About 65% of traders noted an increase in the number of people requesting credit compared to the usual trend during the same period.

Figure 39: Proportion of Traders Offering Credit to Clients



About 48% of informal traders and retailers/general dealers were offering credit. Medium vendors (74%) were more likely to provide credit to their clients than any other class of traders, followed by wholesalers (58%). Generally, less people requested for credit from all types of traders compared to the usual trend in previous years (figure 40).

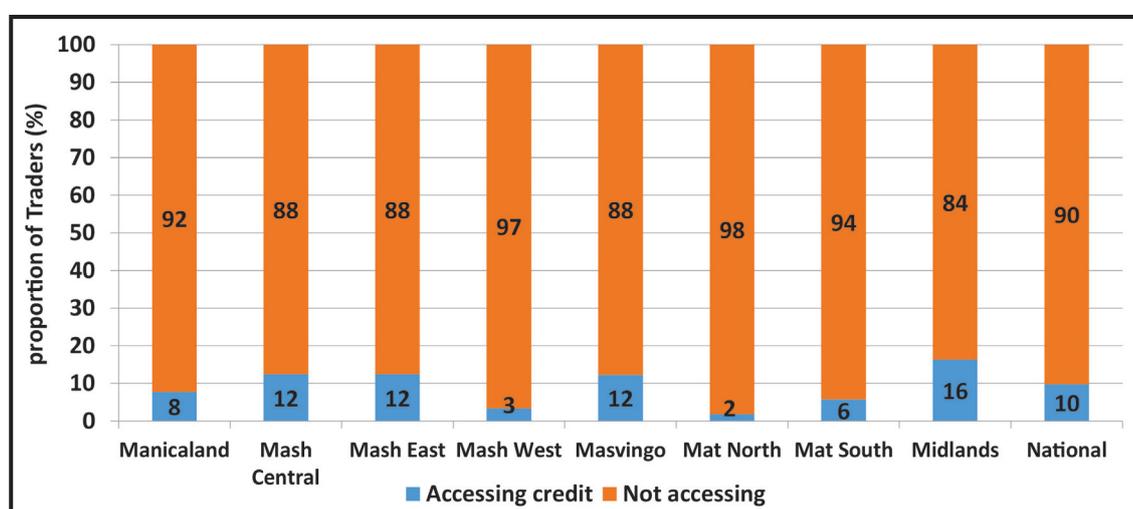
Figure 40: Proportion of Traders by Type Offering Credit to Clients



9.2 Traders Accessing Credit Facility to Run Business

The majority of traders reported that they were not accessing credit facilities to run their business (figure 41). The reasons cited varied across traders with some highlighting high collateral requirements, unavailability of credit service providers in the rural areas. Some traders were of the view that there was no need for credit as business was too low. Nationally only 9.8% of traders had received some form of credit to run their businesses. The highest proportion of traders accessing credit was in Midlands (16.3%) followed by Mashonaland East and Mashonaland Central at 12%. Matabeleland North with only 2% had the lowest proportion of traders accessing credit.

Figure 41: Proportion of Traders Accessing Credit to Run Business



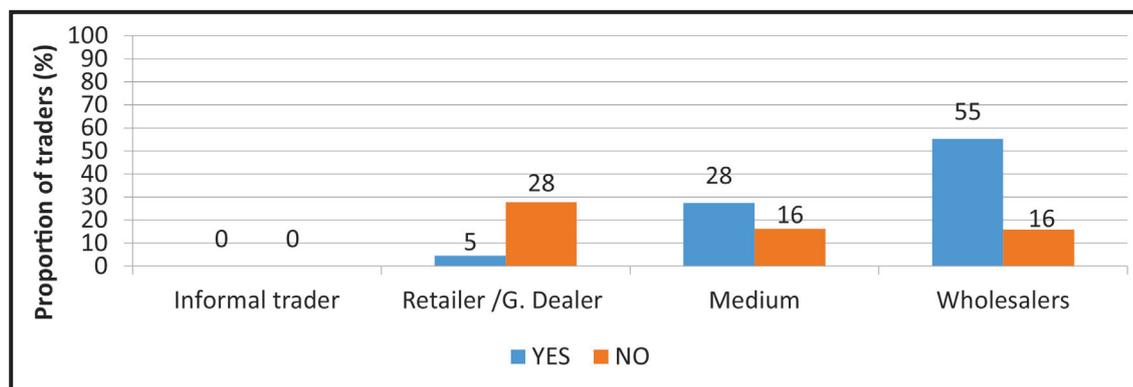
9.3 Use of Mobile and Plastic Money

All types of traders made use of mobile money, with 40% of medium vendors, 68.4% of wholesalers, 29% of retailer/general dealers and 1.6% of informal traders confirming accepting mobile payments (figure 42). Use of plastic money was high among wholesalers (55.3%) and medium vendors (27.5%) and low among retailer/general dealers (4.5%) and informal traders recording zero usage. Of those using mobile money, 23.8% were agents, 8.8% merchants and 58.4% being both merchants and agents.

The leading mobile money service provider according to usage by traders was Econet (Ecocash) 89.8%. About 5% and 3% of the traders were using Telecel (Telecash) and Netone (One wallet), respectively. Textacash,

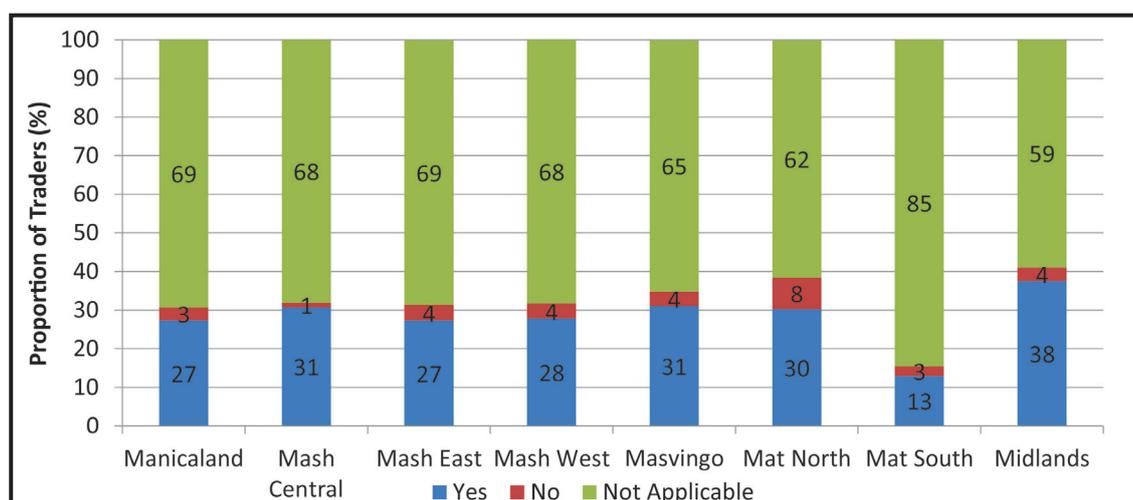
Getcash and Mukuru were also amongst the other transfer options used for trade, though at very low levels.

Figure 42: Proportion of Traders Accepting Plastic Money



Mobile money payments for all types of traders were highest in Midlands, Mashonaland Central and Mashonaland West at 38%, 31% and 28%, respectively. Mobile money payments were lowest in Matabeleland South, with 13% of traders accepting mobile payments (figure 43).

Figure 43: Proportion of Traders Accepting Mobile Money Payments by Province



9.4 Mobile Network Coverage

Zimbabwe has five mobile networks services with three major networks being Econet, NetOne and Telecel. Generally, all three mobile networks have fairly good coverage throughout the country. Econet had the widest coverage, followed by NetOne and Telecel. The quality of service across the three major networks varied across the country. At most major markets, the quality of all three networks was rated above average (figure 44, 45 and 46). In areas where there was variation in the quality of network reception, the performance of one network, complemented the other. Mobile network coverage and quality are essential prerequisites when considering cash transfers for humanitarian programming.

Overall, in most of the markets visited, Econet was rated highest in terms of good quality service provision across all provinces. In all the provinces, Econet had over 61% of good quality network followed by Netone (43%) and Telecel (29%). However, in Mashonaland Central, Telecel was rated higher (57.4%) than Netone (54.6%).

Figure 44: Proportion of Traders That Reported Good Econet Quality of Network

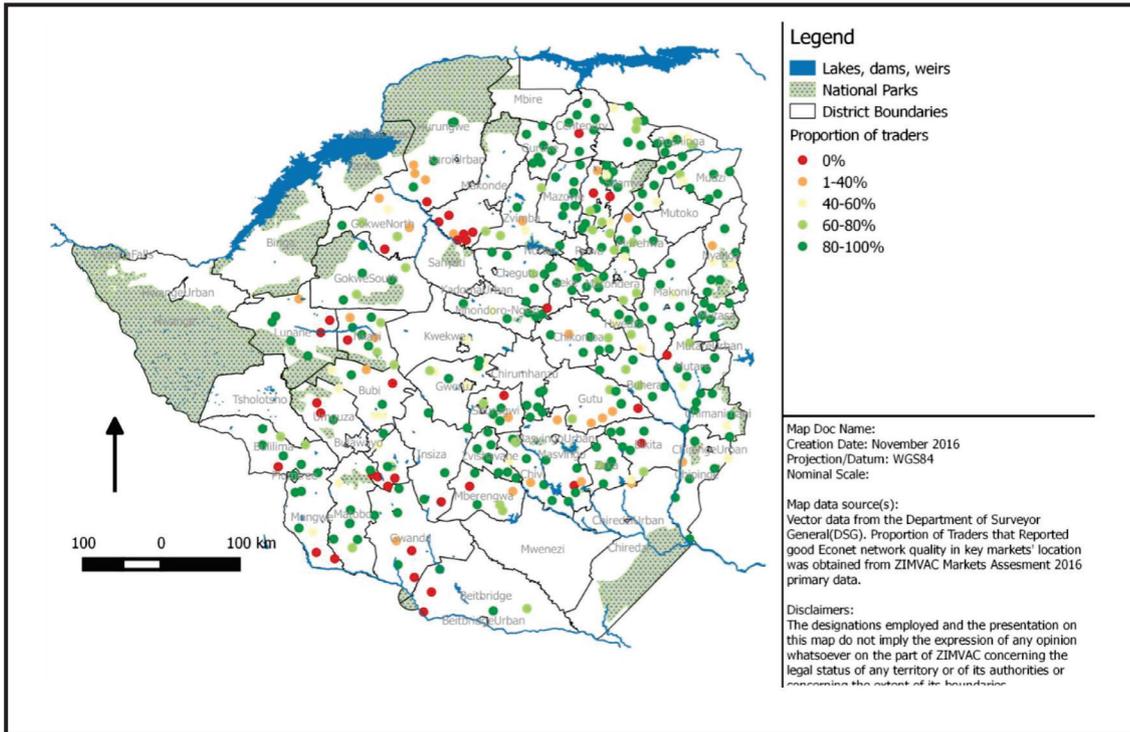


Figure 45: Proportion of Traders That Reported Good Netone Quality of Network

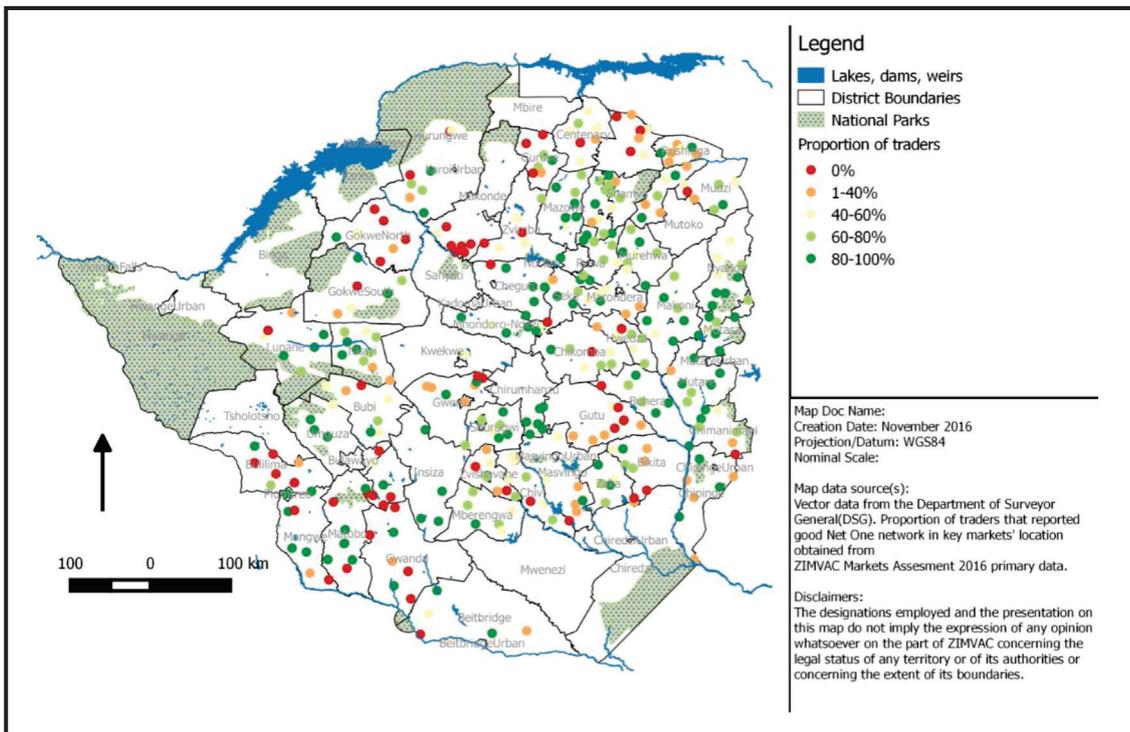
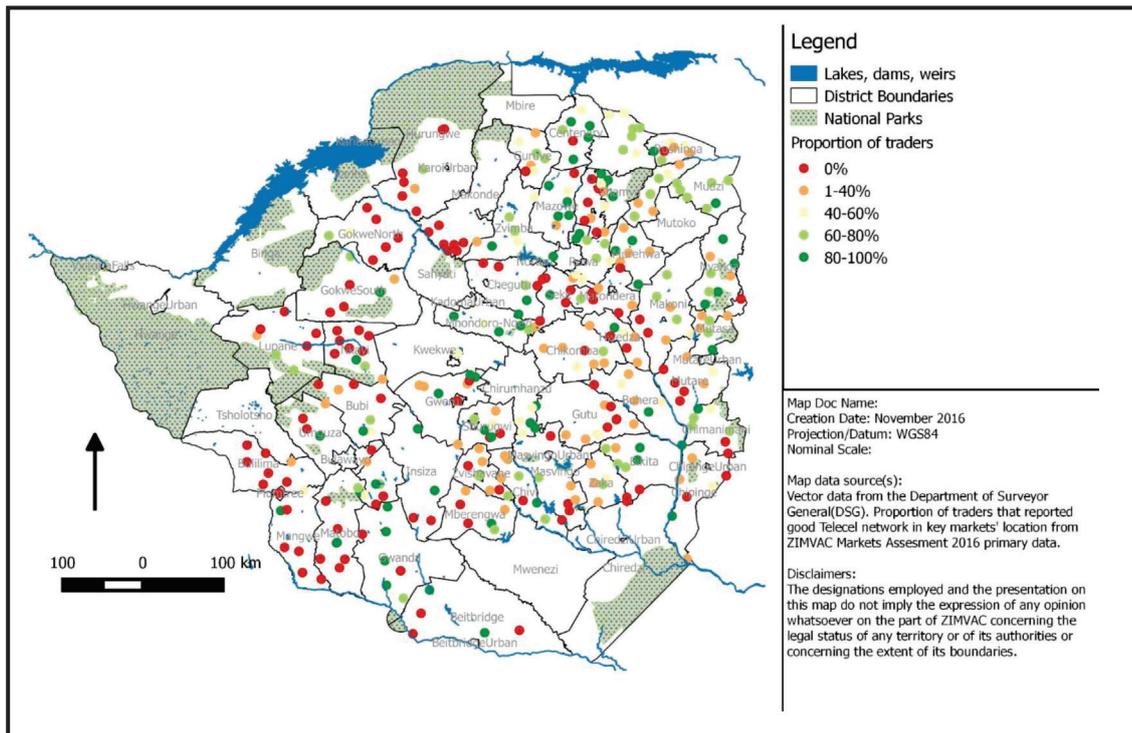


Figure 46: Proportion of Traders That Reported Good Telecel Quality of Network

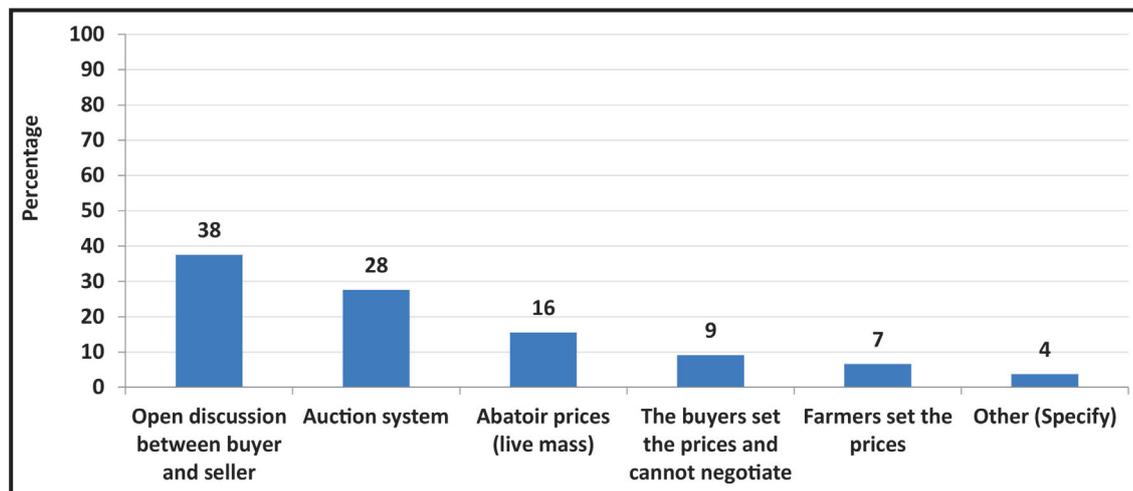


10. LIVESTOCK

10.1 Prices

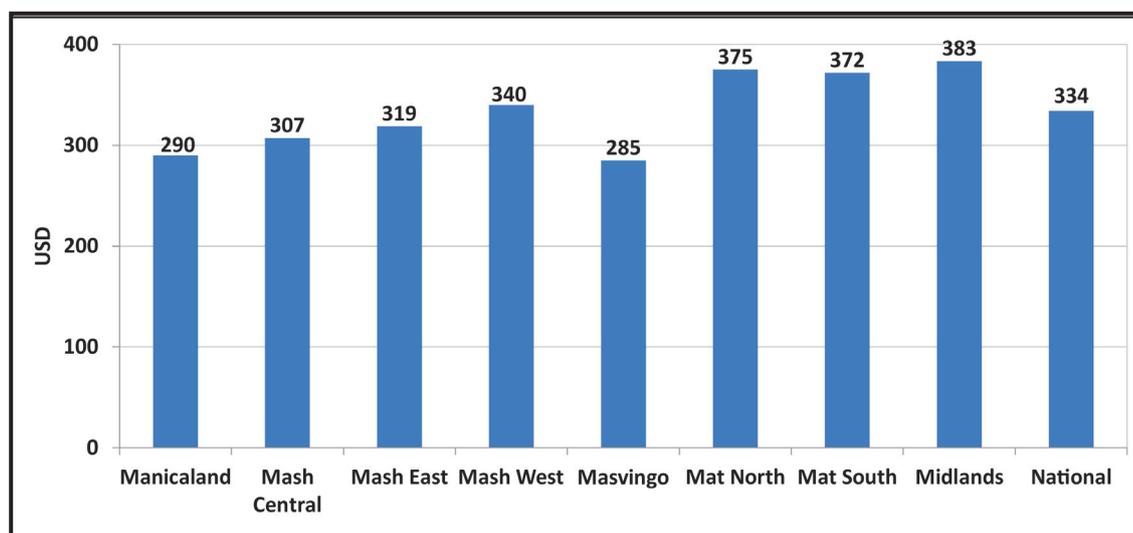
The most commonly used method to determine the price of cattle is open discussion between buyer and seller followed by the auction system (figure 47).

Figure 47: Methods Used to Determine Livestock Prices



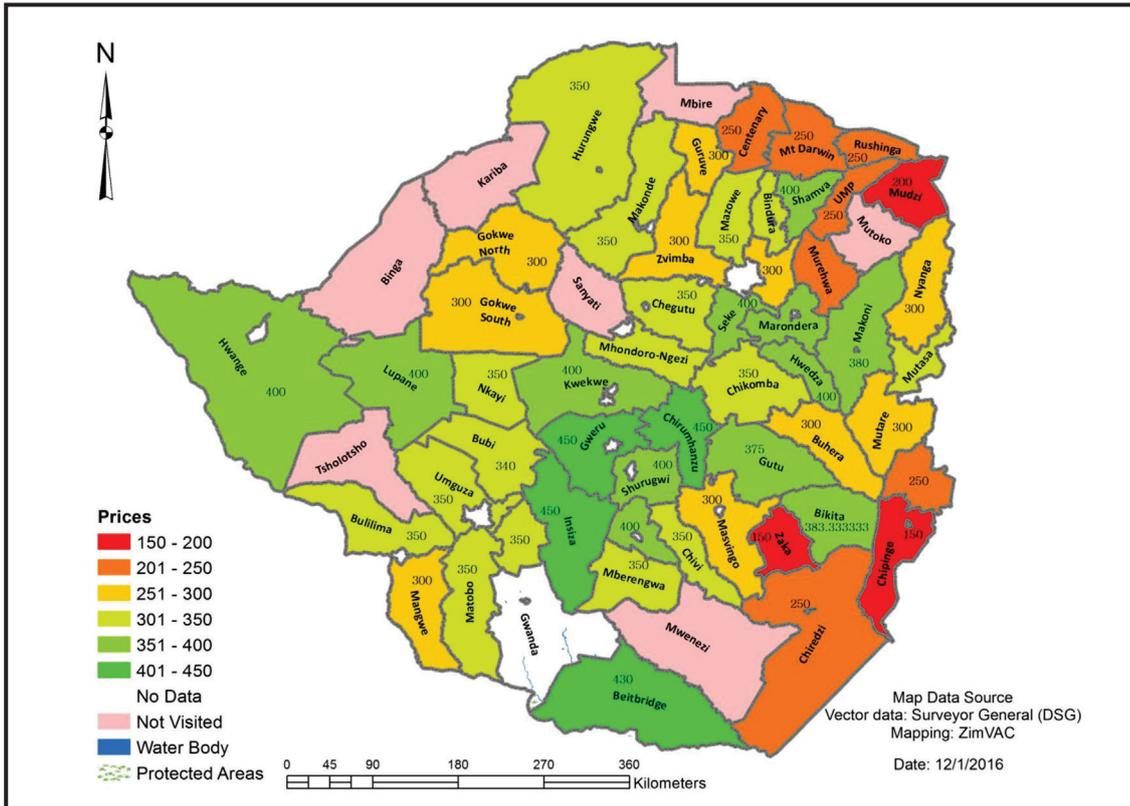
National average cattle price was at USD 334. The lowest price was found in Masvingo Province where the average price per beast is USD 285. Cattle prices were highest in Midlands (USD 383) Matabeleland North (USD 375) and Matabeleland South (USD 372) and (figure 48).

Figure 48: Cattle Prices per Province: September 2016



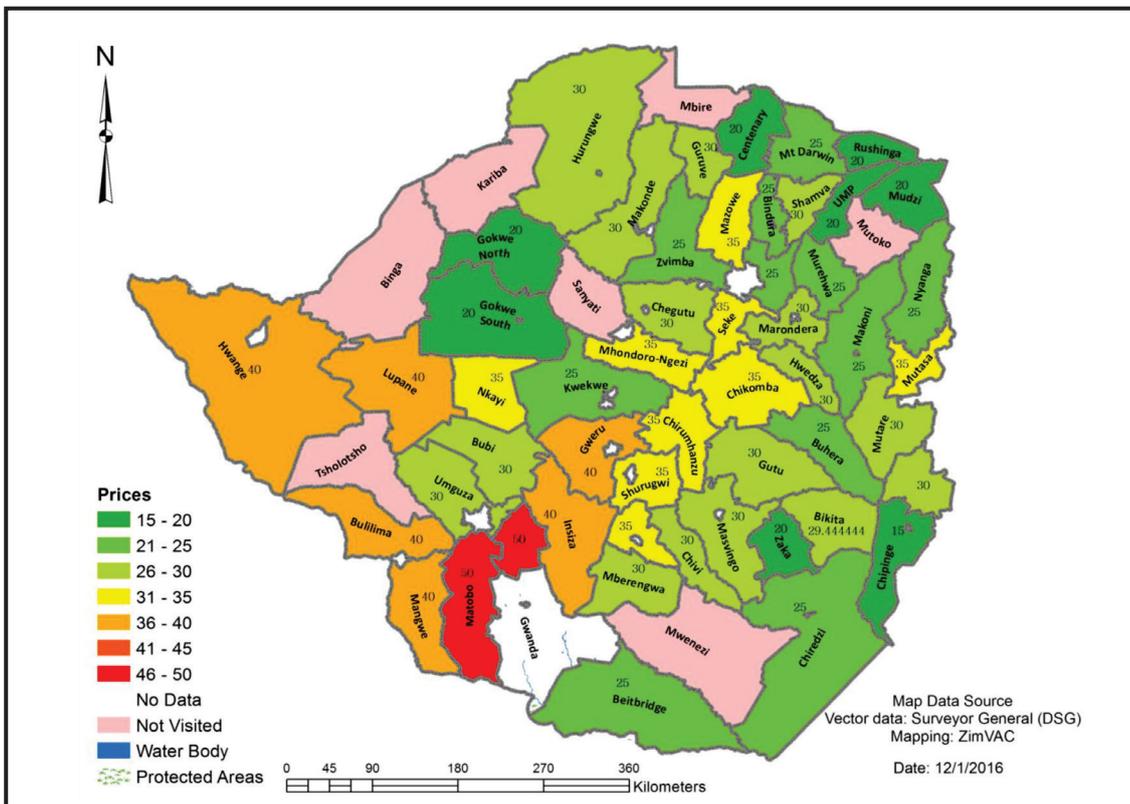
The lowest cattle prices were recorded in Chipinge (USD 150) and Zaka (USD 150) and Mudzi (USD 200) (figure 49). The main reasons for the low cattle prices were reported to be poor livestock condition due to inadequate water and grazing pastures.

Figure 49: Cattle Prices by District: September 2016



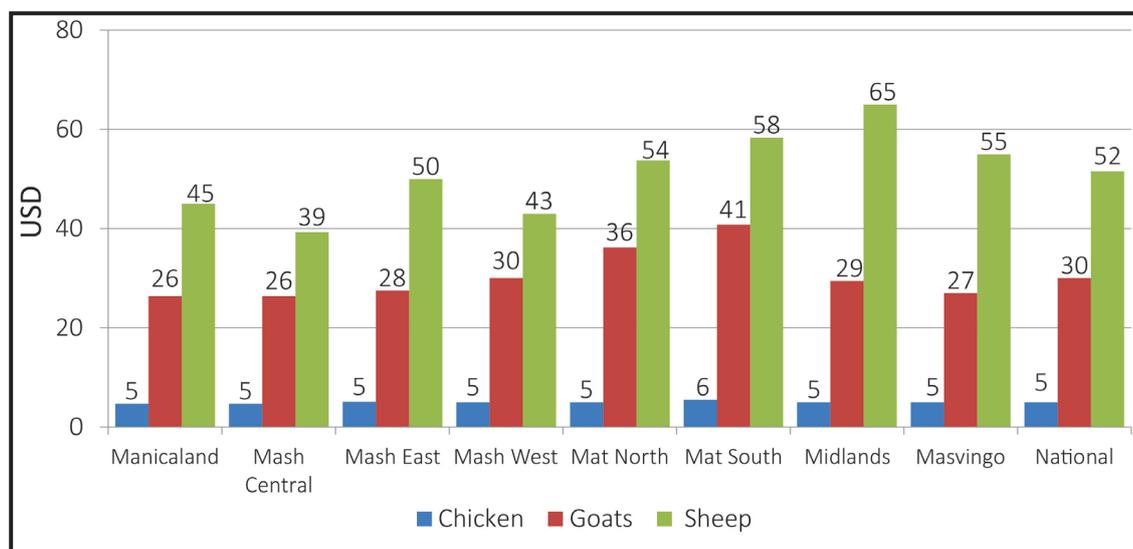
Lowest Goat prices were recorded in Gokwe North and South, Rushinga and Centenary with an average price of USD 20/animal (figure 50).

Figure 50: Goats Prices by District



The average price for sheep was USD 52 while the average goat price was USD 30. The highest prices for sheep were recorded in Midlands (USD 65), the highest goat prices were reported in Matabeleland South at USD 41 (figure 51). Indigenous chickens had an average price of USD 5 across all provinces.

Figure 51: Small Livestock Prices: September 2016



10.2 Cost of compliance

There has been an increase in fees and charges related to levies, taxes, permits charges, livestock clearance costs and transport charges that are increasing the cost of livestock production. Using the current national average price per beast the total cost of compliance paid by the farmer is about USD 55 without transport charges and USD 85 with transport included (table 7).

Table 7: Cost of Compliance

	Cost per animal	levies	taxes	transport	movement permit	Livestock clearance	Total
Cost USD	334	33.40	2	30	10	10	55
% of total cost		10%	0.5%	9%	3%	3%	16%

11. AGRICULTURAL INPUTS

11.1 Availability of Seeds

Nationally only 21.4% of the retailers had maize seed at the time of the assessment. Generally maize seed was not readily available in the markets visited. This is highly suggestive of the limited decentralization of agricultural inputs markets into the far reaches of the rural areas, particularly in markets where the vulnerable households mostly obtain their basic food stuffs. Masvingo (33%) and Midlands (27.4%) had the highest proportion of the retailers that had maize seed at the time of the assessment (figure 52).

Mashonaland Central (8%) had the least proportion of retailers selling maize seed. These levels were very low considering the need to prepare for the planting season. This situation could be explained by a farmers' dependence on far away markets in towns and cities.

Figure 52: Maize Seed Availability by Province

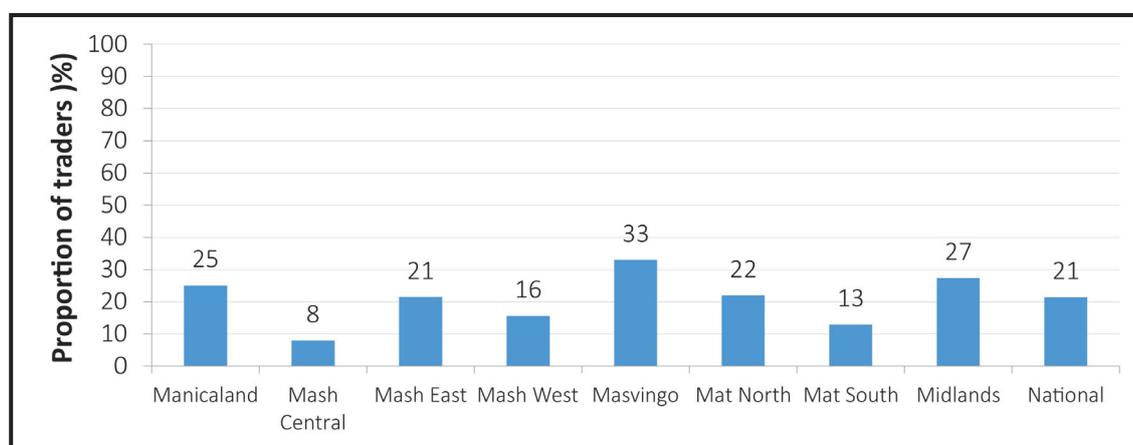
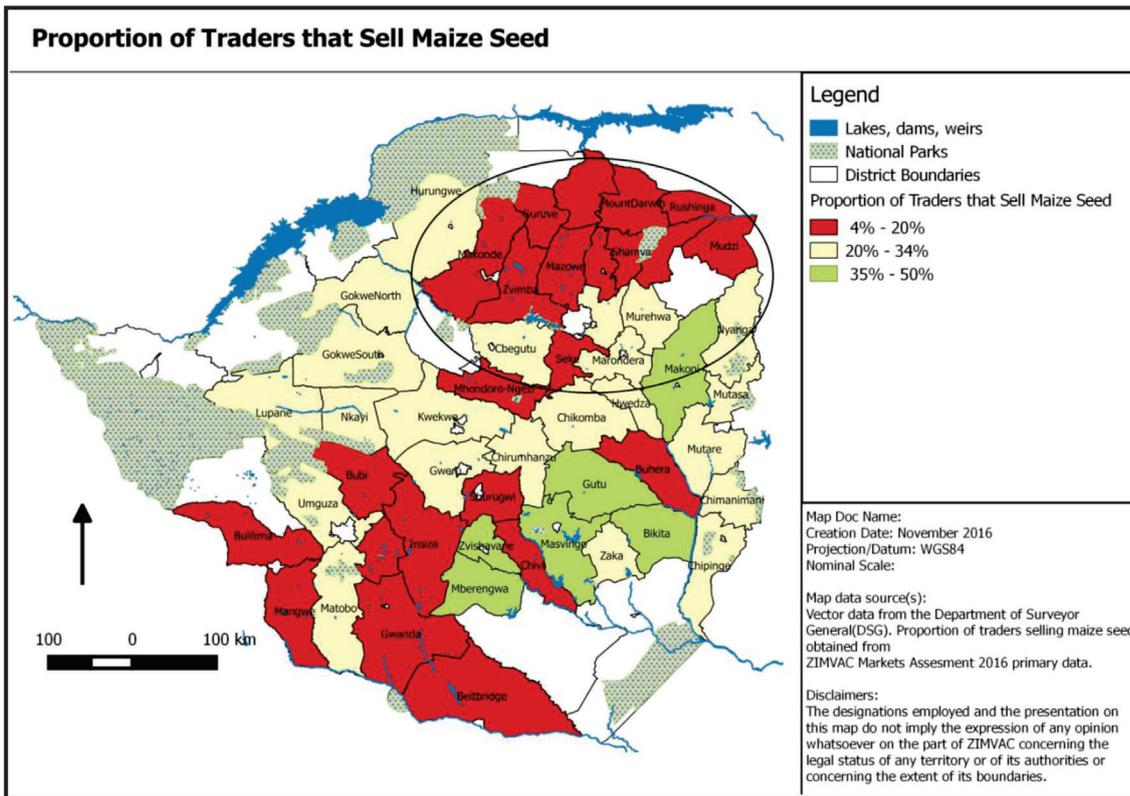


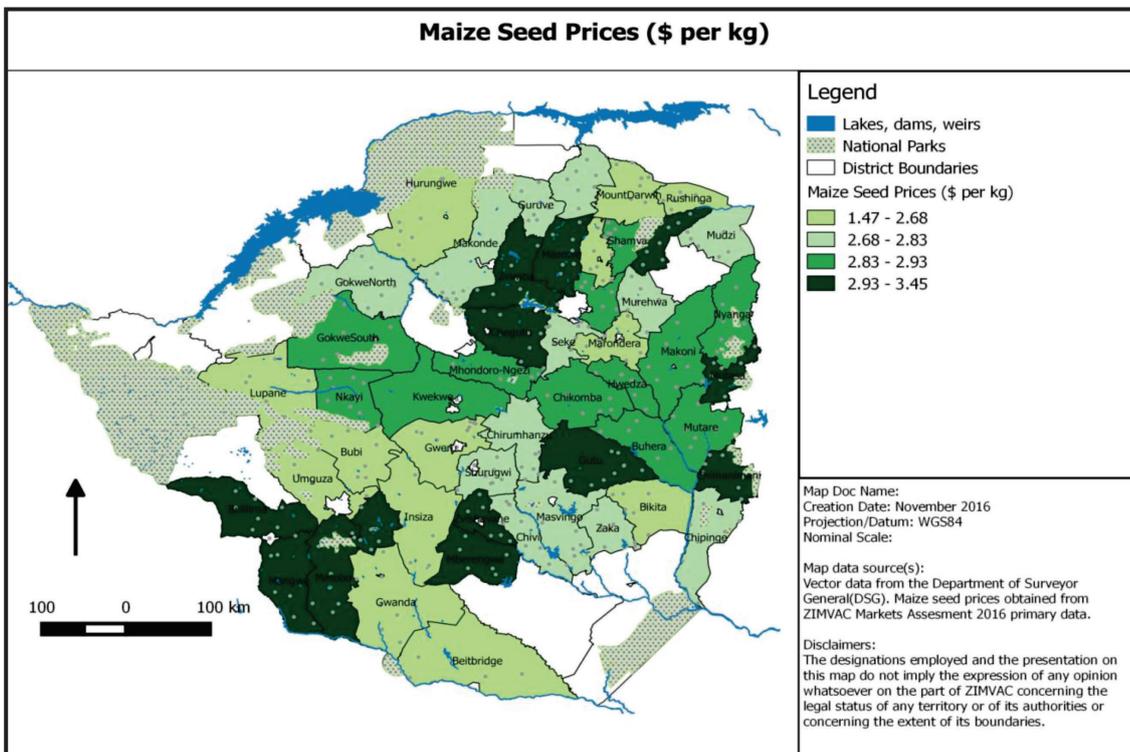
Figure 53 shows that only 6 of the assessed 51 districts had over 35% of their retailers trading in maize seed. Zvishavane (50%) and Gutu (41%) were the districts with the highest proportions of retailers trading in maize seed at the time of the assessment. Maize high potential districts such as Mazowe (4%) and Makonde (5.6%) had very low proportions of retailers selling maize seed at the time of the assessment.

Figure 53: Maize Seed Availability by District



The lowest prices for maize seed were recorded in Bubi (USD 1.47/kg) and Insiza (USD 1.85/kg). The highest prices were recorded in Mangochi (USD 3.45/kg), Chimanimani (USD 3.42/kg) and Umzingwane (USD 3.42/kg). The national average price per kilogram was at USD 2.83 (figure 54).

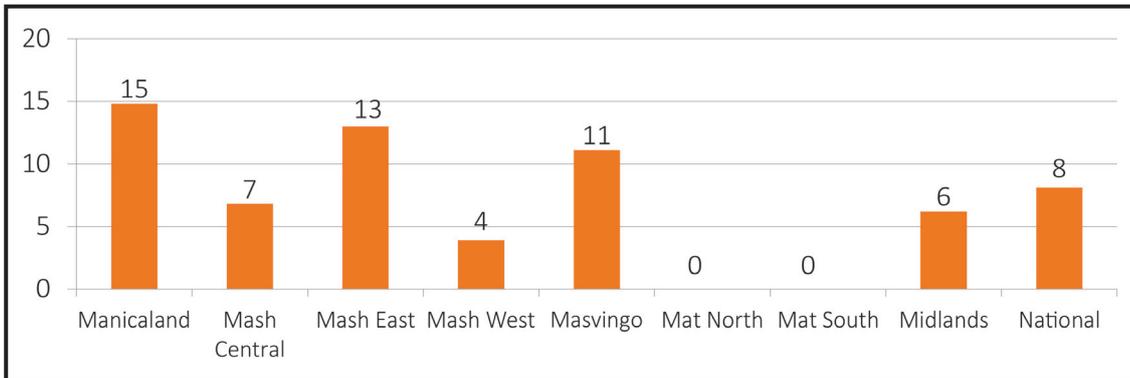
Figure 54: Maize Seed Prices: September 2016



11.2 Availability of Fertiliser

Matabeleland North and South did not have any retailers selling fertiliser at the time of the assessment. This is understandable given the generally low demand for the commodity in this region. Manicaland (15%) and Mashonaland East (13%) had the highest proportion of traders selling fertiliser (figure 55). Traders generally stocked basal and top dressing fertilisers without side dressing straight fertilisers or lime because demand for these is very low.

Figure 55: Proportion(%) of Traders selling Fertilizer by Province



Agricultural Inputs value chains are generally weak in Zimbabwe, primarily due to weak demand for inputs by smallholder farmers that form the majority of farmers. Limited credit and other financing services for agriculture compound the situation. While market based input support interventions have been promoted at increasing levels in the past five years, these have largely been of limited scale and generally inconsistent to have sustained economy-wide impacts.

12. RECOMMENDED MARKET INTERVENTION MODALITY OPTIONS

The district Cash Based Transfer modality selection process took place in an open door plenary session attended by government, NGOs, UN agencies among others. The transfer modality selection took into consideration market functionality, market structure and accessibility, quality of communication and road networks, availability of mobile money services, security concerns, volumes traded, credit and payment options and price volatility.

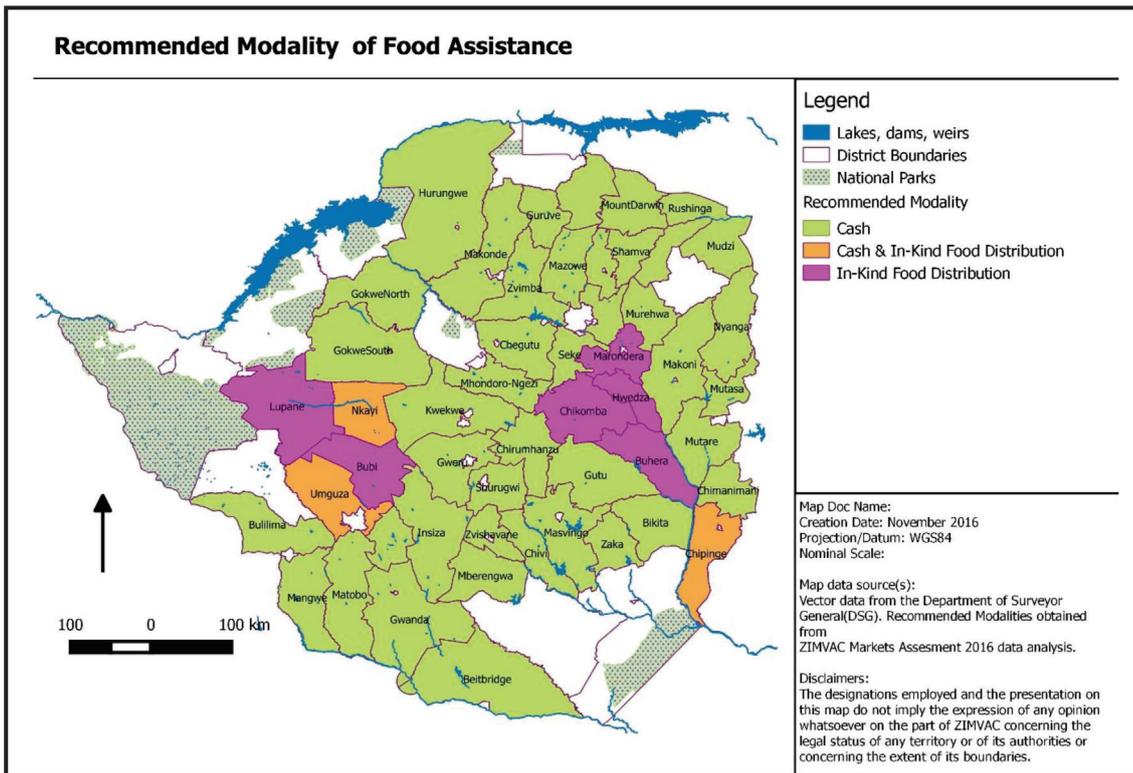
Table 8 shows that of the 51 districts assessed 42 were recommended for cash, 6 for in kind, 3 for both cash and in kind.

Table 8: Recommended modality by district

Modality	Districts	# of Districts	Total ZimVAC food insecure population
Cash	Beitbridge, Bikita, Bindura, Bulilima, Chegutu, Chimanimani, Chirumhanzu, Chivi, Gokwe North, Gokwe South, Goromonzi, Guruve, Gutu, Gwanda, Gweru, Hurungwe, Insiza, Kwekwe, Makonde, Makoni, Mangwe, Masvingo, Matobo, Mazowe, Mberengwa, Mhondoro-Ngezi, Mount Darwin, Mudzi, Murehwa, Mutare, Mutasa, Muzarabani, Seke, UMP, Umzingwane, Nyanga, Rushinga, Shamva, Shurugwi, Zaka, Zvimba, Zvishavane	42	2 787 746
In kind	Bubi, Buhera, Chikomba, Hwedza, Lupane, Marondera	6	363 083
Both in kind and cash	Chipinge, Nkayi, Umguza	3	255 945
Total		51	3 406 775

There are 6 districts (Bubi, Buhera, Chikomba, Hwedza, Lupane and Marondera) where in kind transfer modality has been recommended with an option for cash, previously categorized as “Cash with Reservations”. For these districts cash could work as long as the implementing agency or organization understands the risks at hand and ensures mitigating measures are undertaken to minimize possible side-effects of the cash intervention. Limited mobile network coverage and seasonality of road accessibility were the main risks identified for these districts. Figure 56 shows the spatial distribution of the recommended transfer modality by district.

Figure 56: 2016 Assessment Recommended Modality by Districts



In the 2015 markets assessment, 33 districts were recommended for cash and of these 3 have been recommended for either both in-kind and cash (Chipinge and Umguza) and both cash and vouchers (Shurugwi) because some parts of these districts do not have either well-functioning markets or quality mobile network connectivity to support cash initiatives. Future identification of key markets used by food insecure populations should come from the populations themselves during household food security assessments. This would enable greater precision on assessing those markets which are used by the food insecure.

13. CONCLUSIONS AND RECOMMENDATIONS

The assessment findings confirm that food market systems are still functioning in most areas in spite of the current economic challenges being faced by the country. There is need to maintain the current infrastructure (roads, mobile networks, storage facilities) as it underpins the functionality and accessibility of the markets.

The majority of traders have adequate capacity to support CBT interventions. Most traders are able to adjust their stock levels and restocking frequency in line with any increases in demand within a relatively short time period. Most traders take advantage of cheaper public transport to bring in their supplies from the source markets. At the same time some traders also receive door to door deliveries from wholesalers.

Access to affordable working capital as well as weak commodity demand are amongst the main challenges undermining the operation of markets.

The majority of businesses are owned by men. There is need to increase efforts towards more participation of women in entrepreneurial activities to promote women ownership of business. There are very few financial institutions availing credit to rural businesses or even resident within the rural communities as shown by the small percentage of traders accessing credit facilities. More so small scale traders do not have bank accounts for their businesses. Therefore the Ministry of Small and Medium Enterprises and Cooperative Development needs to carry out more awareness campaigns and capacity building for small scale traders to encourage them to formalise their businesses including opening bank accounts with registered financial institutions. Traders across all categories were optimistic that injection of cash into rural communities would impact positively on their businesses.

Prices of maize grain are set to increase during the peak hunger period. It is therefore recommended that the country should import more maize grain and prices should be continuously monitored.

Agricultural input availability was very low in remoter markets closer to vulnerable populations. This is worrisome considering the assessment was done during the period when most farmers are preparing to plant. There is need to urgently engage input suppliers (retail and in-kind) on developing modalities for improving the agricultural inputs markets in remoter markets that are more accessible to the poor and vulnerable households.

Some communities walk long distances to markets (14km) in some cases using dry weather roads, which render households more susceptible to food insecurity since traders cannot access source markets during the rainy season. Improvement of road infrastructure is key.

Use of plastic and mobile money is still very low especially within the retail/general dealer category (4.5%) and moderately high within the wholesaler's category (55.3%). Mobile Money "Cash Out" services were being offered with a conditionality tied to the value of purchases across all trader categories. Given the current cash shortages being experienced in most parts of the country, the use of mobile/e-money is recommended for trade. However, caution should be exercised to guard against the behavior of traders of putting restrictive conditions for "cashing out" services.

All the three major mobile network services are being used across all the 8 eight rural provinces for mobile money transfer activities. Considering the prevailing cash shortages in the economy, introduction of cash transfers into the rural communities may positively impact rural trading through revival of ailing retailer/general dealers. Mobile network service providers need to revisit the turnaround time for processing of applications for traders to be merchants and/or agents, to help ease the way of doing business. Cash transfer programming to potentially use systems which work across all networks to ensure quality service to all areas, e.g. TextaCash etc.

Ensuring availability of adequate food in the upcoming peak lean season in the local markets, especially for maize grain, remains a high priority issue. Commendable progress has been made in the importation of the staple commodity and the prevailing trade regime has ensured adequate supply and availability of other basic food stuffs throughout the market. Nevertheless, monitoring of the situation is paramount before, during and

after CBT interventions.

Upon careful consideration of these findings and conclusions, the 2016 market assessment recommended in-kind food assistance transfers with a possibility for cash transfer for 6 districts (Bubi, Buhera, Chikomba, Hwedza, Lupane and Marondera). Cash modalities were recommended in 42 districts and three districts were recommended for a combination of cash and in kind transfers.

ANNEX 1: MARKETS COVERED BY THE ASSESSMENT

Manicaland					
District	Market	Wards covered	District	Market	Wards covered
Buhera	Birchenough	33, 30, 29, 27, 28, 26	Chimanimani	Chimanimani Central	1, 11, 12, 14, 15
	Chimbudzi	32, 21, 19, 17, 20, 22		Hot Springs	3, 5
	Gaza	10, 13, 9, 11, 12, 8, 31		Kopa	16, 21, 22, 23
	Gwama	23, 25, 20, 22,		Kurwaisimba	21, 22
	Murambinda	14, 7, 13, 15, 6, 16, 17, 5, 4		Machongwe	13, 14, 16
	Muzokomba	24, 25, 22		Nhedziwa	1, 2, 4, 7
	Nerutanga	4, 3, 2, 1, 5		Nyanyadzi	8, 20
Chipinge	Chako	19, 14, 18, 15, 13	Makoni	Chiendambuya	3, 7, 35, 2, 4, 36, 1, 2, 9
	Checheche	24, 21, 23-24, 26, 25, 27		Chimbike	18, 22, 23, 21
	Mahenye	30,		Devedzo	14, 13, 39, 15, 24
	Rimbi	21, 22, 23, 16, 20, 21		Headlands	32, 6, 32, 34, 37, 38, 7, 8
	Tamandai	14, 8,		Matsika	25, 24, 15, 16
	Tanganda	4, 1, 3, 2, 6		Nyabadza	10, 20, 21, 18, 11, 19
	Tongogara	5, 20, 16		Rukweza	26, 27, 17, 28, 29, 31, 33, 30
Mutare	22 miles	20, 14, 36, 21	Mutasa	Hauna	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 28, 29, 30, 31
	Bambazonke	19, 25, 23, 28		Mutasa DC	12, 11, 17, 15, 7
	Chitakatira	15, 7, 33, 6		Penhalonga	22, 21, 26, 23
	Marange	10, 17, 9, 10, 11		Sadziwa	12, 13
	Mt Zuma	2, 8, 34,		Sagambe	1, 2, 28, 29
	Mutsago	24, 29, 30, 28, 23		Sherukuru	14, 15, 16
	Odzi	31, 3, 34, 1, 2		Watsomba	17, 19, 18, 20, 24
Nyanga	Dumba	7, 8			
	London	27, 28, 24			
	Nyamaropa	9, 10, 11, 12, 13			
	Nyamhuka	29, 31, 19, 20, 23, 25, 22, 26			
	Nyatate	17, 18, 30, 16			
	Ruwangwe	1, 2, 3, 4, 5, 6, 7			
	Tombo 1	14, 15, 21			
Mashonaland Central					
Bindura	Cowley	1, 2, 3, 5	Mazowe	Bare	1, 2, 3, 4
	Foothills	19, 20		Dandamera	16, 31, 34, 23, 15, 24
	Makaya	20		Glendale	17, 33, 18, 16, 14, 32, 19, 32
	Manhenga	11, 13, 9, 19, 12, 10		Gweshe	12, 13, 11
	Muonwe	11, 12		Jumbo	21, 22, 34
	Musiwa	8, 16, 18, 15		Mvurwi	29, 26, 28, 30, 27, 24
	Nyawa	15, 16, 17, 18, 14		Nzvimbo	8, 6, 7, 9, 10, 27
Muzarabani	Chadereka	1, 23, 24, 2, 4	Mt. Darwin	Bandimba	33, 3, 34
	Chawarura	20, 9, 21		Chahwanda	15, 12, 16, 36, 14,
	Gato	14, 26, 13, 29, 22, 13, 28		Chimbuwe	31, 1, 32,
	Hoya	2, 18, 27, 17		Kamutsenzere	33, 4, 5, 34
	Muzarabani	6, 7, 8, 5, 19		Karanda	14, 13, 27, 29, 13, 30, 12, 38, 15,
	St alberts	10, 21, 16, 25		Mukumbura	1-6, 31-34,
	Utete	19, 4, 3, 8		Pachanza	11, 10, 37
Guruve	Bakasa	20, 19, 17	Rushinga	Chimhanda	18, 16, 15, 13, 8, 7, 17
	Berejena	3, 10, 15		Chomotukutu	7, 2, 3, 6, 8
	Guruve	4, 6, 2, 5, 7, 21		Kasenzi	5, 6
	Kachuta	18, 16, 23, 24		Marymount	20, 22, 5, 3, 1, 4, 21, 19

	Mudhindo	12,11,9,14,13,10,15		Nyamatikiti	25,18,14
	Mugarakamwe	9,10,15,3		Nyatsatu	22,5,23
	Ruyamuro	22,1,8,14		Rushinga	1~25
Shamva	Bradley	7,6			
	Chidembo	8			
	Chihuri chirasha	4			
	Gono	11,15			
	Mupfurudzi	8			
	Mushowani	7,26			
	Nyarukunda	4,6			
Mashonaland East					
Chikomba	Chambara	5	Goromonzi	Denda	3,7,6
	Mpatsi	6		Juru	12,10,11,9,7,13
	Msasa	17		Majuru	16,17,13
	Nharira	16		Melfort	20,22,
	Pennyfather	6		Musiiwa	8,9
	Sadza	25		Rusike	18,19,20,17
	Zvichemo	20		Showground	4,1,2,5
Wedza	Chigondo	4	Marondera	Boarder Church	18,17,4
	Dean	1		Igava	7,6,5,19,20
	Dendenyore	5,7,8,9		Kay BC	3
	Garaba	6,4		Landos	13,14,15
	Goto	5,8,10		Mahusekwa Growth Point	9,10,11,12,15,16
	Makarara	12,13,14		Masomera	19,20,21,22
	Wedza Centre	2,3,4,5,6,15		Mushandirapamwe/ Chirefu	5,8,4,17,
Mudzi	Katoto	5,6	Mrehwa	Dandara	1,2,3,4
	Kotwa	10,9,2,8,11,12,17,3,16		Dombwe	19,20,21,17,18
	Makaha	14,15,12,18,13,		Kadzere	14,15,26,25
	Nyamande	15,16,12,14		Kasino	26,27
	Nyamapanda	1,11,17		Macheke	22,23,24,29
	Nyamukoho	6,5,4		Murewa Centre	6,7,8,9,10,5,14,16,30
	Suswe	7,6,5,8		Musami St Pauls	27,28,13,14,11,12
Seke	Beatrice	12,13,14,15	UMP	Chitsungo	4,3,5,16
	Dema	2,3,4,7		Karimbika	12,11,10,8
	Gombe	5,6,7,8,9		Katiyo	7,8,9
	Mabhauwa	4		Mtawatawa	17,16,7,6,8,
	Marirangwe	11		Mutata	3,4
	Mupfure	17,18		Nakiwa	14,15,9,13,10
	Ziko	8,1,2		Nyanzou	1,2,3
Mashonaland West					
Chegutu	Chingwere	8,12	Hurungwe	Chidamoyo	15, 13
	Dombwe	16,17,18		Chivende	14
	Dzumbunu	10,15		Chundu	8
	Mubaira	3,4,7,27		Magunje	16,17,10,11,23,18
	Neuso	2		Mudzimu	13,
	Nyamweda	8,9,10		Sengwe	25, 24
	Uhurunakazi	20,22		Zvipani	17
Makonde	Chigaro	15	Zvimba	Banket	22,23,18,17,34
	Chipfuwamiti	14, 15		Chivhere	11,12
	Hombwe	15, 16		Maryland	20
	Kenzamba	8, 17		Murombedzi	2,9,8,5,4,3,7,28,29
	Obva	16, 18		Mutorashanga	14,15,32

	Runene	16		Trelawney	32,20,34,19
	Zumbara	12, 14		Whitecliff	35,25
Mhondoro Ngezi	Chizinga	3			
	Kadhani	1			
	Mamina	5,6			
	Manyewe	2,3,4,5,6,7,8			
	Turf	1,11			
	Twintops	12			
	Venice Mine	13			
Matabeleland North					
Bubi	Bona	21,20	Lupane	Dandanda	3,4,6,2
	Famona	23,14,13,10		Gomoza	12,7,11,6
	Headquarter kenilworth	19,21,12		Jotsholo	13,14,8,9
	Mahamba	15,11,12,1		Lupane centre	15,18,16
	Queens mine	10,22,23,14		Sebendle/Mabhunu	8,9,6
	Siganda	2,7,6,4,3,16,20		St Lukes	28,19,22,20,21,23
	Wozawoza	3,4,18		St Paul	16,17,11
Nkayi	Gonye	28,16,9,5	Umguza	Igusu	15
	Guwe	21,22,30		Insuza	11
	Gwelutshena	4,7,3,6		Lizzie	26
	Mbumba	13,14,25		Majindane	
	Mkhalathi	15,27,17,16		Ntabazinduna Business Centre	7
	Mpumelelo	22,23,24		Nyamandlovu	13
	Nesigwe	3,2,5		Igusu	15
	Nkayi Centre	29,19,20,18,17		Seafeld	15
	Sebhumane	8,9,10,11,12,26			
	Skhobokhobo	15,16,27,26			
Matabelands South					
Beitbridge	Beitbridge Urban	All wards	Bulilima	Dombodema	16,15,20,14
	Chasvingo	3, 13, 2,		Gampo	5,6,4
	Dite	2		Khame	9,8,13,22,6
	Lutumba	13, 4, 5, 15		Madlambudzi	11,10,7,22,12,14
	Shashi	8, 9		Nyele	5,4,21
	Swereki	9, 7		Somnene	17,18,19,3
	Zezani	10, 11, 12,		Tjankwa	1,2,3,21
Mangwe	Brunaperg	7,6,15	Matobo	Bazha	18,24,17
	Ingwizi	5,15,6		Homestead	3,2,4
	Mambale	9,10,17		Kezi	13,14,21,23,12
	Maninji	8,17,16		Maphisa	1,2,3,4,5,6,7
	Marula	11		Ntunjambili	25,15
	Plumtree town	4,23,8,6		Saint Joseph	9,8,7,6
	Sindisa	1,13,12		Tshelanyemba	7,8,6,5,1,2
Insiza	Avoca	12,8,5,6	Umzingwane	Dobhi	9
	Felabusi	42392		Mathendele	6,7
	Mbondo	4,9		Mawabeni	5
	PBS	18,14		Mbizingwe	4,6
	Shangani	23,		Ntshamathe	1,2
	Silalabutswa	3, 11		Sibomvu	4,8,3,5
	Skutha	17,10,19		Silobi	10,11,9
Masvingo					
Bikita	Chikuku	17, 18,31,20,21	Chivi	Chikofa	17,21,19,18,32
	Chiremwaremwa	1,2,3,26,		Chivi	10,11,12,14,15,16,30,7,8
	Makuvaza	4,5,9,14,6		Mandamabwe	5,6,2,7,8
	Mukore	8,7,16,26,25,14		Maringire	22,23,20,32,19
	Mutikizizi	6,7,8,14		Ngundu	25,24,26,31,28
	Nyika	13,9,23,10,19,		Nyahombe	27,28,29,26
	Sosera	32,11,30,10		Takavarasha	9,10,13,14
Gutu	Bhasera	39,14, 17,36,13	Masvingo	Chenhowe	15,16
	Chingai	15,16		Guwa	24

	Chinyika	9,10,11,4		Musvovi	26,27
	Chitsa	12,13		Nyamande	28,27,29
	Majada	18, 20, 23		Nyikavanhu	28
	Mugoni	24, 25,27		Sipambi	11,10
	Nerupiri	30, 31,41,28,27		Zimuto siding	1
Zaka	Benzi	26, 31			
	Chinorumba	13, 14, 9, 10, 8			
	Chiredzana	31, 21			
	Chivamba	24, 25, 28, 29, 30, 32, 27, 29			
	Jerera	18 , 24, 8, 25, 34, 17, 8, 33, 14, 13, 20			
	Ndanga	3, 6, 1, 2, 7, 12			
	Veza	22, 17, 33, 12, 34, 16			
Midlands					
Chirumanz u	Chaka		Gokwe North	Chireya	4,5,27,3,8
	Charandura	3,4,7,8, 10,23,25		Chitekete	30,31,29,1,2,28,3
	Chengwena	4,7,10		Gwevo	10,35,9,33,34
	Muwani	2,21		Mashame	32,6,17
	Nyikavanhu	15		Nembudziya	12,13,37
	Rupwepwe	23		Tshoda	15,16,17,19
	Siyahokwe	9,3,5,25		Tsungai	20,21,22,23,24
Gokwe South	Gokwe center	16, 17, 15,19,13	Gweru	Gambiza	10,9,11
	Manoti	1,29,21,5,26,27		Gunde	12,11,13
	Manyoni	13,18,31,32		Insukamini	8,1,6
	Marapira	4,21,22		Maboloni	6,2,3,4,7,8
	Masakadza	7,8,9,10		Makhulambila	3,2,4
	Mateta 2	5,20		Muchakata	11,9
	Tongwe	23,24,25,33		Somabhula	15,17,18
Kwekwe	Cross roads	21 20 27 28	Mbereng wa	Jeka	12, 14, 15, 16, 29, 30, 33
	Empress mine	7 6 8		Masase	31, 32, 29
	Jewel Zhombe	10 9 12 11 13 14		Mataga	8, 9, 17, 18, 19, 20, 26, 27, 28
	Kwekwe town			Mberengwa	1, 2, 9, 36
	Lerato	22 21 26 15 23 24		Mbuyanehandu	4, 5, 6, 7, 20
	Mukobogwe	17 16 29		Musume	19, 21, 22, 23, 24, 25, 26
	Ruya	18 19 20 29 33 28		Yorks	1, 10, 11, 12, 13, 14, 24, 35, 37
Shurugwi	Chachacha	10,19,11,8,9	Zvishavan e	Mabasa	4, 9, 13
	Chikato	6,7,4,24		Maketo	6, 11, 12, 3
	Dorset	21		Matenga	1,2
	Mkandapi	8,5,24		Murowa	18
	Shurugwi town	All wards		Mutambi	17, 18, 19
	Svika	14,15,1		Vhugwi	15, 14, 15
	Tongogara	12,13,11,14,3		Zvishavane town	All 1-19

ANNEX 2: AVERAGE QUANTITIES PURCHASED PER WEEK BY TRADER SIZE

Commodity	Period	Type of Trader			
		Informal	Medium	Retailer/G.Dealer	Wholesaler
Sorghum (kg)	May-Aug/16	1017	50	224	113
	Oct-Dec/16	556	50	260	87.5
	Jan-Mar/17	569	20	113	75
Finger Millet (kg)	May-Aug/16	188	0	35	100
	Oct-Dec/16	194	0	43	50
	Jan-Mar/17	225	0	43	10
Pearl Millet (kg)	May-Aug/16	633	50	247	200
	Oct-Dec/16	366	50	161	150
	Jan-Mar/17	377	20	160	50
Groundnuts (kg)	May-Aug/16	197	0	92	55
	Oct-Dec/16	188	50	26	50
	Jan-Mar/17	35	50	29	10
Cowpeas (kg)	May-Aug/16	106	10	22	20
	Oct-Dec/16	75	10	20	0
	Jan-Mar/17	139	10	20	0
Sugar beans (kg)	May-Aug/16	104	242	20	9968
	Oct-Dec/16	73	263	19	4894
	Jan-Mar/17	101	313	19	9844
Maize Grain (kg)	May-Aug/16	1960	4050	1231	131166
	Oct-Dec/16	2399	4045	1020	127014
	Jan-Mar/17	1621	4054	1296	148333
Refined Mealie Meal (kg)	May-Aug/16	80	2791	429	8095
	Oct-Dec/16	80	3035	479	8387
	Jan-Mar/17	80	5857	571	7895
Unrefined Mealie Meal (kg)	May-Aug/16	306	5116	481	27849
	Oct-Dec/16	300	4971	528	28296
	Jan-Mar/17	314	5284	570	24385
Cooking Oil (litres)	May-Aug/16	43	2385	120	12546
	Oct-Dec/16	49	3103	128	14524
	Jan-Mar/17	41	3028	113	12311
Rice (kg)	May-Aug/16	48	1792	131	8323
	Oct-Dec/16	52	2000	149	8489
	Jan-Mar/17	45	2085	131	7869

ANNEX 3: INTERVENTION MODALITY SELECTION BY MARKET

Province	District	Markets covered in the district	Recommended intervention by District	Reason/Justification	Constraints/Assumptions to consider when undertaking the intervention
Manicaland	Buhera	Birchenough Bridge	In kind	Road network is good for places around Gaza, Murambinda, Nerutanga and Birchenoug, and fair to poor for roads around Gwama Muzokomba and Chimbudzi. Vibrant market with Wide variety of commodities competitive pricing model good road network & infrastructure,	For areas receiving food aid, cash with reservations recommended these are Nerutanga and Chimbudzi. Netone and Econet networks are widespread. But Netone coverage is higher
		Chimbudzi			
		Gaza			
		Gwama			
		Murambinda			
		Muzokomba			
		Nerutanga			
	Chimanimani	Chakohwa	Cash	Wide variety of commodities competitive pricing model good road network & infrastructure	Econet and Netone had a wider coverage Kopa area is inaccessible during the rainy season
		Chimanimani			
		Hot Spring			
		Kopa			
		Machongwe			
		Nhedziwa			
		Nyanyadzi			
	Chipinge	Chako	Cash/In kind	A significant number of the markets did not have maize grain, mealie meal and sugar beans in stock. The road network system in this district ranged from very bad to fair	Markets like Chako, Rimbi, Checheche, and Tongogara can be supported with cash transfers though there is need to ensure that traders in these areas are well stocked. The rest will work well with in-kind as the road network systems in these areas were bad
		Checheche			
		Chipinge-Tongogara			
		Mahenye			
		Rimbi			
		Tamandai			
		Tanganda			
Makoni	Avoca	Cash	Maize grain and mealie meal are readily available on the market. There are many GMB depots and sub depots. These are functional and well stocked to meet customer demand	Mobile network for all 3 service providers ranges between average and good. However for some wards (e.g. Chimbike), further assessment may be required to establish the best network, as some service providers have poor network coverage	
	Chiendambuya				
	Chimbike				
	Dewedzo				
	Headlands				
	Matsika				
	Nyabadza				
	Rukweza				

	Mutare	22 miles	Cash	Wide variety of commodities competitive pricing model good road network Proximity to urban Other cash transfer models in the district are a success story	Mobile cash for Net-one and Econet mainly.
		Bambazonke			
		Chitakatira			
		Marange			
		Mt Zuma			
		Mutsago			
		Odzi			
	Mutasa	Mutasa DC	Cash	Both large and medium scale vendors available on the market with stocks enough to meet customer demand. Maize grain not available on the market but farmer to farmer sales can be possible	Mobile money transfers can be used as a modality for all 3 networks. However, Netone and Econet are generally the better performing networks
		Hauna			
		Penhalonga			
		Sadziwa			
		Sagambe			
		Sherukuru			
		Watsomba			
	Nyanga	Dumba	Cash	While grain is not readily available on the market, if cash is availed, farmer to farmer sales are possible Busy market with retailers able to absorb increase in demand While grain is not readily available on the market, if cash is availed, farmer to farmer sales are possible	Generally all 3 mobile networks are good. However for some wards in the mountainous areas, coverage and quality may range from poor to average.
London stores					
Nyamaropa					
Nyamhuka					
Nyarumvurwe					
Nyatate					
Ruwangwe					
Tombo 1					
Mashonaland Central	Bindura	Cowley	Cash	Markets available stocking necessary commodities -Cash modality was already being used with other GOZ programmes and has shown to be very effective. - Most markets have capacity to absorb increased demand and proximity to Harare will ensure continued availability of stocks	There is need to identify key traders who will provide reliable service to the population especially in hard to reach areas to prevent unnecessary costly travel to other markets -These identified traders should maintain a register of villages and consumers served This will ensure cash is not misused for other uses other than food
		Foothills			
		Makaya			
		Manhenga			
		Muonwe			
		Musiiwa			
		Nyava			
	Guruve	Bakasa	Cash	Good road network to major source markets. Most shops stocking necessary commodities Most Traders have capacity to	There is need to identify key traders who will provide reliable service to the population especially
		Berejena			
		Guruve			
		Kachuta			

		Mudhindo		absorb increased consumer demand	in hard to reach areas to prevent unnecessary costly travel to other markets
		Mugarakamwe			
		Ruyamuro			
	Mazowe	Dandemera	Cash	Markets available stocking necessary commodities Most Traders have capacity to absorb increased consumer demand	
		Glendale			
		Gweshe			
		Jumbo			
		Mvurwi			
		Nzvimbo			
		Tsungubvi			
	Mount Darwin	Bandimba	Cash	The presence of well stocked wholesalers and good. Traders stocking necessary commodities -Modality was already being used with other GOZ programmes - Some areas inaccessible during rainy season hence general food aid may not be effective	Need to address the supply chain linkages especially for remote markets
		Chahwanda			
		Chimbuwe			
		Kamutsenzere			
		Karanda			
		Mukumbura			
		Pachanza			
	Muzarabani	Chadereka	Cash	Markets available stocking necessary commodities because of a National Food Depot which at times brings supplies on a weekly basis to traders The MoPSLSW is also implementing a Cash Transfer programme with much success - General food handouts not very effective especially during the rainy season when some roads are inaccessible In addition, direct food distribution is normally complicated and ends up benefiting undeserving beneficiaries Mobile cash transfer may prove to be difficult considering the current challenges where payment using this modality is at times being denied	There is need to identify key traders who will provide reliable service to the population especially in hard to reach areas to prevent unnecessary costly travel to other markets Need to strengthen capacity of National Foods Depot to hold all necessary food commodities
		Chawarura			
		Gato			
		Hoya			
		Muzarabani			
		St Alberts			
		Utete			
	Rushinga	Chimhanda	Cash	Markets available stocking necessary commodities -Modality was already being	Need to address the supply chain linkages especially for remote
		Chomotukutu			

Mashonaland East		Kasenzi		used with other GOZ programmes	markets
		Mary Mount			
		Nyamatikiti			
		Nyatsato			
		Rushinga			
	Shamva	Bradley	Cash	The presence of well stocked wholesalers (GMB and National Foods)	Some areas have poor mobile network coverage so use of mobile money transfer might not be feasible
		Chidembo			
		Chihuri			
		Gono			
		Mupfurudzi			
		Mushowani			
		Nyarukunda			
	Chikomba	Chambara	In kind	Cash is recommended for Sadza (ward 25, Nharira, Masasa, Mpatsi and Chambara where traders have capacity. Reservations for areas like Zvichemo (ward 20) and Pennefather (ward7) where trader capacity is limited.	Sensitisation of retailers before injection of cash. Mobile service with the best network access quality will be used.
		Masasa			
Mpatsi					
Nharira					
Pennefather					
Sadza					
Zvichemo					
Goromonzi	Showground	Cash	Most people in the district prefer getting food commodities from Harare. Shops were well stocked	Commodity prices remain constant especially in Harare.	
	Mverechena				
	Majuru				
	Juru				
	Melford				
	Rusike				
	Denda				
Hwedza	Chigondo	In kind	Cash is recommended for Hwedza Centre, Goto, Dendenyore and Garaba where traders have capacity and potential to stock commodities. Reservations however exist for areas like Makarara (ward 13, 14), Dean (ward 1) and Chigondo (ward 9) where there are very few shops with limited capacity.	Sensitisation of the traders beforehand is carried out for prior stocking. Traders with potential are able to stock enough commodities for their clients	
	Dean				
	Dendenyore				
	Goto				
	Goto B/C				
	Hwedza				
Marondera	Border Church	Cash	Cash is recommended for Landos, Mahusekwa and Masomere where there are reliable traders. However reservations do exist for areas like Igava (ward 7, 5, 6, 19,	Sensitisation of retailers is done before injection of cash.	
	Chirefu				
	Igava				
	Kay				

		Landos BC		20), Kay (ward 3 Border Church (wards 18, 4, 17) and Chirefu (10, 17, 5, 4, 8,) where there are very few shops with limited capacity.		
		Mahusekwa Growth Point				
		Masomere				
	Mudzi		Katoto	Cash	Cash is recommended for Nyamapanda, Kotwa and Makaha where traders have capacity to stock. Though there are reservations for areas like Katoto (ward 5, 6), Nyamande (15, 16, 12, 14), Nyamukoho (ward 4, 5) and Suswe (5, 6, 7, 8) due to trader limited capacity, they can still access other bigger neighbouring business centres for service.	Sensitisation of retailers is done before injection of cash. Prices of goods remain constant.
			Kotwa			
			Makaha			
			Nyamande			
			Nyamapanda			
			Nyamukoho			
			Suswe			
	Murehwa		Casino	Cash	District has functional markets with capacity to stock and service consumers. However some reservations are noted for markets like Kadzere, (ward 14, 15, 25, 26), Dombwe (wards 17, 18, 19, 20, 21) and Casino (wards 26, 27) where traders have some capacity issues.	Sensitisation is done well before rolling out of the intervention. Injected cash will directly increase demand for the food commodities
			Dandara			
			Dombwe			
			Kadzere			
			Macheke			
			Murewa Centre			
			Musami			
	Seke		Beatrice	Cash	Most people in the district prefer getting food commodities from the nearby big markets (Makoni and Harare)	Commodity prices remain constant especially in Harare.
			Dema			
			Gombe			
			Mabhauwa			
Marirangwe						
Mupfure						
Ziko						
UMP		Chitsungo	Cash	Cash is recommended for Nhakiwa, Mutawatawa, Katiyo and Chitsungo where traders have capacity and potential. Reservations are noted for areas like Mutata, Nyanzou and Karimbika whose traders have limited capacity.	Enough sensitisation is done prior to rolling out our intervention.	
		Karimbika				
		Katiyo				
		Mutata				
		Mutawatawa				
		Nhakiwa				
		Nyanzou				
Mashonaland West	Chegutu	Chingwere	Cash	Stocks of basic commodities were readily available. Generally a good road network system exists in the district. Most traders have the capacity to absorb increased demand	The District has very limited wholesalers/medium vendors The assumption is that Harare will remain a source market for the traders	
		Dombwe				
		Dzumbunu				
		Hurunakazi				
		Mubaira				
		Neuso				

		Nyamweda			
	Hurungwe	Chidamoyo	Cash	The district has functional markets that accept and use mobile payment system. Basic commodities were available Traders capable of adjusting to rising demand	
		Chitindiva			
		Chivende			
		Zvipani			
		Magunje			
		Mudzimu			
		Sengwe			
	Makonde	Chigaro	Cash	Basic commodities were available and the traders have the capacity to meet rising demand Most of the roads are dry weather roads but passable.	Econet & Telecel mobile network reception is poor There is need to use a mobile network which has good coverage in the district
		Chipfuwamiti			
		Hombwe			
		Kenzamba			
		Obva			
		Runene			
		Zumbara			
	Mhondoro-Ngezi	Chizinga	Cash	Commodities were available and traders had capacity to meet rising demands The district has mostly good tarmac and dry weather roads	A significant number of traders go to Harare and Norton for re-stocking since there are no wholesalers in the district.
		Mamina			
		Manyewe			
		Mbudzirume			
		Kadhani			
		Turf			
Twintops					
Venice Mine					
Zvimba	Banket	Cash	Commodities readily available and most of the link roads to source markets are good. Econet network reception is generally good		
	Chivhere				
	Maryland				
	Murombedzi				
	Mutorashanga				
	Trelawney				
	Whitecliff				
Midlands	Chirumanzu	Chaka	Cash	Commodities readily available. Traders have capacity to meet rising demands	Good roads linking their source market. They have 2 GMB depots in the district
		Charandura			
		Chengwena			
		Hama			
		Muwani			
		Nyikavanhu			
		Piki			
		Rupepe			
		Siyahokwe			
	Gokwe-North	Chitekete	Cash	Most commodities with the exception of mealie meal are available on the market	Some markets in the district have poor mobile phone
		Chireya			
		Gwebo			
		Mashame			
		Nembudziya			

		Tshoda		though supply is relatively low on some markets. Maize grain supply is limited on the formal markets with the majority of households relying on their own production or on other households. Bad roads between traders and their sources which are impassable during the rainy season.	network. There is need for programmers to consider use of other networks in addition to Econet or to opt for cash in hand. Current food stocks are low therefore any interventions will need to be effected before the onset of the rainy reason to enable traders to move stock before the roads become impassable.
		Tsungai			
	Gokwe-South	Gokwe Center	Cash	The district has a fairly good mobile phone network coverage. Some of the markets are not accessible during the rainy season. Traders have already been reporting brisk business as a result of the ongoing cash interventions by other partners.	Mobile money service provides are working with agents to improve the availability of cash for their clients. The likelihood of price increases due to increased demand is quite low. Prices are only likely to increase when wholesalers increase their prices.
		Manoti			
		Manyoni			
		Marapira			
		Masakadza			
		Mateta 2			
		Tongwe			
	Gweru	Gambiza	Cash	Good roads accessible; High number of markets functioning, Different Mobile Money Agents available, Good Network coverage for Econet, Netone and Telecel; high transport availability;	Shortages from main market in Gweru can affect the food commodity availability in these markets; Only one GMB depot/off-sale points available for
		Gunde			
		Insukamini			
		Maboleni			
		Makhulambila			
		Muchakata			
		Somabhula			

					supply of affordable mealie meal
Kwekwe	Cross roads	Cash	Traders have the capacity to cope with increased demand. Maize grain traders already pre-positioning grain ahead of the lean season.	Mealie meal stocks are low in the districts with most households accessing grain from other households as well as informal traders.	
	Empress mine				
	Jewel Zhombe				
	Kwekwe town				
	Lerato				
	Mukobogwe				
	Ruya				
Mberengwa	Jeka	Cash	Markets are functional, road network is good and road condition is good.	Assumption: Use of strongest network service provider in the respective wards. Although all 3 major service providers are available network is patchy in some areas with different providers having different quality of reception in different wards.	
	Masase				
	Mataga				
	Mberengwa centre				
	Mbuya nehanda				
	Musume				
	Yorks				
Shurugwi	Chachacha	Cash	Markets are functional, road network is good and road condition is good. All mobile service providers have good reception.	Assumption: Use of strongest network service provider in a given ward. Although all 3 major service providers are available network is patchy in some areas with different providers having different quality of reception in different wards. Use of Econet would limit effectiveness of cash	
	Chikato				
	Dorset				
	Mkandapi				
	Shurugwi town				
	Svika				
	Tongogara				

					transfers. In the rainy season Econet network is even more difficult to access.
	Zvishavane	Mabasa Maketo Matenga Murowa Mutambi Vhugwi Zvishavane town	Cash	Markets are functional, road network is good and road condition is good. All mobile service providers are have good reception.	Assumption: Use of strongest network service provider in a given ward. Although all 3 major service providers are available network is patchy in some areas with different providers having different quality of reception in different wards.
Masvingo	Bikita	Chikuku	Cash	Markets in this District are serviced by Masvingo and Nyika with some importing from South Africa. Network connectivity was bad in some areas which made mobile money payments very difficult.	Food volumes and the number of traders operating in the markets were low in some of the markets with some closing down citing low business as a result of organized open markets. In this case the cash would work best given the circumstances, promoting local trade and bringing aid closer to the people.
		Chiremwaremwa			
		Makuvaza			
		Mukore			
		Mutikizizi			
		Nyika			
		Sosera			
	Chivi	Chikofa	Cash	The district has a good road network and linkages with markets in Zvishavane, as well as availability of wholesalers at Chivi Growth Point and Ngundu to support cash programme.	The low stock levels in most retailers and few number of retailers at some markets like Chikofa.
		Chivi growth point			
Mandamabwe					
Maringire					
Ngundu					
Nyahombe					
Takavarasha					
Gutu	Bhasera	Cash	Generally there is good road network and availability of all food commodities at most of the markets.	The source market has growing number of wholesalers and a cash programme could be sustained. However, poor	
	Chingai				
	Chinyika				
	Chitsa				
	Majada				
	Mugoni				

		Nerupiri			network coverages could affect traders at Chin'ai and there is need to opt for other networks or cash in hand.
	Masvingo	Chenhowe	Direct Cash Transfers	The markets have most of the commodities available except for grain which was not easily available.	There is poor Econet connection in most of the markets and conditional cash out and this calls for utilising other networks.
		Guwa			
		Musvovi			
		Nyamande			
		Nyikavanhu			
		Sipambi			
		Zimuto siding			
	Zaka	Benzi	CASH	Markets in this District are well connected through a good road and good mobile network system. Masvingo and Chiredzi towns supply markets systems in this district including Jerera that had a good number of wholesalers. Most wholesalers supplying these markets were well stocked with basic retail commodities.	Some markets such as Chiredzana and Veza may need to consider direct cash transfers due to poor mobile network connectivity.
		Chinorumba			
		Chiredzana			
		Chivamba			
		Jerera			
		Ndanga			
		Veza			
Matabeleland North	Bubi	Bona	Food In kind 21,20 19,21,12 2,7,6,4,3,16,2 0 3,4,18	Weak private actors' in the market (some shops are closed). Local shops do not stock significant food commodities	Far distances to travel by foot (however, smaller markets in between these major markets are there), difficult roads. Volumes found in markets are low due to low customer liquidity; The poor road network for some of the markets might make in-kind assistance expensive as well as the limited network coverage in some parts of the district
		Headquarter kenilworth			
		Wozawoza			
		Famona	Cash (with reservation) 15,11,12,1 10,22,23,14	Good infrastructure (good roads, network coverage), many traders. There is ample supply of food in the markets visited	The main reservations being: The market may lose functionality if mining activities are disrupted Monitoring of prices is required Some key markets are
		Mahamba			
		Queens mine			
	Siganda				

					dependent on fleeting mining community Cash can only be undertaken in the more accessible areas. There are some very remote areas where cash is not recommended.
Lupane	Dandanda	Cash with reservations 3,4,6,2 12,7,11,6 13,14,8,9 13,14,8,9 15,18,16 8,9,6 28,19,22,20,2 1,23	Lupane District finds itself on the Bulawayo-Hwange-Zambia trade route and therefore is very well serviced. Roads seem to be decent in the key markets except Lupane-Gomoza. There is a possibility of wholesalers in Lupane supporting the distribution across the District.	The main reservations being: • Poor network coverage which means that mobile-money might be difficult to use across the whole district especially in the more remote wards. • High fluctuation of prices across years shows that the district is a maize deficit Prices on markets would need to be closely monitored.	
	Gomoza				
	Jotsholo				
	Lupane centre				
	Sebendle/Mabhunu				
	St Lukes				
	St Paul				
Nkayi	Gonye	Cash (with reservations) 28,16,9,5 21,22,30 4,7,3,6 13,14,25 15,27,17,16 22,23,24 3,2,5 29,19,20,18,17 8,9,10,11,12,26 15,16,27,26	Cash interventions in the District have already been undertaken successfully in past. Also the district is well connected with roads and lies close to one of the country's highest grain producing districts. In fact the relatively low prices indicate that it is well serviced in terms of supply.	Mobile network is average and some of the connecting roads/supply routes are in poor condition. Cash can only be undertaken in the more accessible areas. There are some very remote areas where cash is not recommended.	
	Guwe				
	Gwelutshena				
	Mkhalathi				
	Mpumelelo				
	Nesigwe				
	Nkayi Centre				
	Sebhumane				
	Mbumba				Food In Kind 8,9,10,11,12,26 15,16,27,26
Skhobokhobo					
Umguza	Igusu	Food In Kind 15 11 26 7	Weak markets (dilapidated structures, poor food stocks, high prices)	Long walking distances, impassable roads. Supply routes are inaccessible.	
	Seafeld				
	Lizzie				
	Majindane				
	Ntabazinduna Business Centre				Cash 13
Nyamandlovu					

		Insuza	15	traders to increase stock)	credit and own capital may cause constraints in providing the required commodities to meet the demand from consumers
Matabeleland South	Beitbridge	Beitbridge Urban	Cash	Proximity to the SA border makes imported goods available in the district. The shops were well stocked. The roads are accessible all year round.	The province lacks maize stocks from its own production because of it being drought prone. The Zimbabwean mobile phone networks quality is average with particular attention to be placed on Gwanda and Beitbridge. Those districts on the border are dependent on currencies from across the border. The introduction of SI 64 has resulted in proliferation of retail and wholesale black market which sell cheap commodities.
		Chasvingo			
		Dite			
		Lutumba			
		Shashi			
		Swereki			
		Zezani			
	Bulilima	Dombodema	Cash	These two are homogeneous in nature. The traders within the districts are well stocked with goods from Botswana. All the markets have good gravel roads which are accessible all the time of the year. The two are in close proximity to Botswana	
		Gampo			
		Khame			
Madlambudzi					
Nyele					
Somnene					
Tjankwa					
Mangwe	Brunaperg	Cash			
	Ingwizi				
	Mambale				
	Maninji				
	Marula				
	Plumtree town				
	Sindisa				
Gwanda	Gwanda urban	Cash	Has both retailers and wholesalers. Most traders		
	Stanmore				

		Selonga		indicated that they will be able to absorb an increase in demand. Shops were well stocked. The district has a functional GMB depot	
		Magwe			
		Ntepe			
		Manama			
		Nhwali			
	Insiza	Avoca	Cash	Has roads that are accessible all year round with well stocked retail shops. Most traders indicated that they will be able to absorb an increase in demand. The district is close to Bulawayo	
		Felabusi			
		Mbondo			
		PBS			
		Shangani			
		Silalabutswa			
		Skutha			
	Matobo	Bazha	Cash	Has roads that are accessible all year round with well stocked retail shops. Most traders indicated that they will be able to absorb an increase in demand.	
		Homestead			
		Kezi			
		Maphisa			
		Ntunjambili			
		Saint Joseph			
		Tshelanyemba			
	Umzingwane	Dobhi	Cash	Have a good road network and is in close proximity with Bulawayo. The markets were well stocked	
		Mathendele			
		Mawabeni			
		Mbizingwe			
		Ntshamathe			
		Sibomvu			
		Silobi			

