Famine Early Warning Systems Network
SOUTHERN AFRICA FOOD SECURITY BRIEF
DECEMBER 2004

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EXECUTIVE SUMMARY

As the hunger season progresses in Southern Africa, food security in the region continues to deteriorate, especially in those countries where food crop production was insufficient to meet domestic requirements. In more severe cases (as in some areas of Zimbabwe), staple cereals are increasingly unavailable countrywide, causing retail food prices to rise and exacerbating food access problems for the most vulnerable households. Intra-regional trade continues to play an important role in filling import requirements in some food deficit countries, but this option is not available in Zimbabwe, where barriers to informal trade, specifically high import levies, constrain trade with neighboring countries. Although delivery of formal imports has been slow, with the hunger season peaking, delivery rates should pick up. Continued close monitoring is recommended.

Following an erratic start to the 2004/05 rainy season, many areas received normal to above normal rains in December, which improved conditions for agriculture in many areas across the region. Agricultural activities are reported to be underway throughout the region, although there are reports of shortages of or lack of access to requisite farm inputs (especially seeds and fertilizers), constraining farmers' ability to plant sufficient crops to meet their requirements.

FOOD SECURITY SITUATION

The latest food security assessments indicate varying levels of food security across the region as many countries enter the hungry season. While the food security situation in many of the countries that harvested enough staple foods to meet requirements remains stable, the situation in the deficit countries continues to deteriorate. Countries with populations that are facing critical food access problems include Lesotho, Swaziland, Malawi and Zimbabwe.

Reports from Zimbabwe indicate an increased level of food insecurity across the country. Household food access remains problematic because of a shortage of food supplies on the markets, which is resulting in very high market prices and the continued erosion of purchasing power of the rural and urban poor. Maize prices on the parallel markets in both rural and urban areas went up significantly between November and December. For an example, prices in Harare (Mbare Musika) went up from US$0.22/kg to US$0.27/kg, an increase of 23 percent. Similar increases were observed in other open markets across the country; December prices from rural and urban markets ranged from a low of Z$1,380 to a high of Z$2,225/kg (US$0.22 to US$0.36/kg) in some of the areas in the southern and western districts facing more severe shortages. At current prices, an increasing number of vulnerable households 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 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 start of the agricultural season. On-going targeted feeding programs (by the government, WFP and other humanitarian agencies) are inadequate to address the current levels of food insecurity in the country.

In Malawi, FEWS NET reports that although many households (especially in the south) have run out of their own food stocks. However, the food security situation is generally better than otherwise expected. This is as a result of the on-going WFP food aid distribution, availability of maize on ADMARC and local markets as well as well as availability of casual employment opportunities (*ganyu*) providing income to enable food purchases. While the food deficit is larger in Malawi this year compared to last 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. The winter harvest, coupled with the on-going food aid distribution and 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 by the Malawi VAC in its April scenario analysis. Close monitoring of the situation, including continuation of current interventions, is recommended, as the remaining two months of

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the lean season (January and February) are the most critical.

In Lesotho and Swaziland, food aid distributions continue to play an important role in meeting the food needs of the most food insecure. Both these countries experienced critical harvest shortfalls in 2003/04 season. Food security assessments carried out in May 2004 estimate that as many as 948,000 and 600,000 people in Lesotho and Swaziland, respectively, would face food shortages for the period up to March 2005. Lack of employment opportunities (due to, for example, the recent closure of textile factories) mean that these households do not have sufficient income to purchase an adequate amount of food. In both countries, the levels of imports improved during November and December, and Lesotho has achieved 46 percent of its combined maize and wheat program and Swaziland achieved 60 percent. While Swaziland may yet receive its planned imports in full, it is unlikely that Lesotho will be able to complete its level of planned imports. In order to meet import targets, deliveries will have to increase from the current 18,000 MT/month to well over 60,000 MT/month for the next three months.

In Tanzania, food insecurity conditions have been reported in isolated locations, which experienced drier than normal conditions during the 2003/04 season and where the current 2004/05 season has not been progressing well. These include areas in the Northern Highlands and in Mwanza and Shinyanga Regions. A Rapid Vulnerability Assessment conducted in August 2004 reported that between November and February approximately 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 with maize from the SGR at a subsidized price of TShs 100/kg (or US$0.09/kg). However, by mid December, the subsidized grain had not yet been delivered. FEWS NET/Tanzania reports that by November, maize wholesale prices in Magu (Mwanza Region) had already risen sharply to levels (TShs 220/kg or US$0.20/kg) that are significantly higher than at the same time last year. A multi-agency team will conduct a follow-up rapid assessment in January to estimate the impacts of the delayed intervention on affected households.

In Zambia, FEWS NET reports that a number of food assistance appeals were presented to the country's Disaster Management and Mitigation Unit (DMMU) from several districts in the country that are now facing food shortages. These districts are some of those identified as likely to face cereal deficits especially during the hunger period (December to February). Although the DMMU has adequate stocks on hand to meet these appeals, a decision on whether or how to respond will only be made following field verifications by the Zambia Vulnerability Assessment Committee, which is currently undertaking assessments. These assessments will be completed by the end of January.

South Africa's maize surplus sufficient to cover regional import requirements

Within the SADC region, only South Africa, Zambia, Mozambique and Tanzania have harvested enough maize to meet their domestic requirements; the remaining countries all reflect negative maize balances. The surplus production from these four countries is sufficient to cover the regional maize gap. South Africa alone, projects an exportable surplus of 2.75 million MT followed by Zambia (185,000 MT), Tanzania (69,000 MT), and Mozambique (30,000 MT). Although official estimates from Zimbabwe suggest a maize production surplus, observations on the ground and the current levels of food insecurity suggests otherwise.

The SADC maize harvest has been boosted by the larger than expected production from South Africa, with the final estimate of 9.71 million MT, a level that is 3 percent above the past 5-year average, and only one percent below that achieved in the previous year. This is in stark contrast to the initial forecasts in February 2004, when indications were for reductions of up to 20 percent below the past 5-year average. This much higher level of production results in an exportable surplus estimated by Grain SA at 2.75 million MT. However, by the end of December, the South African Grain Information Service (SAGIS) reported that only 426,000 MT (or 54 percent) out of the 785,000 MT planned for export had been shipped since May 2004. Of this amount, 302,000 MT were destined for SADC countries, with the BLNS countries taking 184,000 MT, and Zimbabwe taking 72,000 MT. Other SADC recipients include Angola (24,000 MT) and Mozambique (22,000 MT). Planned exports represent just under 30 percent of the total exportable surplus, while total exported so far is just 15 percent of the country's exportable surplus. 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.

CURRENT INTERVENTIONS

Until December 2004, WFP responded to the emergency food aid needs identified in Lesotho, Malawi, Mozambique, Swaziland, and Zimbabwe through the Southern Africa Regional Emergency Operation, which was extended to December 2004. Beginning in January, food aid requirements will be covered through the new Regional Protracted Relief and Recovery Operation (PRRO), a three-year program designed to assist a monthly average of 1.5 million people in the region. The PRRO is meant to address the ongoing crisis by focusing on the triple threat of weather variability on food security and the impacts of HIV/AIDS and the weakened capacity for governance on the vulnerable populations. WFP reports that as of the beginning of January, it had received

contributions of US$ 36.5 million (or 9.2 percent) against the revised needs of US$ 395.1 million for the three-year operation. Concerns have been raised that if resourcing remains poor, WFP may not have adequate stocks to provide full rations to meet needs of the populations in the affected countries during the January - March 2005 hunger period.

Reports from Malawi indicate that over the month of December, the emergency operations were intensified, ensuring that all beneficiaries are reached. Approximately 10,000 MT of maize was distributed in December by WFP and its partners through food-for-work. However, a further 42,000 MT will be required for the period January to March, which is expected to be covered through the new, scheduled to start in January. WFP has already prepositioned some food stock in readiness for the January distributions.

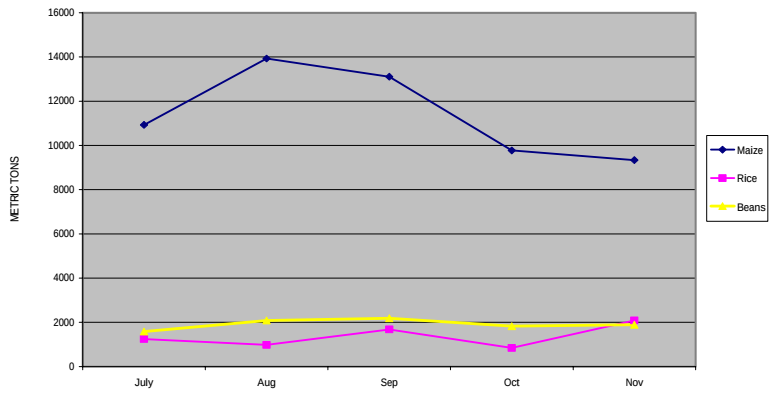
Food aid distributions to food insecure populations in Lesotho and Swaziland remained on target during the month of December. However the under resourced PRRO (through which food needs will be met over the January - March 2005 period) may result in pipeline breaks that may lead to a cut in food rations.

Zimbabwe is currently receiving very little humanitarian assistance because of the government's decision to limit operations by humanitarian agencies. This decision was based on its the assertion that the country had harvested adequate food to meet national consumption requirements. However, food insecurity continues to escalate due to rising prices and dwindling staple food availability. The targeted feeding programs currently allowed by the government cannot adequately address the food insecurity facing both urban and rural populations in the country. In December, the government agreed to allow WFP to conduct a one-off general food distribution of about 21,000 MT of cereals and 8,000 MT of pulses to facilitate the utilization of stocks that had remained in country following the termination of free food distribution at the start of the marketing year. Through this operation, WFP aims to reach 1.6 million beneficiaries in 33 of Zimbabwe's 57 districts. The 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. However, as FEWS NET reports, scarcity of supplies and food price hikes have exacerbated food access problems in both rural and urban areas, and the numbers of people now requiring emergency assistance has risen above the earlier estimates made in April/May 2004. Consequently, the December one-off general distribution will only cover a very small proportion of estimated food needs.

REGIONAL PRICE MOVEMENTS AND TRADE FLOWS

Informal cross border food trade

Figure 1: Total Informal Cross-Border Trade in DRC, Malawi, Mozambique, Tanzania, Zambia & Zimbabwe



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

The volume of informal cross border trade in maize monitored through the FEWS NET/WFP cross border monitoring system continued to decline in November. The monthly trade flows decreased from an average of 13,000 MT between July and September to 9,500 MT between October and November. The decline in trade reflects dwindling on-farm stocks as most of the monitored countries enter the hungry season. The direction of flows of informal cross-border maize trade remained largely unchanged in November 2004; Malawi (importing 6,301 MT) followed by Zimbabwe (importing 1,400 MT) were the biggest maize importers; whereas Mozambique (exporting 6,045.5 MT) followed by Zambia (exporting 2,857 MT) were the biggest exporters of maize. Zambian informal maize exports to the DRC have been steadily increasing over the past few months. This increase could be a result of intensified marketing by Zambian traders looking for an outlet for their surplus stocks. This trend is expected to continue for the next few months as long as the price offered in DRC remains attractive. Maize exported from Zambia to DRC is sourced from commercial farmers in the Central province. Meanwhile, a newly recruited border monitor stationed near Chimoio (Mozambique/Zimbabwe border) reports no exports of maize from Mozambique into Zimbabwe, due largely to border restrictions imposed by the government of Zimbabwe.

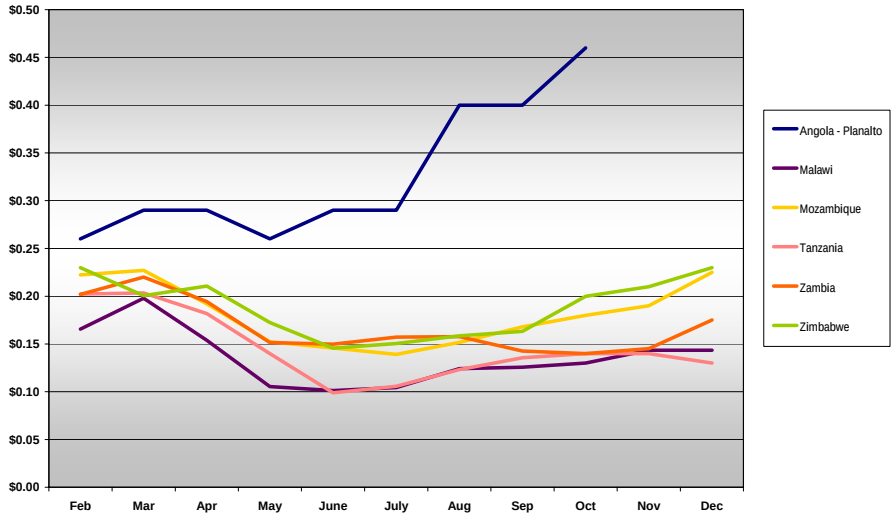
Trade in rice has remained constant; flows have fluctuated between 900 MT and 1,700 MT per month. Unlike maize, the informal trade in rice includes imports from East Asia, a factor that reduces the peaks and troughs in seasonal availability of the commodity. Close to 2,000 MT of rice were traded between the countries during November 2004. This was more than twice the amount that was captured in October. Exports to the DRC accounted for 73 percent of the total regional rice trade, with Zambia as the major

exporter, followed by Malawi. Most of the Zambian rice exports to the DRC are re-exports initially imported from East Asia through Tanzania. The informal beans trade has remained relatively constant between July and November, reflecting continued availability of the commodity. The amount of informal beans trade captured during November was close to 1,900 MT, a slight increase over the 1,800 MT recorded during the previous month. Overall, close to 10,000 MT in informal beans trade have been captured since the monitoring began in July. Again, the DRC dominated the beans trade in November by importing 76 percent of the total traded in the month (1,889 MT).

Retail maize price movement

Retail maize prices continued to climb in November and December in response to growing scarcity both on rural and urban markets as well as at the household level (Figure 2). Prices have been rising steadily since July and in December reached their highest levels yet this marketing year. Across the countries for which data are available, prices have generally remained lowest in Malawi and Tanzania, with December prices averaging US$0.14/kg and US$0.13/kg, respectively, in the monitored markets. FEWS NET Malawi reports that local market prices have been generally stable this year, compared to 2001 when steep price hikes were observed as early as September.

Figure 2: February – December 2004 Maize Retail Prices (US$ per KG)



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

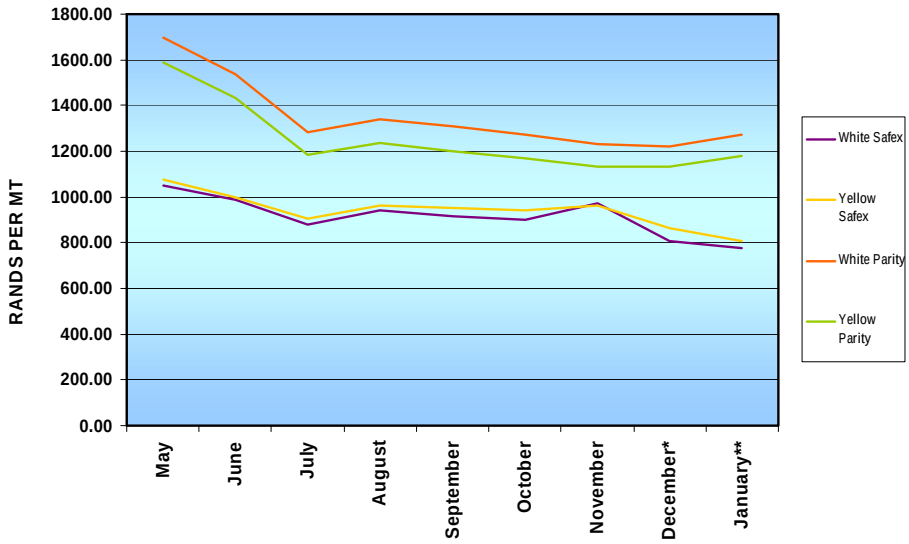
Factors contributing to a slower rate of increase of market prices in Malawi include increased levels of cross border food trade and the on-going food relief interventions. On average, retail prices in Malawi (Chitipa, Mchinji and Nsanje) remained constant from November to December at US$0.14/kg, but at this level, the prices are now 40 percent above the June levels. In Tanzania (Dar es Salaam and Mbeya), maize retail prices remained constant, maintaining the September level of US$0.14/kg up to November, and dropping to US$0.13/kg in December. For Zambia, the average prices increased to a peak of US$0.18/kg in December - a level that is 20 percent above that recorded in June. The lower rate of increase reflects the good harvest realized in that country, though surplus on-farm stocks are now running low. In Mozambique, Maputo prices have pushed up the national average considerably, rising from US$0.18/kg in October to US$0.23/kg in December. While prices in Nampula and Beira remain stable (around US$0.18/kg), prices in Maputo have been rising significantly reaching a peak of US$0.26/kg in December. Despite the significant December increases, FEWS NET Mozambique reports that current retail prices are generally lower compared to last year and the five-year average. In Zimbabwe, prices rose sharply between September and October, and by December, Harare and Mutare prices had reached an average of US$0.27/kg (or 53 percent above June levels). This trend is indicative of general food price increases across the country, with some markets in the grain deficit areas registering prices in excess of US$0.36/kg. Angola (Huambo) maize retail prices (though not available for November and December) remain the highest, reflecting limited availability, and poor market access because of transport bottlenecks.

Maize prices on South African Futures Exchange…

The high level of the South Africa 2003/04 maize harvest, coupled with low export rates and high intentions to plant maize next season (and thus the expectation of another large harvest) continue to exert downward pressure on maize futures on the South African Futures Exchange (SAFEX). Although white maize prices increased from R898/MT in October to R974/MT in November (at the same time rising above yellow maize prices), December (and January) nearby prices are once more below yellow maize prices and continue to fall (Figure 3). The average for December was calculated at R809/MT (US$ 141/MT) - a level that is below any recorded since the marketing year began in May 2004. Because of the continued strengthening of the Rand, the decline in prices (in dollar terms) has not been as steep as it is in local terms. While the drop from May to December is 26 percent in local

terms, in the dollar equivalent, the drop has only been 14 percent. This has lowered the competitiveness of the South Africa crop when compared to international exporters of white maize such as Argentina, where December FOB prices were quoted at US$ 90/MT.

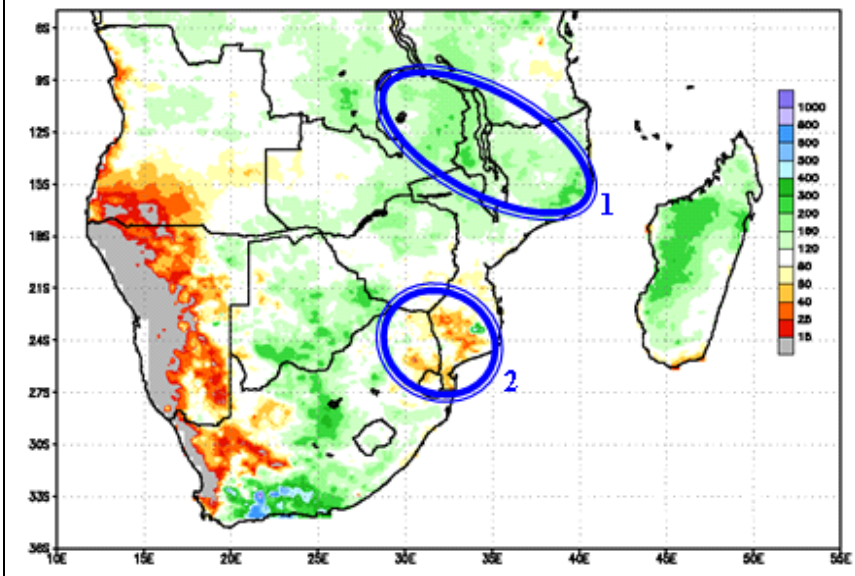
Figure 3: Monthly Average SAFEX Nearby Prices & Monthly Average Import Parity For White & Yellow Maize Delivered Randfontein



Source: SAFEX – Johannesburg Stock Exchange; and Grain SA

START OF SEASON PROGRESS AND UPDATED RAINFALL OUTLOOK

Figure 4: Percent Of Normal Precipitation December 2004



Source: NOAA/CPC

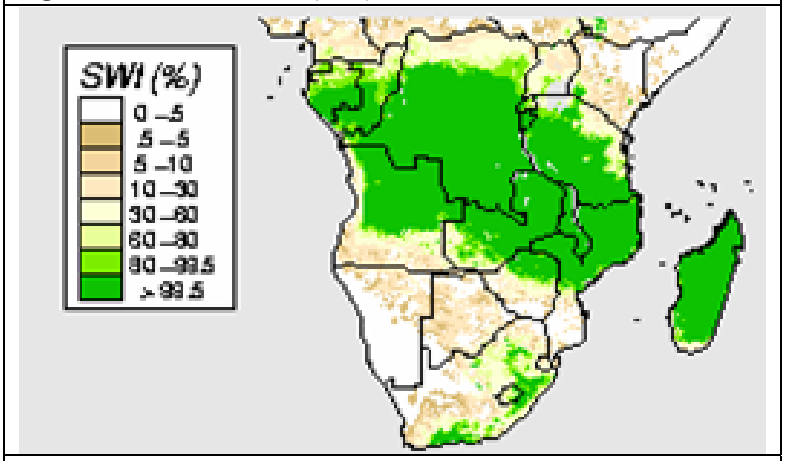
Many areas received normal to above normal rains during the month of December 2004, which allowed normal growth and development of crops (Figure 4, white and green colors). Heavy rains were concentrated in the northern part of the sub-region, in particular areas around northern Mozambique, Malawi, and northwestern Zambia (blue circle 1, Figure 4). A rainfall system persisted over these areas for a few weeks, and this has resulted in persistent heavy rains and has led to flooding and flood threats in some areas. The heavy rains are forecasted to continue into January 2005. The Mozambique authorities have already given warnings to the populace to stay outside flood prone areas in the northern and central parts of the country. There have been reports of flooding in parts of central and northern Malawi related to the heavy rains. There have been no reports of serious flooding received from Zambia.

While heavy and useful rains have been received in many parts of the sub-region, other parts of the region have been receiving very low rains (blue circle 2, Figure 4). Southern Mozambique, northern RSA, southern Zimbabwe and Swaziland have been experiencing low rainfall throughout the month of December. This is likely to affect the crop growing conditions adversely in these areas. An analysis of the rains suggests that effective growing rains started in November in much of the affected southern Mozambique and Swaziland areas, and between October and December in the affected South Africa area. In some of these areas, water balance models suggest that the maize crop has received much less water than it requires, and this is likely to reduce crop

yields significantly. In the affected area in Zimbabwe however, analysis of rainfall estimates suggests that effective growing rains have not yet started, a rather worrisome situation, as the start of season is now more than 40 days overdue in some areas.

The soil moisture (Figure 5) is suggestive of how much soil water is available to vegetation at the end of December. This image suggests that the areas in the northern half of the region had sufficient soil water (green colors) while those in the southern half had depleted soil water reserves and would require rainfall soon in order to avoid wilting. Unfortunately, January is often associated with a dry spell, so the outcome of rainfall in January will be critical to crop performance. While ground reports confirm that agricultural activities are underway throughout the region, there is anecdotal evidence that many farmers, especially those identified as vulnerable in the May 2004 food security assessments, do not have adequate agricultural inputs (including draft power) and are unable to plant sufficient areas to meet their own food requirements for the coming consumption period. Some governments and other humanitarian agencies have embarked on interventions to provide inputs to needy households. Timing of delivery of this assistance is crucial as January generally marks the cut off point for any further planting of summer cereal crops over much of the region.

Figure 5: Soil Water Index (SWI) – 2004 December Dekad 3

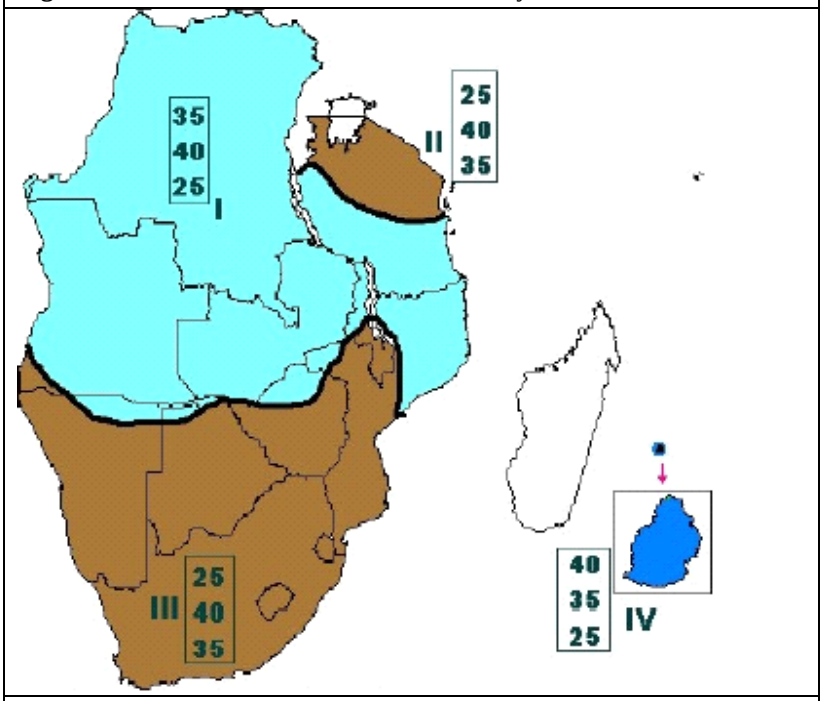


Source: USGS

Army Worm Outbreak in northern Malawi: In the month of December, there were reports of armyworm outbreaks in parts of Malawi (Karonga and Chitipa districts), in which a Ministry of Agriculture assessment estimated that 1000 hectares of cropped area were affected. The situation, however, was quickly brought under control through a chemical spraying program. As it was still early enough in the season, much of the affected area was replanted.

Rainfall outlook for January – March 2005

Figure 6: Seasonal Rainfall Outlook For January – March 2005



Source: SADC Drought Monitoring Centre, Harare, Zimbabwe

The updated seasonal rainfall forecast issued December 10 by the SADC Drought Monitoring Centre (DMC) for the January to March period is based on the continued weak el Nino. Although the forecast is not conclusive, the southern half of the sub region and northern Tanzania face a slightly enhanced chance of receiving normal to below normal rainfall (brown colors, Figure 6); while the northern half of the region faces a slightly enhanced chance of receiving normal to above-normal rainfall (blue colors, Figure 6). The DRC, Angola, Zambia, northern half of Malawi, southern half of Tanzania, northern Mozambique, northern Zimbabwe, and northern Namibia will have a slightly enhanced chance of receiving normal to above normal rainfall; while Lesotho, Swaziland, South Africa, Botswana, most of Namibia, most of Zimbabwe, central and southern Mozambique, the northern half of Tanzania and southern half of Malawi are forecast to have a slightly enhanced chance of receiving normal to below normal rainfall. This forecast does not bode well especially for those areas that have already been receiving below normal rains, such as southern Mozambique, northern RSA, Swaziland, and southern Zimbabwe. It should be noted that though there are enhanced chances of specific rainfall outcomes (e.g. normal to above normal) in any given area, 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.

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.