Zimbabwe Farmers' Union

ZIMBABWE FARMERS UNION OPINION ARTICLE ON RISING FUEL PRICES AND AGRICULTURE PRODUCTIVITY.

BACKGROUND

The agriculture sector in Zimbabwe is currently under pressure from the effects of rising fuel prices. This fuel price surge is because of escalating conflict in the Middle East which drove up global crude oil prices. The Zimbabwe Energy Regulation Authority (ZERA) has implementing three price hikes in March-April 2026 as detailed in the below:

DATE	DIESEL (50) ZWG/litre	BLEND (ES) ZWG/litre	DIESEL (50) USD/litre	BLEND (ES) USD/litre
10/2/2026	38.84	40.04	1.52	1.56
04/03/2026	45.55	44.01	1.77	1.71
18/03/2026	52.19	55.13	2.05	2.17
02/04/2026	53.60	56.70	2.11	2.23

In reference to the last two price reviews, diesel has gone up by 33.1% and petrol has gone up 5.96%. Every stage of farming from ploughing fields to irrigating crops and transporting harvests depends on fuel. High fuel costs undermine farm productivity especially for mechanized and irrigated crops. For the price of diesel as at 02/04/26, the government had removed taxes with a view to curb the impacts of the price surge on the agriculture, mining and transport sectors. But will this ease the situation? In its latest update issued on 17 April 2026, ZERA announced an increase in the fuel blending ratio from E5 to E20. Under the new pricing regime, diesel is now ZWG/litre 52.63 (USD$2.09) while petrol blend E20 is ZWG/litre 52.37 (USD$2.08). Is this meant to cushion consumers? Well in a layman's world yes but technically the price has increased as the efficacy of the petrol has been reduced by increased ethanol blending ratio.

Rising fuel costs are slowing mechanization which in turn makes land preparation less efficient ultimately delaying planting schedules. This will hit hard on winter wheat farmers who are currently planting the crop. With reference to the ZFU wheat production budget, a farmer requires about 115 litres per hectare of diesel which before the price review of 17/4/2026 equates to about $174.80 ($1.52 X 115litres). After the diesel price increased to $2.11/litre, the fuel costs shot up to $242.65 per hectare. It is no longer lucrative to grow wheat as budgets are reflecting a decrease in income after harvests. The surge in the input prices is induced by disruptions in transportation channels because of Middle East war. Globally input prices are expected to increase. The impact on Zimbabwe is worsened by the fact that it imports 100% of ammonia for fertilizer production. The table below shows percentage increases in inputs which will adversely affects winter wheat production this season.

INPUT	2025 Price in USD$	2026 Price in USD$	VARIANCE INCREASE
Fuel	1.52/litre	$2.09/litre	37.5%
AN Fertilizer	740/tonne	920/tonne	24.3%
Compound C	700/tonne	700/tonne	0%
Lime	100/tonne	120/tonne	20%
Urea	640/tonne	880/tonne	37.5%
Compound D	540/tonne	600/tonne	11.1%
Cereal blend	760/tonne	880/tonne	15.8%

Disclaimer: Prices on the table above are rough estimates and results may vary due to proximity to farm shop, transport costs for the inputs from market to farm gate and dealer margins.

A hectare of wheat can produce about 5 tonnes. At the gazetted price of $430/tonne it is not as lucrative to grow wheat as before amidst the fuel price surge. With the new producer price budget, the disposable income for a farmer will be greatly reduced, ultimately affecting farmers livelihoods. What is worrying is that even with this sharp rise in price, fuel and inputs continue to trade at the same levels as before the war started and someone will be footing this bill which is the farmer. Fertilizers are currently in short supply as it is significantly expensive to import them amidst the geo-political situation. Transporting grain to depots or markets now costs more, discouraging farmers from selling through formal channels. Farmers on contract farming may resort to side marketing. Farmers may also respond by growing less fuel intensive crops thereby negatively affecting food security and the attainment of Vision 2030. Vision 2030 positions food security as a cornerstone for Zimbabwe's economic transformation. Achieving the goal of an upper-middle income by 2030 will require decisive interventions to shield farmers from input shocks while scaling up productivity enhancing reforms. For farmers it means production assumptions and budgets made no longer hold and to make matters worse, producer prices rarely adjust at the same speed. The question now is what can be done to cushion the vulnerable farmer in a way that improves productivity and farmers income for a stable economic atmosphere?

RECOMMENDATIONS

The Zimbabwe Farmers Union is encouraging farmers to recalculate costs of production using updated fuel prices and then adopt more fuel conscious and cost-effective approaches like conservation agriculture. If farmers religiously practice conservation agriculture, they will notice benefits in soil health improvement and input cost control like fuel, AN and irrigation water.

High fuel prices in Zimbabwe are mostly influenced by domestic taxes and levies. The government could intervene to cushion producers and consumers by introducing short-term fuel subsidies and reducing more tax on fuel to ensure gradual stabilization of price at pump.

CONCLUSION

We live in a global economy characterized by interconnected markets. Conflict in one region affects us all. The surge in fuel prices is proving to make everyday life more expensive especially when it comes to putting food on the table. The Zimbabwe Farmers Union encourages all stakeholders to rather adapt and find ways to thrive under these circumstances.