Famine Early Warning Systems Network

SOUTHERN AFRICA FOOD SECURITY BRIEF

NOVEMBER 2004

CONTENTS

EXECUTIVE SUMMARY

As Southern Africa approaches the lean season, food security in the region is reportedly declining—particularly in those countries where food production was insufficient to meet requirements. It is at this time when household food stocks are increasingly drawn down, and levels of purchases are constrained by increasing food prices and lack of employment opportunities. October retail food prices were reportedly rising (as is normal for this time of year) in response to dwindling supplies, raising concerns about growing food access problems among vulnerable populations. Although intra-regional trade continues to play an important role in filling import requirements, current import rates are very slow, exacerbating food availability problems. Barriers to informal trade, specifically high import levies, have also acted to constrain trade levels between some neighboring countries. Nonetheless, import deliveries—especially imports into countries facing shortages—are expected to increase from December up to March, after which households will begin to access new season crops.

FOOD SECURITY AND IMPORT/EXPORT PROGRESS

The latest food security assessments indicate that most rural households in Lesotho, Malawi, Swaziland, and Zimbabwe are facing domestic food shortages, and are now running out of own food stocks as they enter the hunger season, which lasts from December to the end of February. Exacerbating food security problems are rising staple food prices coupled with very slow progress in the attainment of planned official imports. FEWS NET/Malawi, for example, reports that the proportion of households that have already run out of food, are higher this year compared to the same time last year. In addition, nominal prices are above their 2003 levels. While the food deficit is higher in Malawi this year compared to the previous year, the good winter harvest of maize and sweet potatoes in some districts of the Southern Region (Nsanje and Chikwawa) has acted as a cushion for some rural households in those districts. The winter harvest coupled with a vibrant cross border informal maize trade with Mozambique has contributed to stabilize retail maize prices across the country. Though prices have been increasing since June, they remained below those included in the Malawi VAC in its April scenario analysis. Continued close monitoring is, however, recommended as sudden price hikes in December and January could result in a surge in the number of households unable to meet their food needs.

Reports from Zimbabwe indicate a further tightening of the available staple food supply in that country. Household food access is also increasingly problematic because of a shortage of supplies on the markets, very high market prices, and continued erosion of purchasing power. While the April ZimVac analysis had assumed December prices of Z$750/kg, current prices from rural and urban markets now range from a low of Z$750 to a high of Z$2,000/Kg in some of the worst affected areas in the south and south eastern districts. At current prices, thousands more of the vulnerable population are now falling below the threshold of being able to access a sufficient amount of food, with needs now being estimated at over 250,000 MT (against the April estimate of 178,000 MT). At this time of the year, poor rural households in both Malawi and Zimbabwe depend on agricultural casual labor wages to supplement food purchases. So far, opportunities for households to supplement their income through labor sales have been limited by the slow onset of the agricultural season.

In Lesotho and Swaziland, where the 2003/04 harvests fell far short of domestic consumption requirements, rural households facing food shortages are estimated at 948,000 and 600,000, respectively, for the period up to March 2005. While food prices have remained stable (in Lesotho, food inflation rates for October were estimated at 5.8 percent compared to 5.4 percent in September, while in Swaziland the October rate fell to 4.16 percent from 4.84 percent in September), many of the food insecure households are unable to purchase adequate supplies and are increasingly dependent on food aid. The slow progress of the commercial import program is worrisome as maize is the main staple food in both countries.

In Tanzania, despite the improved harvest realized over most of the country, a Rapid Vulnerability Assessment conducted in August estimates that between November and February, some 636,500 persons in 38 districts of the country will face food access problems, and will therefore require assistance. The assessment team recommended that the government supply affected districts

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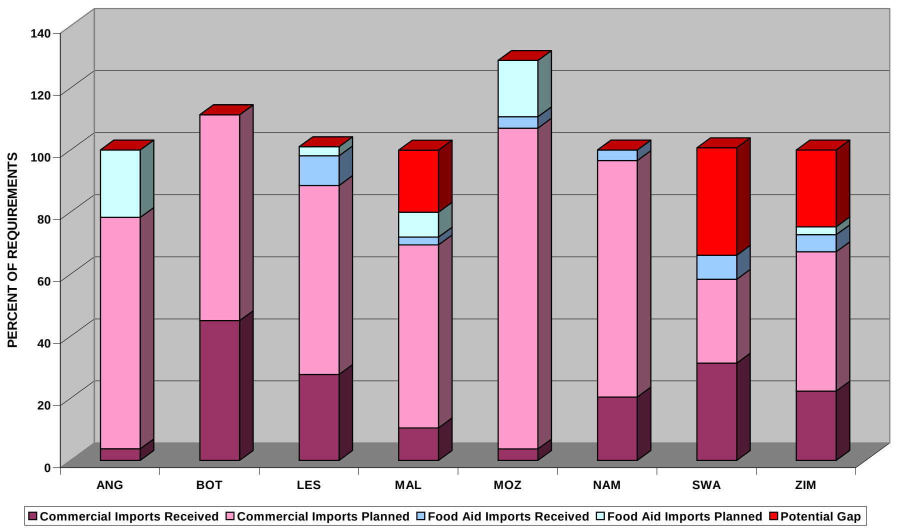
with maize at a subsidized price of TShs 100/kg (or US$0.09/kg). However, by the end of November, the subsidized grain had not yet been delivered. FEWS NET/Tanzania reports that by November, maize wholesale prices in Musoma (Mara region) had already risen sharply to levels (TShs 245/Kg or US$0.23/kg) that are significantly higher than the same time last year. A multi-agency team will conduct a follow-up rapid assessment in January to establish the impacts of the delayed intervention on affected households.

Imports and Exports progress

Although planned imports, commercial imports and food aid may be adequate to meet national deficits, 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 that have experienced reduced harvests again this season, especially Lesotho, Swaziland, Malawi, and Zimbabwe, where food security analyses indicate large numbers of people that are highly food insecure and still require emergency assistance. Of particular concern, are potential food gaps that exist in Malawi, Swaziland, and Zimbabwe. While it is expected that the projected gap after planned commercial trade in Malawi will be covered through cross substitution with root crops like cassava and sweet potatoes, it is unlikely that the potential gaps in Zimbabwe and Swaziland will be fully covered through such cross commodity substitution.

The current analysis of available SADC data suggests that import progress remains quite slow (Figure1), with only 32 percent of regional imports completed more than half way through the marketing year. Although delivery rates may increase with the onset of the lean season, it is doubtful given the current position in the consumption season that import programs will be completed before next harvest. While importers are expected to respond positively to rising price levels by bringing in additional supplies to cover effective demand, WFP and other humanitarian agencies are also gearing up to increase emergency food aid distribution during the period December to March. As highlighted in the last update, data on net imports received are spotty and usually incomplete as they are processed with a considerable time lag. There is a need to strengthen information systems that track import and export 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.

Figure 1: Import progress and plans - percent of requirements (including stock replenishment)



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

South Africa: Exportable maize surplus now at 2.75 million MT

A final revision of the 2003/04 summer crop production estimates now puts the total South African maize harvest at 9.71 million MT, 8.7 percent above the final figure of 8.934 million MT released by the Crop Estimates Committee (CEC) in September; and 3 percent above the past 5-year average. The final adjustments come as a result of actual deliveries of grain recorded by the South African Grain Information Service (SAGIS) in October. The deliveries exceeded the CEC estimates, and resulted in the recognition that the CEC had underestimated area planted. The final maize yield level of 3.33 MT/ha calculated after the upward revision in area planted is now even higher than the record level of 3.31 MT/ha recorded during the 1980/81 bumper year. This much higher level of production results in an increase in the projected exportable surplus from 2.0 million MT to 2.75 million MT. However, only 374,000 MT out of the 725,000 MT planned for export has been shipped since May 2004. Of this amount, 251,000 MT were destined for SADC countries, with the BLNS countries taking 157,342 MT, and Zimbabwe taking 48,379 MT. Other SADC recipients include Angola (23,545 MT) and Mozambique (21,300 MT). Planned exports only represent 26 percent of the total exportable surplus, while total exported so far is just 14 percent. If export rates do not pick up, the country will face a large carry over stock, which may influence farmers to reduce planted area in the 2004/05, and may continue to exert a downward pressure on farm gate prices of maize (see discussion on SAFEX maize prices).

Zambia and Mozambique filling deficits in neighboring countries

The existence of surpluses in Zambia and Mozambique, and the generally higher levels of production in most member States, are contributing to South Africa's slow export rates so far this year. During this period, Malawi has not formally imported any maize from South Africa. Instead, the deficit has been offset mainly through informal maize imports from Mozambique. Between July and October, border monitors managed to capture up to 39,000 MT of informal maize imports into Malawi. Formal imports mainly to replenish the Strategic Grain Reserve (SGR) have reportedly been supplied from Zambia. Imports into Zimbabwe are reportedly picking up as consignments of maize purchased by the Grain Marketing Board (GMB) earlier in the year begin to arrive. An estimated 100,000 MT of maize sourced from Zambia and South Africa (including 48,379 MT captured by SAGIS) has been delivered to GMB. Recent reports (including the report of the parliamentary portfolio committee) indicate that the Zimbabwe government has submitted orders to purchase additional maize from South Africa.

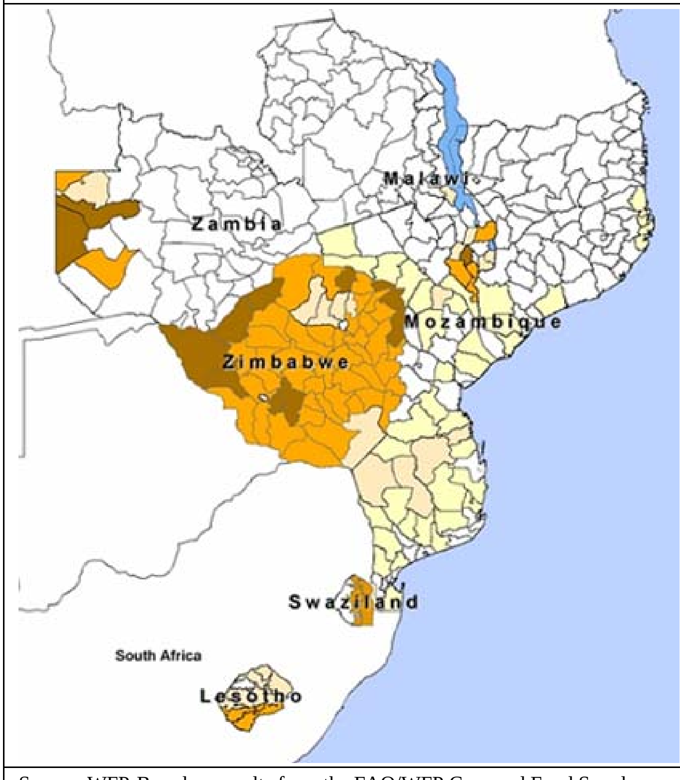
CURRENT INTERVENTIONS

WFP continues to respond to the emergency food aid needs identified in Lesotho, Malawi, Mozambique, Swaziland, and Zimbabwe through the Regional Emergency Operation, which was extended to December 2004. Reports from Malawi indicate that WFP has been able to source enough grain (10,000 MT) to cover all the December food aid requirements of the targeted beneficiaries. However, a further 42,000 MT will be required for the period January to March, which is expected to be covered through the new Regional Protracted Relief and Recovery Operation (PRRO), scheduled to start in January. Although some donors have made pledges towards the new appeal, pipeline breaks may occur during the critical "hunger period" before the next harvest if resourcing remains low. Food aid distributions to food insecure populations in Lesotho and Swaziland remain on target with no reported pipeline breaks.

WFP's new PRRO, is a three-year program designed to assist a monthly average of 1.5 million people in Lesotho, Malawi, Mozambique, Swaziland, and Zambia, and is meant to address the ongoing crisis by focusing on the triple threat of weather variability on food security, the impacts of HIV/AIDS, and the weakened capacity for governance on the vulnerable populations.

Zimbabwe has not been included in the PRRO and is currently receiving very little humanitarian assistance. This is a result of a government decision to stop all general free food distribution following its assertions that the country had harvested adequate food to meet national consumption requirements. However, as discussed elsewhere in this Update, food insecurity continues to escalate because of rising prices and dwindling grain availability. Following the scaling down of WFP programs in the country, large amounts of food (about 32,600 MT) that were already in-country have remained in storage in warehouses. FEWS NET Zimbabwe reports that government has agreed for a one-off general distribution that will use up all the left over WFP food stocks. This will be implemented in December as part of the government's food assistance to social welfare cases throughout the country. WFP will undertake the distribution together with a number of partners, including Save the Children/UK, who will focus their activities in Binga and Nyaminyami Districts.

Figure 2: Food insecure districts in Malawi, Mozambique, Zambia, Zimbabwe, Swaziland, and Lesotho, June 2004



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

The in-depth rural vulnerability analysis in April/May 2004 established that up to 2.3 million rural people would need food assistance estimated at 178,000 MT of cereal between July 2004 and March 2005. But, as FEWS NET reports, food price increases are exacerbating food access problems throughout the country in both rural and urban areas; with the numbers pf people that are now requiring emergency assistance rising way above the earlier conservative ZimVAC estimates. Consequently, the December one-off general distribution, using the ZimVac study as the basis for targeting, will only cover 10 percent of the estimated food needs.

REGIONAL PRICE MOVEMENTS AND TRADE FLOWS

Informal cross border trade

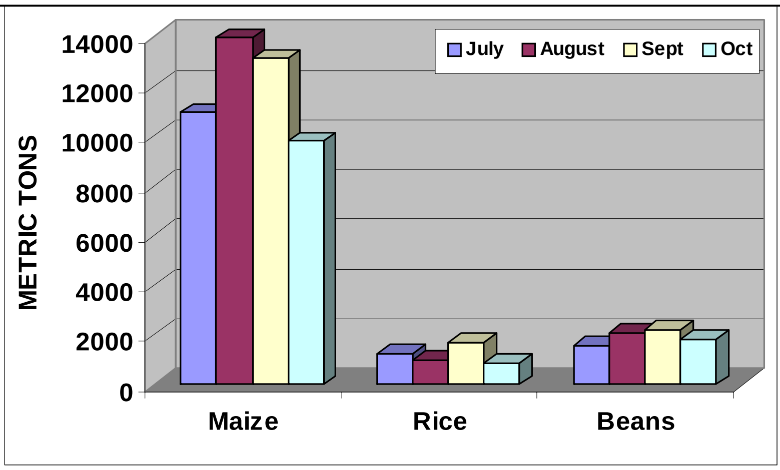
The Southern Africa informal cross border monitoring system, established by FEWS NET and WFP, has since June 2004 been tracking informal trade flows in maize, rice, and beans across selected borders between Zambia, the DRC, Tanzania, Malawi, Zimbabwe, and Mozambique. The monitoring will continue throughout the marketing season, and will generate data that will indicate levels of unrecorded intra-regional trade.

Between July and October, the monitoring system observed approximately 60,170 MT of unrecorded maize, beans, and rice trade. Over three quarters (79 percent) of that trade has been in maize, with a recorded total of 47,739 MT. Close to 83 percent of the trade (39,404 MT) has been exports to food deficit Malawi, mostly from surplus areas of northern and central Mozambique. However, only 10 percent of the observed maize trade was in exports to Zimbabwe, where anecdotal evidence suggests increasing maize scarcity in rural and urban markets, as well as at the household level, especially in the districts that experienced reduced harvests in 2003/04.

An assessment by the cross border monitoring team carried out in October 2004 revealed that trade barriers between Zimbabwe and her neighbors were the major constraint to informal food trade. Import levies of ZIM$20,000 per 50 kg bag (US$3.56) have been imposed for individuals or traders importing more than a single bag of food including rice and maize unless they have an import permit from the GMB. Considering that most informal (cross border) traders deal in very small quantities, the restrictions and levies make the trade unviable. Despite the fact that Zambia has a significant maize surplus, no restrictions on grain exports, and lower prices (see discussion on regional maize retail prices), informal trade volumes remain low (about 5,000 MT). The explanation for this low volume of trade is the result of restrictions imposed on informal trade by the government of Zimbabwe. To cover its maize import requirements, Zimbabwe is relying on an official maize import program by the GMB, which however does not appear to be adequately covering the needs as evidenced by rising prices and reports of growing scarcity countrywide. Informal cross border trade has been shown to mitigate food supply gaps, as is the case in Malawi. If restrictions were relaxed, Zimbabwe could tap some of the surplus maize in both Zambia and Mozambique through informal cross border trade.

Additional border monitors have been placed along Zimbabwe's borders with South Africa, Botswana, and Mozambique in order to expand the monitoring of informal trade. The selection of additional border points to monitor was made after an assessment of key border points shared by the three countries. Along the South Africa/Zimbabwe border, the assessment established that formal and informal trade is quite brisk at the Messina/Beitbridge border crossing point. However, informal food trade is mainly of tradable items such as sugar, cooking oil and wheat flour, but not maize grain. Maize and maize flour trade face the same constraints resulting from the high import levies imposed on informal imports. A monitor has been placed at the Messina/Beitbridge border to try to capture the scale of the trade between South Africa and Zimbabwe. Along the Zimbabwe/Botswana border (Plumtree / Ramokgwebana) very little informal cross, border trade in food takes place, mainly because of the very strict regime for agricultural products entering Botswana. However, a monitor has been placed here as well, to ensure that whatever informal trade takes place with Zimbabwe's western neighbor is captured.

Figure 3: Recorded informal cross border trade: DRC, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe



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

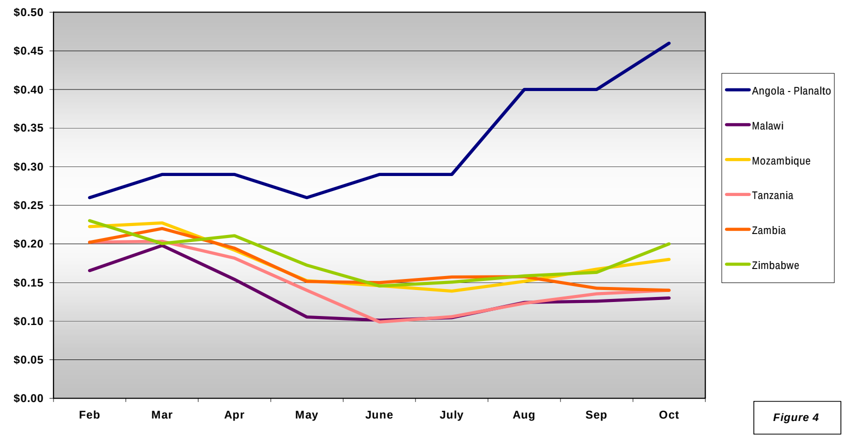
Informal trade flows declining

Informal maize trade flows have been declining since August (when the highest volume of 13,930 MT was recorded), reaching the lowest level of 9,774 MT since the reporting began. Trade in rice and beans appear to have reached its peak in September, and began to drop in October. As noted, most of the maize over this period has been flowing into southern Malawi from the surplus areas of northern and central Mozambique.

Data recorded over this period show significant trade in rice only between Zambia and DRC; of the total 4,748 MT captured, 3,509 MT (or 74 percent) were flows from Zambia to

DRC, with flows from Malawi to Tanzania coming a distant second at just 620 MT. However, border monitors report that some of the rice destined for the DRC consists of re-exports of East Asian rice. Trade in beans, which is significantly higher than rice trade, is also dominated by Zambia – DRC exports (4,426 MT) followed by Mozambique – Malawi exports (2,167 MT). The direction of flows for rice and beans remains fluid; for example, while beans are flowing into Zambia from Tanzania, Zambian beans are also informally crossing the Kusambalesa border into DRC.

Figure 4: February – October 2004 Maize Retail Prices (US$ per KG)

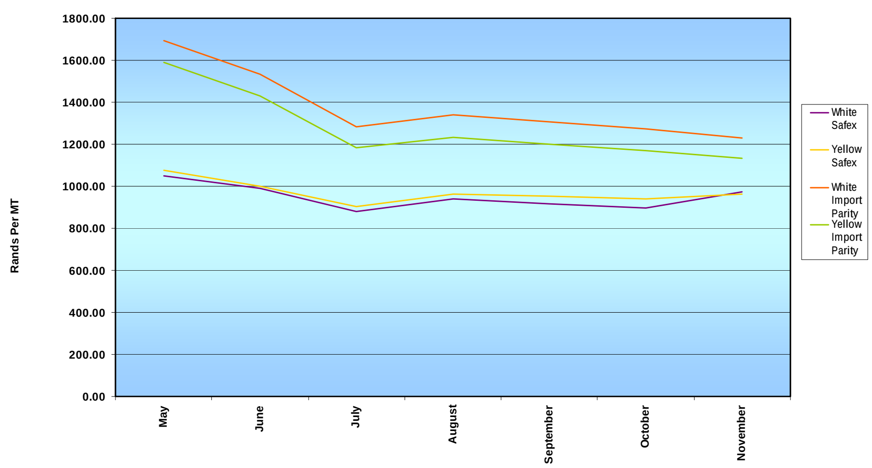


Source: FEWS NET Angola, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe

Retail maize price movement

Figure 4 illustrates that retail maize prices in most countries continued to climb in October in response to growing scarcity both on rural and urban markets as well as at the household level. Prices, which have been rising steadily since July (having reached the lowest levels in June), reached their highest levels yet this marketing year, with the highest levels recorded in the Planalto region of Angola at US$0.46/kg; 13 percent above the September level of US$0.40/kg. On average, retail prices in Malawi (Chitipa, Mchinji, and Nsanje) though remaining stable from September to October, are now 30 percent above the June levels at US$0.13/kg in October. Despite the slow rate of increase in prices, FEWS NET Malawi cautions that sharp hikes of up to US$0.18/kg can be expected towards year-end, thus exacerbating food access problems for the vulnerable populations, mainly in the southern region. In Zambia (Lusaka and Choma) and Tanzania (Dar es Salaam and Mbeya), maize retail prices remained constant maintaining the September level of US$0.14/kg in both countries. For Zambia, this level is 6 percent above that recorded in June, which is reflective of the good harvest realized in that country and the slow levels achieved thus far in disposing of the surpluses. October prices in Tanzania on the other hand have risen quite sharply (on average 40 percent) above June prices, reflecting increased pressure on available supplies especially in Dar es Salaam which is within the area that has been assessed to be food insecure. National average prices in Mozambique (Maputo, Beira and Nampula) were recorded at US$0.18/kg in October (against US$0.15/kg in June) – levels that are below those reached at the same time last year. In Zimbabwe, where prices at the Harare and Bulawayo markets had held steady from June to September rose sharply by 25% to US$0.20/kg in October. This price hike is indicative of general food price increases across the country, with some markets (such as Mutare - US$0.28/kg) registering prices that are above those in Harare and Bulawayo. Amongst the countries monitored, maize at the selected markets of Malawi and Zambia continues to be sold at lower average prices, while Mozambique and Zimbabwe retail prices (at the selected markets) are generally higher. Angola (Huambo) maize retail prices remain the highest, reflecting limited availability, and poor market access as a result of transport bottlenecks.

Figure 5: Monthly Average SAFEX nearby Prices & Monthly Average Import Parity for White & Yellow maize delivered Randfontein



Source: SAFEX – Johannesburg Stock Exchange; and Grain SA

Maize prices on SAFEX …

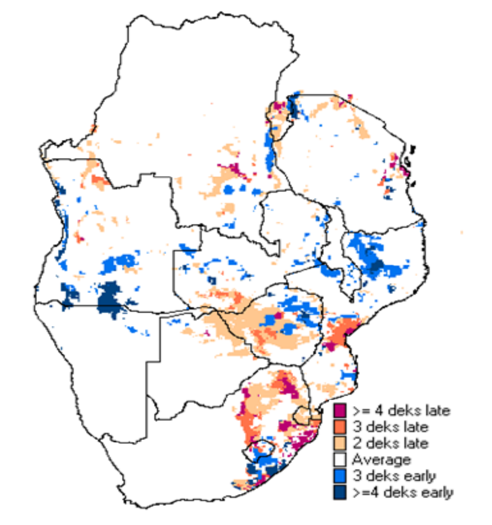
Up until the end of October, the increased level of expected maize production, coupled with low export rates and high intentions to plant maize next season (and thus another large harvest expectation) exerted downward pressure on maize futures. The trend has however turned upwards, with white maize prices increasing from R898/MT in October to R974/MT in November; and for the first time rising above yellow maize nearby prices since the year began (Figure 5). Since May 2004, the nearby SAFEX price for white maize fell from an average of R1050/MT (US$154) in May, to its lowest level of R898/MT (US$ 140) in October. The downward trend in yellow maize prices lasted until July, when the lowest price of R905/MT was recorded, since then prices have generally been increasing, and by November had reached R964/MT. While local prices begin to rise, import parity prices continue to drop steadily having dropped from a high of R1694/MT for white maize in May, to a level of R1230/MT in November.

START OF SEASON PROGRESS AND UPDATED RAINFALL OUTLOOK

In Southern Africa, the rainfall season starts in November and December. A few exceptions are eastern South Africa, Swaziland, Lesotho, northern and northwestern Zambia, Angola, and the DRC, where the season may start even earlier than that. According to remotely sensed data, the season began early in some areas (see Figure 6). When rains are significantly later than usual, the length of the growing season is reduced if the rains do not continue for the complete development of crops. The effect is that crops may not have reached maturity by the time the rainfall season ends. Areas with late starts (denoted in orange/red colors in Figure 6) should be monitored. In areas such as southern Zambia, southern and western Zimbabwe, and northern South Africa (including parts of the Maize Triangle), the rainfall season has not started well, and is now at least 20 to 30 days late. Reports from the SADC Drought Monitoring Centre support understanding indicated by the satellite image data.

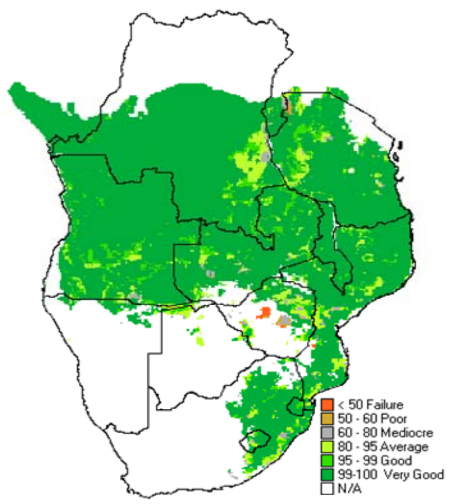
In areas where the rainfall season has started, it is useful to monitor how well the rainfall is meeting the water requirements of maize in the region (Figure 7). When all or most of the water needs of maize are being met by the rainfall (green colors, Figure 7), then the maize crop is not negatively affected by water deficits. In this regard, most of the areas where the season has started do not appear to be experiencing severe water deficits. However, other areas are already experiencing average (light green colors), mediocre (grey colors) and poor conditions (red/brown colors). Crops in these areas may be negatively affected by water stress if poor rainfall persists.

Figure 6: Progress of the 2004/05 season - Dekad 3 November 2004



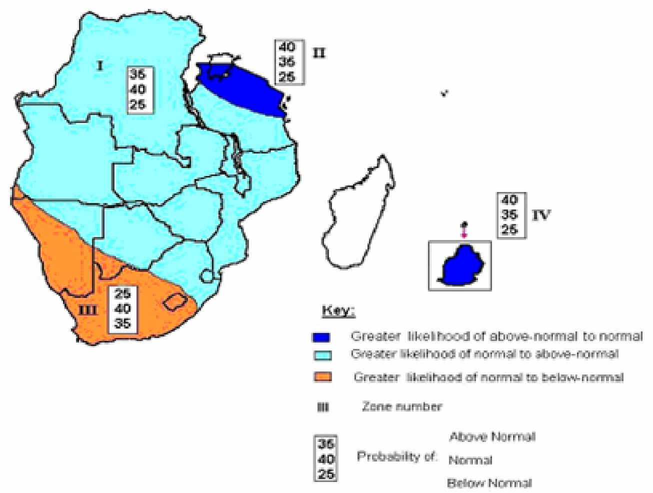
Source: FEWS NET/USGS

Figure 7: Extent to which crop water requirements have been fulfilled since the start of season – Dekad 3, November 2004



Source: FEWS NET/USGS

Figure 8: Seasonal Rainfall Outlook, December 2004 – February 2005



Source: SADC Drought Monitoring Centre, Harare, Zimbabwe

Rainfall outlook for December – January – February 2005

The updated seasonal rainfall forecast issued November 26, by the SADC Drought Monitoring Centre for the December to February period indicates that a large part of the sub region faces an enhanced chance of receiving normal to above normal rainfall

(Figure 8). The DRC, Angola, Zambia, Malawi, southern half of Tanzania, Mozambique, Zimbabwe, most of Botswana, Swaziland, northern South Africa, and north eastern Namibia will have an enhanced chance of receiving normal to above normal rainfall, while Lesotho, south western tip of Botswana, central and southern South Africa and most of Namibia are forecast to have an enhanced chance of receiving normal to below normal rainfall. Northern Tanzania is forecast for an enhanced chance of above normal to normal rainfall. It should be noted that though there are enhanced chances of normal to above normal rainfall over most of the region, there is still a possibility that the less likely outcomes may occur. Caution is therefore advised in the interpretation of these forecasts. As with previous forecasts, 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.

Locust update: Northern Namibia and western Zambia

The International Red Locust Control Organization for Central and Southern Africa (IRLCO-CSA) reports that the outbreak of the African Migratory Locust (*Locusta migratoria migratorioides*), which was reported in northern Namibia (eastern Caprivi) and Western Province of Zambia in September and October, seemed to have dissipated during the month of November. On the Namibian side, control measures were taken by the Ministry of Agriculture using motorized and hand held sprayers. In Zambia, although no similar measures were taken, subsequent follow-up ground surveys revealed that the swarms had migrated or disappeared. However, both countries need to stay alert and prepared for new outbreaks. The FAO Emergency Unit is going ahead with the proposal to support both countries through immediate targeted capacity for the enhancement of locust control. The aim is to move quickly to ensure the complete eradication of the problem and contain further outbreaks.

The Southern Africa Food Security Brief draws from the FEWS NET monthly reports, with additional contributions from network partners including FEWS NET/USGS – 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.