Famine Early Warning Systems Network
SOUTHERN AFRICA FOOD SECURITY BRIEF
OCTOBER, 2004

CONTENTS

EXECUTIVE SUMMARY

❖Although the assessed regional cereal supplies indicate an overall improvement in cereal availability in the region when compared to the previous two years, the projected deficit is slightly higher (13 percent) compared to last year. Production is estimated at 24.072 million MT (against 22.752 million MT last year), while total availability (production plus opening stocks is 28.315 million MT (against 26.616 million MT last year). The larger shortfall (3.065 million MT compared to 2.702 million MT last year) comes mainly as a result of enlarging strategic grain reserves.

❖Intra-regional trade continues to play an important role in filling import requirements in the food deficit countries. Trade levels (especially imports into countries facing shortages) are expected to increase as the lean season approaches and on-farm stocks are drawn down. During September and October, retail food prices were reportedly rising in response to dwindling household supplies, raising concerns about growing food access problems among vulnerable populations.

❖The Updated Rainfall Outlook issued by the SADC Drought Monitoring Centre suggests that for period November to January, the DRC, Angola, Zambia, Malawi, Tanzania, north and central Mozambique, north and central Zimbabwe, most of Botswana, and western South Africa will have an enhanced chance of receiving normal to above normal rainfall, while Swaziland, Lesotho, southern Mozambique, southern Zimbabwe and eastern Botswana are forecast to have an enhanced chance of receiving below normal to normal rainfall.

HARVEST ASSESSMENTS AND IMPORT/EXPORT PROGRESS

Most SADC countries had released their final production estimates for field crops by the end of September. The regional harvest estimate remains almost unchanged since the September update. Regional projections as depicted in Table 1 confirm recent analysis that indicates that despite a widespread poor start of the 2003/04 crop-growing season (marked by erratic rainfall and flooding in some areas), there was a marked improvement in crop yields for many countries in the region. With the exception of Lesotho, Malawi, and South Africa, the region has recorded improved harvests when compared to last year.

The regional harvest has been boosted by the significant yield recovery in South Africa, which has produced 49 percent of total cereals for the region in the past five years. Initial Crop Estimates Committee (CEC) estimates in February had indicated production reductions in maize of up to 20 percent below the past 5-year average. However, the final estimate released on September 20 indicates a total maize harvest of 8.934 million MT, with a national maize yield level of 3.13 MT/ha – the highest achieved since the record 3.31 MT/ha recorded in 1980/81. A much larger wheat crop (2.05 million MT) is also forecast this year compared to last year (1.54 million MT) largely because of increased area planted and favorable growing conditions. Improvement in the summer grain estimates (maize and sorghum) is largely a result of mild temperatures and the absence of frost, especially in April, extending the growing season, and the use of new improved seed varieties. There is reason to believe that the maize harvest may actually exceed the CEC estimate; by the end of September, the South Africa Grain Information Service (SAGIS) reported that actual deliveries to silos amounted to 8.67 million MT. Estimates by USDA/FAS put the total crop at about 9.40 million MT, based on projected silo deliveries of 9.2 million MT, and a further 200,000 MT from the developing sector.

Table 1 (following page) indicates that overall the region has produced enough maize to satisfy regional requirements (including pipeline requirements and replenishment of strategic grain reserves). Shortfalls are indicated for wheat, rice and sorghum/millet, but regional net import plans (imports *less* exports) are sufficient to cover the projected deficits for all cereals except rice. Although this analysis presents a favorable picture (an overall after trade surplus), the situation varies quite considerably for individual countries both at national, sub national and household levels. At the national level, although planned net imports (commercial and food aid) may be adequate to meet shortfalls, import delivery rates have so far been low, underlining the need for close monitoring in order to ensure that the projected deficits are filled as anticipated. This is particularly true for those countries

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that have experienced reduced harvests again this season (Lesotho, Swaziland and Malawi), as well as Zimbabwe, where food insecurity continues to threaten large numbers of vulnerable households. Results of household level vulnerability analyses carried out in these countries indicate large numbers of people remain highly food insecure and still require emergency assistance.

TABLE 1: 2004/05 Estimated regional cereal balance, updated end September 2004 ('000 MT)

	Maize	Wheat	Rice	Sorghum/ Millet	SADC* All Cereals
Opening stocks	2,970	865	266	146	4,246
Gross Production	18,647	2,389	563	2,448	24,048
Total Availability	21,618	3,254	829	2,594	28,294
Gross requirements	19,549	4,546	2,085	2,595	28,775
Desired stock req's	1,580	708	209	80	2,576
Total Demand	21,129	5,254	2,293	2,675	31,351
Deficit/Surplus	489	-2,001	-1,464	-82	-3,057
Deficit/Surplus**	2,069	-1,293	-1,256	-1	-481
Cross Substitution	431	0	-4	505	932
Planned Net Imports	602	2,138	1,294	22	4,056
Uncovered gap/surplus	1,522	137	-174	445	1,931

Source: SADC FANR, National Early Warning Units, FAO/WFP CFSAM-July 2004
*Excludes DR Congo and Seychelles
** Deficit/Surplus without desired stock replenishment

Imports and Exports progress

Table 2 indicates the progress made as at the end of September in completing import and export plans. The table also provides tonnages of food aid received since April 2004. This suggests that import progress has been rather slow, with only 20 percent of imports completed half way through the marketing year. It is expected that as the lean season approaches, and as on-farm stocks are depleted, import delivery rates will rise as traders respond to market demand and as food aid distribution by WFP and other humanitarian agencies accelerates. It is important to note, however, that data on net imports received is scanty and usually incomplete as it is processed with a considerable time lag. There is a need to strengthen information systems that track imports and exports data (both formal and informal) as this information is crucial in assessing the extent to which food shortages are addressed among the food insecure and is key in forward planning both by the private and public sectors.

TABLE 2: SADC summary of imports and exports progress, April - September 2004 ('000 MT)

	Maize	Wheat	Rice	Sorghum/ Millet	SADC* All Cereals
Imports Received	**439**	**649**	**26**	**12**	**1,125**
Commercial	310	649	26	12	996
Food Aid	129	0	0	0	129
Imports Expected	1,384	1,655	1,282	64	4,511
Commercial	1,132	1,595	1,222	56	4,005
Food Aid	252	60	60	8	506
Total Imports	**1,823**	**2,304**	**1,307**	**76**	**5,510**
Exports shipped	303	78	2	20	402
Exports yet to be shipped	846	78	12	34	971
Total Exports	**1,149**	**156**	**14**	**54**	**1,373**

Source: SADC FANR, National Early Warning Units, FEWS NET/WFP Cross border initiative, FAO/WFP CFSAM-July 2004 and WFP (ODJ)
*Excludes DR Congo and Seychelles

South Africa, with an exportable maize surplus of some 2.0 million MT, has since May 2004 exported a total 261,000 MT. Of this amount, 194,000 MT were destined for SADC countries, with the BLNS countries taking 129,362 MT, and Zimbabwe taking 46,571 MT. Other SADC recipients include Angola (3,456 MT) and Mozambique (14,751 MT). The slow export rate (36 percent complete) may be explained by the existence of other surpluses in Zambia and Mozambique. The fact that SAGIS has not reported any exports into Malawi, despite the national shortages reported there, could be explained partly by the recorded level of informal food crop exports from Mozambique into Malawi in the months July – September, which are reported to have been in excess of 30,000 MT.

FOOD INSECURITY AND VULNERABILITY – CURRENT INTERVENTIONS

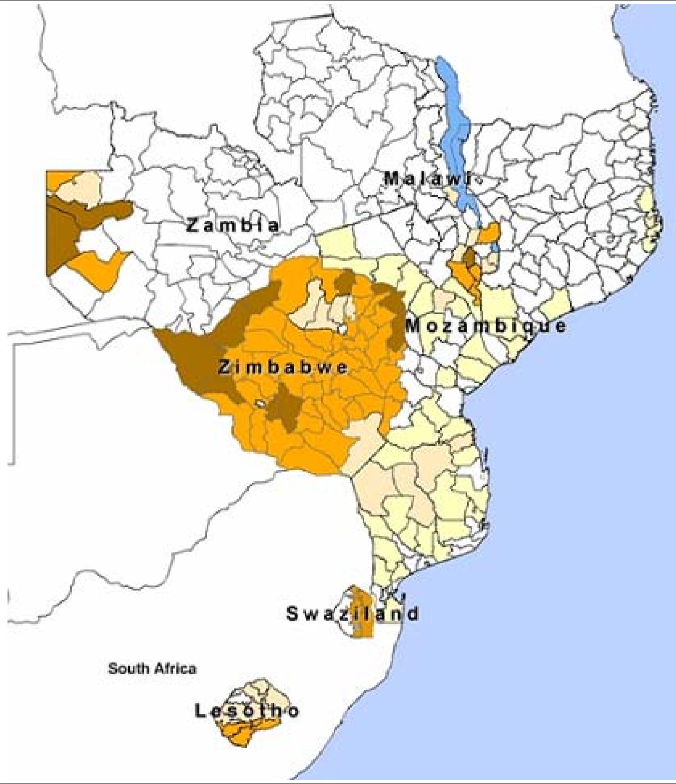
Assessments undertaken by national vulnerability assessment committees in April/May 2004 in Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe (the six countries that have faced critical food shortages since 2002) indicate that, despite production recovery, large numbers of households in affected communities remain highly food insecure and still require emergency assistance. Nevertheless, the number of people in need (requiring emergency assistance for varying months over the consumption period) and the assessed food gap have declined when compared to the past two years, with the number of the food insecure falling from 14.4 million in 2002/03 to 5.4 million in 2004/05, and the gap declining from 606,607 MT to 323,622 MT. These findings were incorporated in the final FAO/WFP Crop and Food Assessment Missions (CFSAM) reports released in June 2004.

WFP is responding to the food aid needs identified through the current Emergency Operation, which was extended to December 2004, and there after through the Regional Protracted Relief and Recovery Operation (PRRO), scheduled to start in January 2005. However, in early October, the WFP Regional Director indicated that the current EMOP still needed an additional 32,000 MT to cover requirements between October and December 2004. September reports from Malawi indicated that WFP had embarked on a food for work program, through which 14,000 MT of food are expected to be distributed in 20 of the affected districts through

December. Similar programs are ongoing in Swaziland, Mozambique and Lesotho.

The PRRO, which was approved by the WFP Executive Board in mid October, will last for three years and is expected to assist a monthly average of 1.5 million people in the five countries (excluding Zimbabwe) and is meant to address the ongoing crisis by focusing not only on the impact of drought on food security, but also on the impacts of HIV/AIDS and the weakened capacity for governance on the vulnerable populations.

Figure 1: Food insecure districts in Lesotho, Malawi, Mozambique, Zambia and Zimbabwe, June 2004



Source: WFP-Based on results from the FAO/WFP Crop and Food Supply assessment Missions, May 2004 and Nutrition Data

Addressing the large food access problem of the vulnerable in Zimbabwe remains a serious challenge as the government still maintains that it does not require emergency food aid assistance. WFP has scaled down its operations there and has only been targeting assistance to vulnerable groups with special needs. The short-lived CFSAM in May estimated a national cereal shortfall of some 1.29 million MT, of which 325,000 MT would have to be met through international assistance or remain uncovered. An in depth vulnerability analysis conducted by the Zimbabwe VAC in May suggests that up to 2.3 million rural people would need food assistance estimated at 177,000 MT of cereal between July 2004 and March 2005. Because of the controversy around the 2003/04 production estimates, the VAC analysis was made based on an average of a range of available estimates, but if the short-lived FAO/WFP crop and food supply assessment mission estimates (which are much lower) are used, the numbers in need and the food gap are considerably higher. The rising food prices in Zimbabwe remain a concern; by September, FEWS NET/Zimbabwe estimated that maize prices were already 34 percent above the levels assumed in the VAC analysis. This implies that the size of the population in need of assistance and the amount of food required have also increased. The increase in food prices is exacerbating food access for the urban food insecure (estimated at 2.5 million people at the start of 2004). USAID/Zimbabwe has declared Zimbabwe to be in a state of complex emergency and plans to implement an integrated strategy in 2005 to mitigate the continuing humanitarian crisis in the country.

In recognition of the deepening vulnerability levels in Lesotho, the Consortium for the Southern Africa Food Security Emergency (C-SAFE) is setting up activities in Lesotho after working in Malawi, Zambia and Zimbabwe since January 2003. The partners, including World Vision International, CARE and Catholic Relief Services, held an inaugural workshop in Maseru at the beginning of November. C-SAFE will be distributing food aid in Lesotho as "developmental relief" through food for work activities. The assistance is expected to provide approximately 9,000 MT of food commodities over an eleven-month period and will cover many of the affected districts in the country. Targeting this assistance to the most vulnerable will be a priority and FEWS NET information will contribute to this effort.

REGIONAL PRICE MOVEMENTS AND TRADE FLOWS

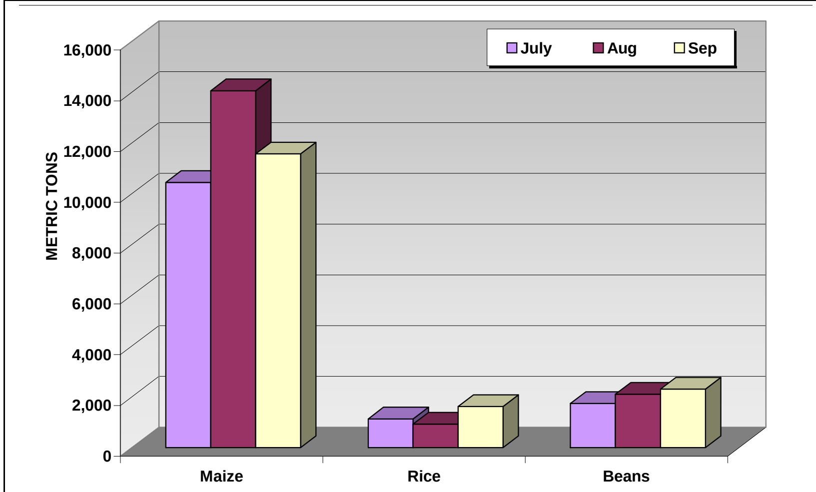
Informal cross border trade

In its initial three months of operation (July – September), the informal cross border food trade monitoring initiative in Southern Africa has captured over 36,000 MT of trade in maize (or 78 percent of total observed), 3,700 MT of rice trade and 6, 100 MT of beans trade through the 24 monitored border points. During this period, the highest flows (some 72 percent of the trade recorded) were maize exports from the surplus areas of northern and central Mozambique into southern Malawi. The drivers of this trade are the well-established commercial links between the two countries and the price differentials. Because of the relatively low transport costs (when compared to costs between north and southern Mozambique), price differences do not need to be great for trade to be profitable.

Trade flows for maize show an increase from July (10,438 MT) to August (14,054 MT) and then a decrease in September (11,567

MT) as the marketing season winds down, and farmers begin to hold on to remaining stocks. Monitors along Malawi's borders report that traders in September were increasingly trading in pulses such as pigeon peas, which were offered at competitive prices. The data received so far also shows that there is considerable trade in beans between Zambia and DRC (2,572 MT) and Mozambique and Malawi (1,852 MT), while trade in rice is significant between Tanzania and DRC (1,744 MT) and Zambia and DRC (1,141 MT). The direction of flows for rice and beans is quite fluid and responding to price movements. For example, while beans are flowing into Zambia from Tanzania, Zambian beans are also informally crossing the Kusambalesa border into DRC.

Figure 2: Recorded informal cross-border trade in DRC, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe

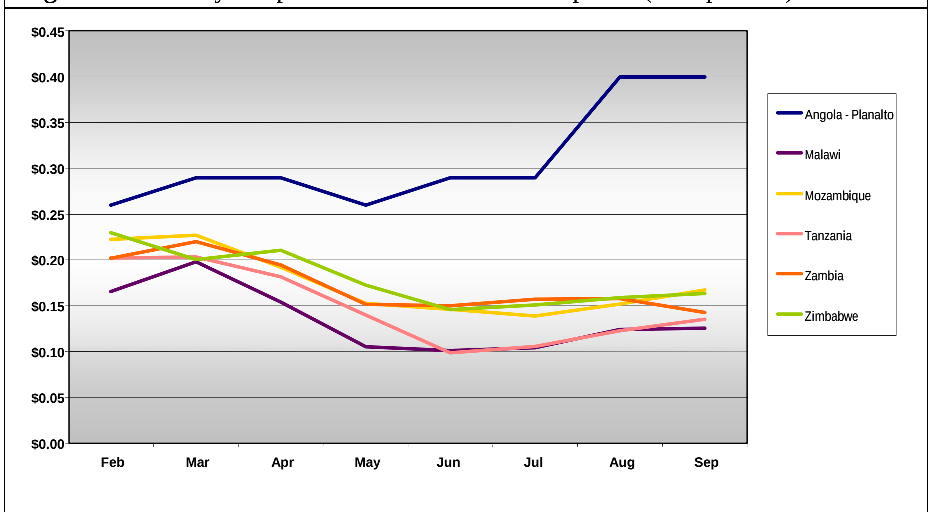


Source: FEWS NET Malawi and Independent Management Consulting Services – Zambia

The cross border monitoring system is tracking informal trade flows in maize, rice and beans across selected borders between Zambia, the DRC, Tanzania, Malawi, Zimbabwe and Mozambique. The activity, established by FEWS NET and WFP started in June 2004 and will continue throughout the trading period. FEWS NET and WFP envisage that once the system is fully operational, the data will be made available for future needs assessments and calculations of food gaps and import requirements.

Retail maize price movement

Figure 3: February - September 2004 retails maize prices (US$ per KG)



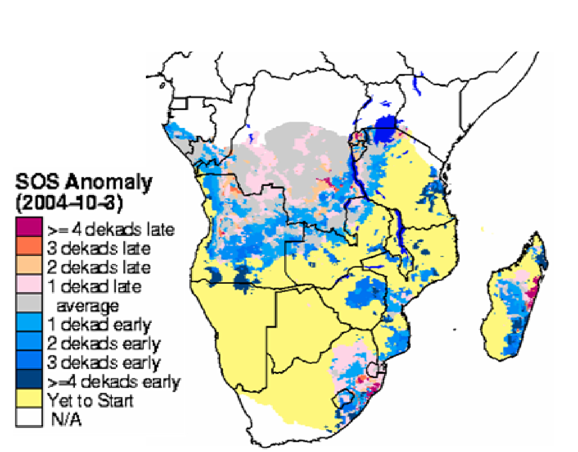
Source: FEWS NET Angola, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe

Retail Maize prices across the region continued to climb in September in response to dwindling on-farm supplies and increasing pressure on the markets. In most of the markets monitored, average prices were lowest in June when the 2003/04 harvest reached its peak in most countries in the region for which data is available (see Figure 3). The lowest June prices (US$0.09/kg) were recorded in southern Tanzania (Mbeya), and in northern Malawi (Chitipa). Prices have been rising since July, reflecting increasing pressure on available on-farm and rural market supplies. On average, retail prices in Malawi (Chitipa, Mchinji, and Nsanje) rose some 30 percent above the June levels to US$0.13/kg in September. This price hike is indicative of general food price increases across the country, and September prices have been higher than at the same time last year. FEWS NET Malawi estimates that by year-end, prices could reach US$0.18/kg, thus exacerbating food access problems for the vulnerable populations, mainly in the southern region. In Zimbabwe, where prices have generally been higher, prices at the Harare and Bulawayo markets (which are higher than rural market prices) have remained relatively stable since June, rising from US$0.15 in June to US$0.16 in September. With the exception of Zambia (Lusaka and Choma), where September prices fell 6 percent below June levels, national average prices for September are highest in Mozambique (Maputo, Beira and Nampula) followed by Zimbabwe (Harare and Bulawayo). Malawi continues to register the lowest average prices followed by Tanzania (Dar es Salaam and Mbeya). September retail prices in Angola (Planalto region), are reported to have remained stable following the steep 38 percent increase in August. Continuing trade activity between surplus and deficit regions is contributing to smoothing consumption expenditure in the food deficit areas.

START OF SEASON PROGRESS AND UPDATED RAINFALL OUTLOOK

The Drought Monitoring Center in its Ten Day Watch for Southern Africa, reports that most of the SADC countries recorded very little or no rainfall during the first 20 days of October. Exceptions were noted in Zimbabwe, South Africa and parts of Mozambique. Remotely sensed rainfall estimates imagery from NOAA/CPC confirms that most of the region remained relatively dry with precipitation amounts of below 25 mm (except in northern Angola). An analysis of rainfall estimates indicates that by the third dekad of October, most of the region had not received agriculturally usable rains (Figure 4, yellow colors). This is in line with normal trends, as effective rains in most areas of the region normally begin in earnest from around mid November. Some areas however, have already received rains that may encourage planting, although this may be too early for a sustainable crop (darker blue areas, Figure 4). Some national Met departments have been encouraging farmers not to plant with these abnormally early rains.

Figure 4: Onset of rains anomaly

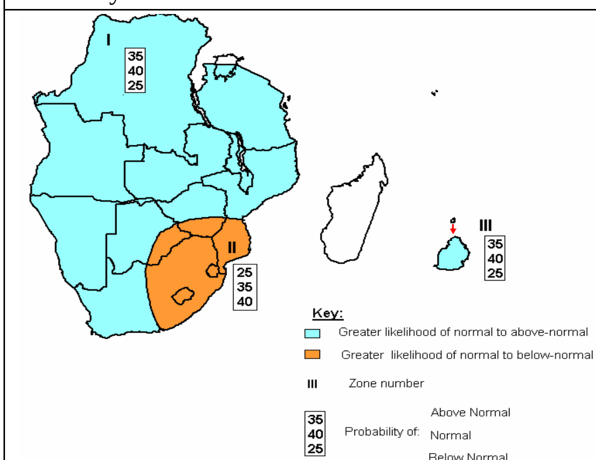


Source: USGS/FEWSNET

Rainfall Outlook for the November-December- January 2005 period

The updated seasonal rainfall forecast issued by the SADC Drought Monitoring centre for the November to January period indicates that a large part of the sub region faces an enhanced chance of receiving normal to above normal rainfall. Countries in this category include DRC, Angola, Zambia, Malawi, Tanzania, northern and central Mozambique, northern and central Zimbabwe, most of Botswana, and western South Africa. The remaining parts (Swaziland, Lesotho, southern Mozambique, southern Zimbabwe and eastern Botswana) are forecast to have an enhanced chance of receiving below normal to normal rainfall. According to IRI, a weak El Niño event may persist in the coming months and hence throughout most of the coming 2004/05 crop production season. While experts agree that a weak El Niño would probably have minimal effect on rainfall levels in the region, studies suggest that a moderate to strong El Niño would be more likely associated with dry conditions that could adversely affect crop production, especially during the peak summer months of December, January and February. The DMC, in conjunction with other partners, is closely monitoring the current El Niño event. As with the forecast issued in September, the DMC has cautioned that this Update is relevant only for seasonal time scales and for relatively large areas, and that local and month-to-month variations should be expected. Users are advised to contact national meteorological agencies for local forecasts and interpretation.

Figure 5: Seasonal rainfall outlook, November 2004 – January 2005



Source: SADC Drought Monitoring Centre, Harare, Zimbabwe

Inputs availability and access

In September, the SADC Seed Network issued a report indicating that seeds supplies were adequate throughout the region when taking into account on-farm retentions. Despite this apparent availability, field reports in some countries indicate that access to sufficient supplies of certified seed will be hampered by high prices exacerbated by the low purchasing power of households that have faced consecutive years of poor harvests. Reports from Zimbabwe, for example, indicate that farmers will be hard pressed to secure sufficient supplies of seed and fertilizer because of shortages on the markets and much high prices for both. To mitigate this situation and ensure production recovery, many governments have put in place intervention measures for those adversely affected during the past growing seasons. In Malawi, the government has launched its Targeted Inputs Program through which one million households will receive inputs packs containing 25kg fertilizer, 5kg maize seed and 1kg legume seed. An additional one million households will receive a 64 percent subsidy on a 50kg bag of fertilizer. Other countries where government input subsidy programs have also been planned include Zambia, where government is targeting 115,000 farmers with a 50 percent price subsidy on inputs. In Tanzania, plans are underway to subsidize fertilizer transportation costs throughout the country following last year's successful implementation of this program in the southern highlands. As indicated in the in depth country vulnerability analyses, humanitarian assistance through provision of inputs has been identified as essential to supplement government efforts to restore productive capacity within the region. In this respect, the input fairs that are being organized through the FAO emergency assistance are greatly contributing to ensure seed access and exchange among farmers who would otherwise have limited access to seed markets. As the rainy season is now imminent in all parts of the region, such programs need to be accelerated to facilitate farmers' readiness for the season.

Locust outbreak in northern Namibia and western Zambia

According to reports from the Namibia Ministry of Agriculture, an outbreak of *Locusta migratoria manilensis* (African Migratory Locust) has been experienced in the eastern Caprivi region since August 2004. Swarms of locusts were spotted in along the flood plains of the eastern Caprivi (including Kabbe, Lusese, Ibbu, and Kalumba), and it is reported that these were spreading to neighboring Botswana and Zambia. To control the outbreak, the Ministry has since mid-October been carrying out chemical control operations in these areas as well as throughout the Caprivi Region. As the cropping season has not yet started, there has been no damage to crops, and it is expected that government efforts, coupled with assistance from FAO and other agencies (such as the International Red Locust Control Organization - IRLCO) will effectively control the outbreak and stop any further breeding that may occur when the rains come. The concern at present is that the control efforts on the Namibian side are not being matched with similar efforts across the Zambezi River on the Zambian side. This will make control difficult as the locusts are reported to have reached swarming stages. By mid-October, there were reports that locust swarms had been spotted on the Zambian side in Sesheke district. Although the IRLCO has been consulted to begin control measures (spraying) in the affected areas of western Zambia, no action had yet been taken by the end of October. The FAO Emergency Unit is preparing a funding proposal for USAID/FAO to support an assessment that will result in a campaign plan and immediate targeted capacity enhancement for locust control for Namibia and Zambia. The aim is to move quickly to eradicate the problem before it gets out of hand, as it has done in other regions.

The Southern Africa Food Security Brief draws from the FEWS NET monthly reports, with additional contributions from network partners including USGS/FEWS NET – Harare, the SADC Regional Remote Sensing – Harare, SADC Regional Early Warning Program – Gaborone, and the SADC Regional Vulnerability Assessment Committee comprised of SADC FANR, FAO, WFP, FEWS NET, SC (UK), and OCHA. Additional information is drawn from the National Early Warning Units and Meteorology Services in SADC member States.