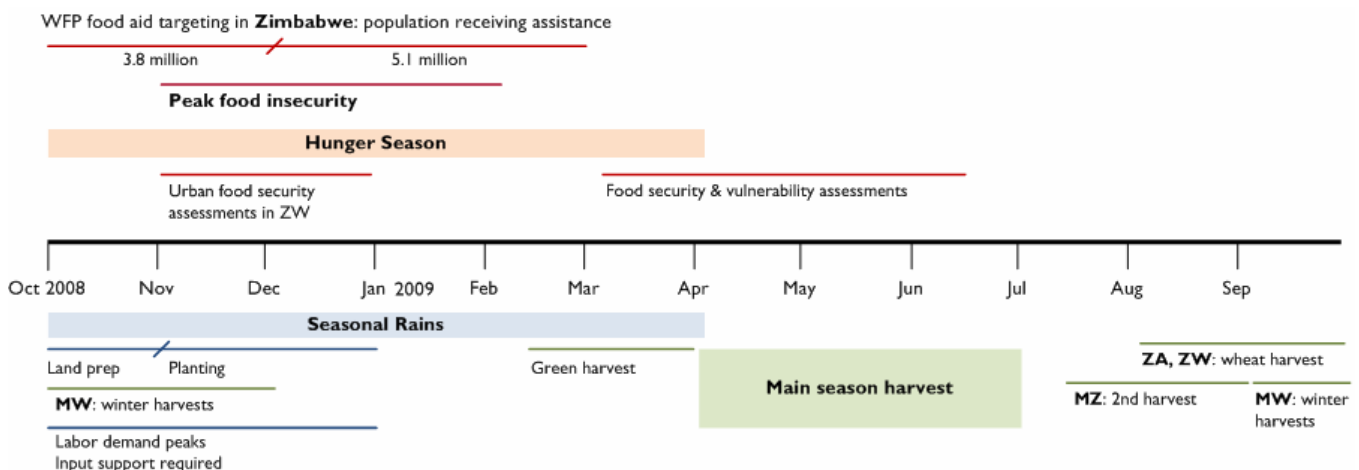


## SOUTHERN AFRICA Food Security Update

May 2009

- Overall, regional food security has greatly improved in Southern Africa, due to increasing food supplies as the region enters the main harvest period. Harvests have resulted in increased on-farm food supplies, stable market food supplies, and increased access to food by poorer households as seasonal prices drop in most monitored markets. Improved food security conditions are expected to prevail in most of the region until the start of the hunger season in October/November. However, isolated pockets of food insecurity are expected in areas where crop production was affected by weather-related shocks.
- Although the majority of Southern Africa Development Community (SADC) countries have not officially released their harvest estimates, preliminary data points to a better cereal harvest this year compared to last year. South Africa, Malawi, Zambia, and Zimbabwe have released their crop estimates. In Malawi and Zambia, cereal harvest increases are projected at 30 percent and 51 percent, respectively. Malawi has recorded a 3.88 million MT total harvest, compared to 2.99 million MT last year; while Zambia's cereal harvest has gone up from 1.46 million MT to 2.20 million MT. Zimbabwe's preliminary estimates also point to an improved harvest this year, despite the February dry spell and other production challenges. Zimbabwe's maize harvest is estimated at 1.24 million MT, a 92 percent increase over last year's worst-ever production levels.
- The total regional deficit for the 2009/10 marketing year is projected to be much lower than last year, due to improved harvests, especially of maize, particularly in Malawi and Zambia. Most projected deficits are for wheat, which all SADC countries produce in deficit and import from outside the region. South Africa has the capacity to cover the maize import needs of neighboring deficit countries. Projected surpluses from Malawi and Zambia could also be made available for export if current export bans are removed. The only national-level challenge to overall good food availability is the capacity of deficit producing countries such as Zimbabwe to import, due to financial constraints given current economic conditions there. Further, households that are chronically vulnerable and those that are food insecure due to production losses may not have the means to access market supplies and may require assistance to meet food needs.

### Seasonal calendar and critical events timeline



Source: FEWS NET

## Food security summary

Overall, regional food security conditions have greatly improved, due to increasing food supplies as the region enters the main harvest period (Figure 1). Harvests have resulted in increased on-farm food supplies, a stable supply of food on most markets, and increased affordability of food by poorer households as seasonal prices drop in most monitored markets. Improved food security conditions are expected to prevail throughout the region until the start of the hunger season in October/November. However, isolated pockets of food insecurity exist or are anticipated in areas where crop production was affected by:

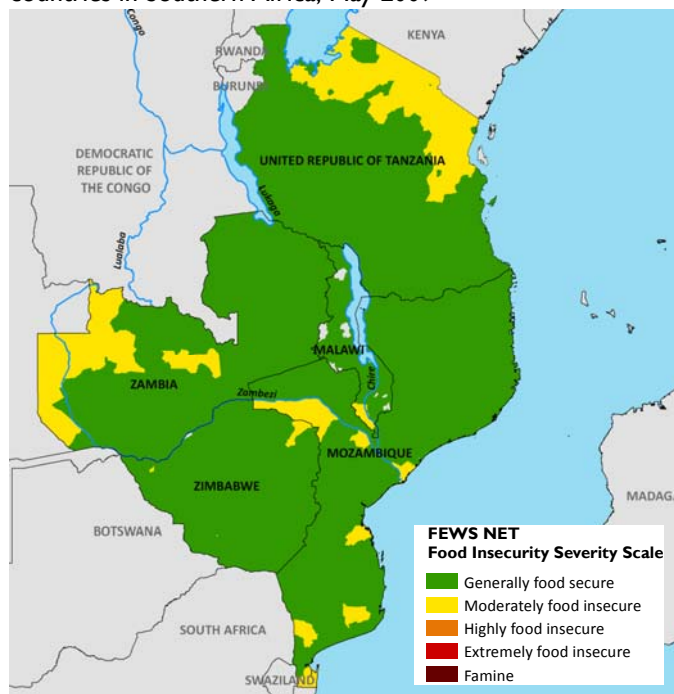
- the late/poor start of season (Mozambique, parts of Lesotho, Tanzania, Zimbabwe, and Swaziland);
- floods (Angola, Namibia, Botswana, Zambia, Malawi, and Madagascar);
- prolonged mid-season dry spells (eastern/central Zimbabwe, central Mozambique, and parts of Zambia); and
- the failed first season crop in bimodal parts of Tanzania.

These current conditions are in line with the regional most-likely Outlook projected for the period up to September 2009. The April to September Outlook indicated a continuation of generally food secure conditions in most areas, except those areas mentioned above, where shocks have compromised food availability, access, and/or utilization. These conditions are projected based on upcoming average to above-average cereal harvests which should be largely sufficient to meet the region's consumption requirements for the next six months and beyond.

Food aid distributions and other humanitarian interventions targeted to vulnerable populations continue to contribute significantly in stabilizing food security conditions in localized areas experiencing food shortages due to reduced harvests from last season, as well as those affected by this season's floods. In the flood affected areas of Angola, Botswana, Namibia, and Zambia, governments and the humanitarian community responded to the emergency needs of affected households by providing food, water, and temporary accommodation in government buildings.

Available data suggests that all external commodity requirements will be fully met until at least November in Mozambique, Madagascar, and Zimbabwe (Table 1). However, pipeline shortfalls are expected in Lesotho, Malawi, Swaziland, and Zambia. Although the contribution of food from recent harvest has significantly reduced current requirements in these countries, pipeline shortfalls are still being experienced. To cope with the shortfalls, WFP has put in place a range of measures which include prioritizing Food For Work activities in Swaziland, cutting down rations for cereals in Zambia, and suspending Food For Asset activity indefinitely in Malawi.

**Figure 1.** Current food security conditions in FEWS NET countries in Southern Africa, May 2009



Source: FEWS NET

**Table 1.** Cereal pipeline requirements for May–November 2009 for WFP Southern Africa PRROs (MT)

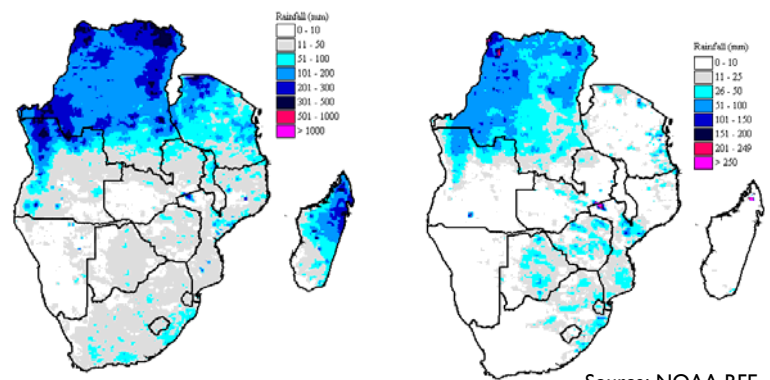
	Cereals			All Commodities
	Requirements	In Pipeline	Shortfall	Shortfall
Lesotho	5,418	3,039	-2,379	-5,000
Malawi	17,423	11,651	-5,772	-10,000
Mozambique	1,274	1,392	118	13,000
Madagascar	391	2,395	2,004	821
Swaziland	4,382	1,302	-3,080	-4,500
Zambia	6,818	0	-6,818	-2,500
Zimbabwe	47,100	47,804	704	17,152
<b>TOTAL</b>	<b>82,806</b>	<b>67,583</b>	<b>-15,223</b>	<b>8,973</b>

**Seasonal progress**

The 2008/09 rainy season was largely satisfactory for crop development in most of southern Africa, despite the late/poor start of the season in Mozambique, parts of Lesotho, Tanzania, Zimbabwe, and Swaziland; a failed first season crop in bimodal parts of Tanzania; floods in parts of Angola, Namibia, Botswana, Zambia, Malawi, and Madagascar; and an extended mid-season dry spell (in February) in eastern/central Zimbabwe, central Mozambique, and parts of Zambia.

Rainfall patterns from 1 April to 10 May indicate a gradual reduction in rains over most of the region, in line with normal end of this season in the region (Figure 2). During this period, most of the region (apart from northern Angola, DR Congo, Tanzania, and northern Madagascar) received very little rain (less than 50 mm). Much of the rain received in southern areas fell between 1-10 May, particularly in Botswana, central/southern Mozambique, and much of Zimbabwe. Field reports indicate that the impacts of these extended rains varied from area to area. In some cases, the rains provided relief to moisture-stressed, late-planted crops, while in other cases, where early-planted crops were being harvested and dried, the rains resulted in crop losses due to sprouting and cob rot. For example, in the interior of Mozambique’s Gaza and Inhambane provinces, hundreds of hectares of rice were partially inundated, especially in Chokwe District.

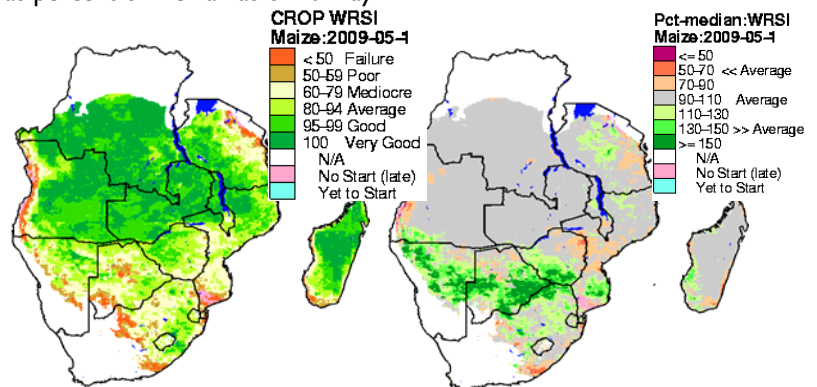
**Figure 2.** Rainfall for 1 April-10 May and 1-10 May as a percent of average



Source: NOAA RFE

Tanzania, which experienced a delayed start of *Masika* (March-June) rains and poor rainfall distribution, also received significant rains during the first dekad of May. However, it is unlikely that crops planted at this time will reach maturity. These rains are, however, likely to improve pasture and water availability for livestock in major pastoral areas of Arusha, Manyara, Kilimanjaro, and Mara. A combination of the failure of the *Vuli* (October – December) rains and the late start of 2009 *Masika* rains has had a negative impact on agricultural labor opportunities for poor households that depend on them for income.

**Figure 3.** Water Requirements Satisfaction Index and Index expressed as percent of median as of 10 May



Source: USGS/FEWSNET

Although the majority of the SADC countries have not yet officially released their harvest estimates, preliminary data (Table 2) points to a better cereal harvest this year compared to last year. In Malawi and Zambia – two of the countries for which estimates are now available – cereal harvests are projected to be 30 percent and 51 percent higher than last year’s production, respectively. Malawi recorded a 3.88 million MT harvest, compared to 2.99 million MT last year; while Zambia’s cereal harvest has gone up from 1.46 million MT to 2.20 million MT. Zimbabwe’s preliminary estimates also point to a much improved cereal harvest this year, despite the February dry spell and other production challenges. Zimbabwe’s maize harvest is estimated at 1.24 million MT, a 92 percent increase over last year’s worst-ever production levels. Crop water balance models (Figure 3) also indicate average to above-average crop production in several parts of the region. The

Water Requirements Satisfaction Index (WRSI) model used for this analysis assumes that farmers planted with the rains and that the major factor impacting crop production is availability of rainfall. The WRSI model does not account for crop losses due to factors other than rainfall, such as flooding, pests, or diseases.

The April to June 2009 rainfall projection for southern Africa, released by the SADC Drought Monitoring Centre (DMC), indicates mostly normal to above-normal rains for this period when rainfall amounts normally taper off as the rainfall season comes to an end. In some areas where soil moisture content is already high, the chances of overland flow due to decreased infiltration are high which may result in localized and perhaps extensive flooding. Flooding that affected parts of Angola, Namibia, and Botswana is still ongoing, according to reports from these countries. Information received from Namibia at the end of April indicated that in Caprivi, the Kwando River was still flooding, and was slowly rising at Kongola. These floods will mean a delay in water recession and fewer opportunities for second season planting.

## Markets, trade, and food access

### Preliminary cereal harvest and demand projections

Although crop production estimates have not been officially released in a number of countries, available preliminary data from the SADC National Early Warning Units (NEWUs) confirms above-average production in South Africa, Malawi, and Zambia; average production in Tanzania; and increased harvests compared to last year in Zimbabwe and Mozambique. Regional cereal production is projected at 30.33 million MT, a marginal improvement (about two percent) from last year's 29.72 million MT (Table 2). South Africa is projected to contribute nearly half of this tonnage, about 13.83 million MT. Official cereal balance sheet estimates from Zambia and South Africa indicate a maize surplus of 203,271 MT and 2.86 million MT respectively (Figure 4). Other countries are yet to release their domestic supply/demand projections. South Africa's maize surplus is expected to be sufficient to cover regional import demand, and current expectations are to export some 1.75 million MT regionally and internationally.

While the regional outlook is favorable, several countries will face domestic shortfalls, either because they are structurally deficit producers of grain or due to production shocks. Structurally grain deficit producing countries include Botswana and Swaziland – where harvest prospects are better this year, and Namibia and Lesotho – where prospects are not so favorable. However, these structurally grain deficit countries normally cover such shortages through commercial imports, mostly from South Africa.

Nonetheless, at the sub-national level, pockets of very poor people in Botswana, Lesotho, Namibia, and Swaziland (BLNS) will have difficulties accessing food, and some may require food assistance. For Lesotho and Swaziland, international assistance is likely, while in Botswana, government resources will be used. Furthermore the prevailing high food prices, especially for maize and wheat, could limit household access to adequate food supplies, resulting in moderate food insecurity.

Zimbabwe is currently one of the countries assessed to face domestic shortfalls in cereals. Here, the crop production figures released by the Ministry of Agriculture after the second round assessment indicate 1.51 million MT of cereal production, comprising maize and small grains, against an estimated national requirement of 2.20 million MT. This leaves a national deficit of about 690,000 MT. Significant commercial and humanitarian food imports will be necessary to fill in this gap. Several factors have contributed to this shortfall including: delayed onset of rains, input shortages, excessive rains, and a mid-season dry spell. Tanzania may also face a cereal shortfall, though this is usually covered through substitution of cereals with non-cereal crops including tubers, pulses, and bananas. As official estimates are released, the regional and country situations will become clearer.

**Table 2.** SADC regional preliminary production forecasts: 2008/09 compared to 2007/08 ('000 MT)

	Maize		All Cereals	
	07/08	08/09	07/08	08/09
South Africa	13,164	11,718	15,560	13,829
Other SADC*	10,723	12,807	14,157	16,498
<b>TOTAL</b>	<b>24,662</b>	<b>24,525</b>	<b>29,717</b>	<b>30,327</b>

\* Excludes South Africa, DRC and Madagascar.

Source: SADC National Early Warning Units and Central Statistics Offices

### Import/Export requirements

The 2008/09 year end regional cereal supply/demand position indicates that for the 2008/09 marketing year, there were adequate supplies of maize (from harvests as well as imports) to meet regional demand. This was due largely to the excellent maize harvest in South Africa and the ability of most deficit countries to import necessary (commercial and food aid) supplies to meet demand. Over the 2009/10 marketing year, import/export trends are expected to remain similar to last year, though import requirements for maize are likely to be reduced overall compared to last year.

The total SADC cereal deficit for the 2009/10 marketing year (Table 3) is projected to be much lower compared to last year's two million MT cereal deficit. This improvement is due to improved harvests, especially for maize, and particularly in Malawi and Zambia. Most of the projected deficit, aside from that coming from deficit production countries, will come from wheat, for which all SADC countries are structurally deficient, causing them to import this grain from outside the region. As noted above, South Africa has the capacity to cover commercial import needs for maize for neighboring deficit countries. Projected surpluses from Malawi and Zambia could also be made available for export if current export bans are removed. The major remaining challenge, then, is the capacity of deficit production countries such as Zimbabwe to import, due to financial constraints given current foreign currency shortages. However, even in Zimbabwe, given marked increases in formal and informal private sector imports recorded during the last marketing year, imports through official government channels could be lower than envisaged.

### Nominal retail prices of maize local markets in the region

Available price data indicate that food prices are declining seasonally in most of the monitored markets across the region, but remain above the five-year average and the price levels from last year. However, the onset of seasonal food price decreases was later than normal this year. Typically, improved food availability begins in March, as harvests of new season food crops begin, signaling renewed food supplies and decreasing food prices. Expectations for normal to above-normal maize harvest suggest that price decreases will prevail and stabilize normally, until the onset of the hunger season. However, in areas where production has been negatively impacted, local market prices are likely to begin rising earlier than normal unless these markets are adequately supplied either through imports or from surplus production areas.

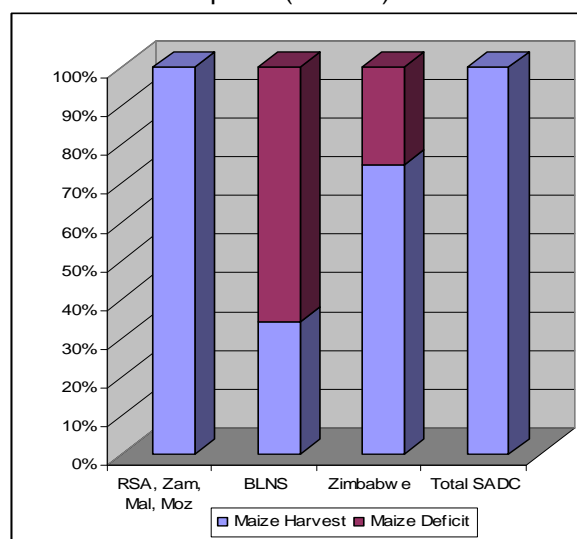
**Table 3.** Domestic deficits/ surpluses for all cereals, preliminary 2009/10 projections compared to 2008/09 marketing year ('000 MT)

ALL CEREALS	Current: 2009/10 Year			Last: 2008/09 Year		
	South Africa	Other SADC*	Total SADC	South Africa	Other SADC*	Total SADC
Opening stocks	2,955	1,304	4,259	1,972	1,433	3,405
Gross Production	13,829	16,498	30,327	15,560	14,157	29,717
<b>Availability</b>	<b>16,784</b>	<b>17,802</b>	<b>34,586</b>	<b>17,532</b>	<b>15,590</b>	<b>33,122</b>
Gross requirements	13,792	18,566	32,358	14,072	18,898	32,970
Desired stock req's	1,675	650	2,325	1,689	514	2,203
<b>Demand</b>	<b>15,467</b>	<b>19,216</b>	<b>34,683</b>	<b>15,761</b>	<b>19,412</b>	<b>35,173</b>
Deficit/Surplus	1,317	-1413	-96	1,771	-3,823	-2,052
Deficit/Surplus**	2,992	-763	2,229	3,460	-3,309	151

Excludes DRC and Madagascar. \* Excluding South Africa. \*\* Deficit/ surplus without stock replenishment

Source: SADC National Early Warning Units, and FEWS NET

**Figure 4.** Preliminary projections for 2009/10 marketing year domestic maize deficits/surpluses ('000 MT)



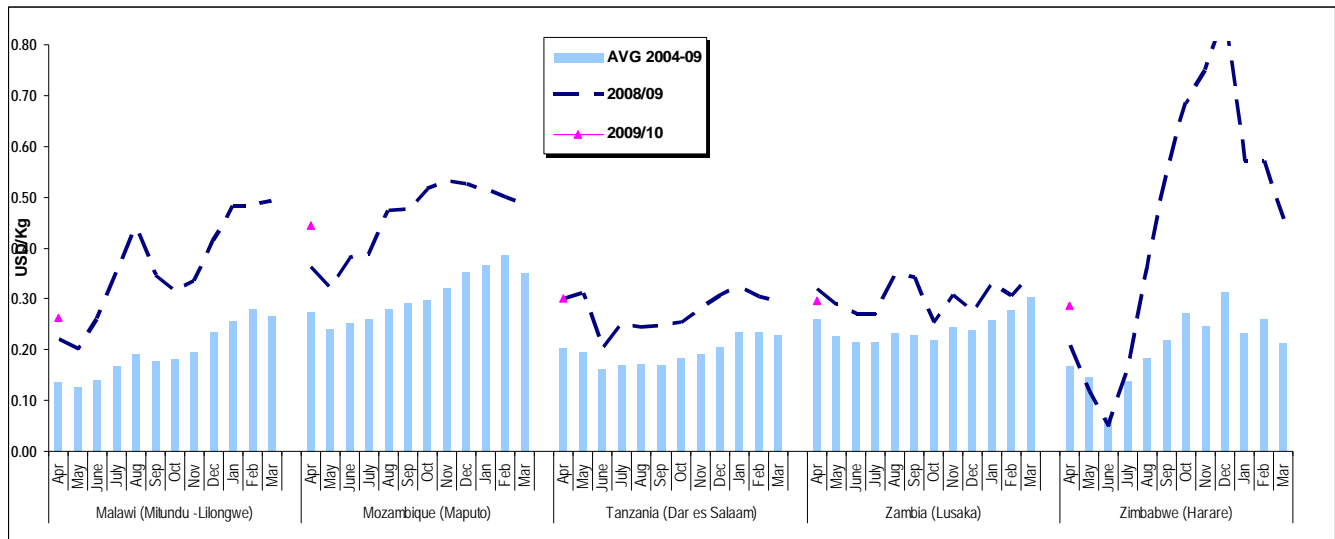
BLNS: Botswana, Lesotho, Namibia and Swaziland

Source: National Early Warning Units,

In the affected districts of southern Malawi, informal cross border imports from Mozambique are expected to play a significant role in stabilizing prices and keeping them at levels affordable to poorer households. In Tanzania, though markets are adequately supplied with food and prices are declining with the start of the *Musimu* harvest, current food prices remain higher than the five-year average, eroding the purchasing power of resource-weak households. Mediocre cereal harvest expectations in these areas are likely to keep local market prices at higher levels and shorten the period in which they remain relatively low. Meanwhile, in Zimbabwe increased staple food supplies (including from commercial imports) are reported to be exerting downward pressure on prices – a development that is benefiting the 20- 30 percent of households dependent on markets during this period of the year.

In general, higher food prices are likely to negatively impact the ability of many resource poor and market-dependent households in urban and rural areas to access adequate quantities of food for the duration of the consumption period. It is likely that many of them may require some type of assistance through the hunger season. On-going national Vulnerability Assessment Committee assessments will provide more detailed information on food security, vulnerability levels, and intervention requirements which should inform programming and response planning for the 2009/10 consumption year.

**Figure 5.** Retail prices of white maize at selected markets, April 2004–April 2009 (USD per kg)



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

Figure 5 above shows the price data collected from selected local markets in Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe. The graph shows that in April 2009, nominal maize prices have remained high and well above the past five-year average in all the monitored countries. In Zimbabwe (Harare), Malawi (Mitundu) and Mozambique (Maputo) the April 2009 maize prices are well above the maize prices recorded at the same time last year, while those in Tanzania (Dar es Salaam) and Zambia (Lusaka Urban) are close to those recorded at the same time last year.

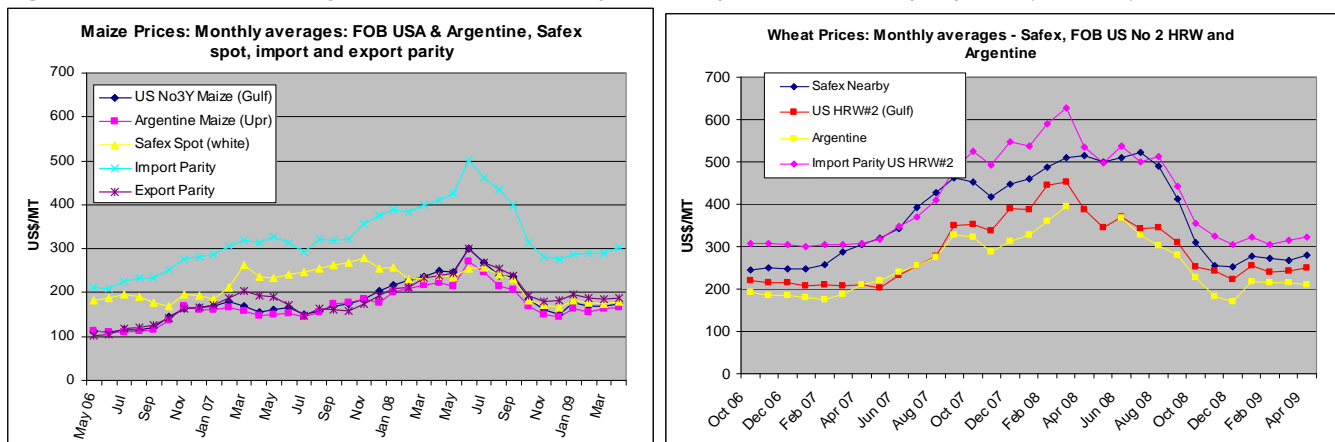
**Maize and wheat prices on the South African Futures Exchange**

The average spot price for white maize on the South African Futures Exchange (SAFEX) has remained relatively stable since January 2009, and is lower than the prices observed during the same time last year. This trend is in line with falling (and stabilizing) international prices and improved domestic supply estimates, which continue to point toward another good season for maize production in the country. As the new marketing season began in May in South Africa, domestic maize prices continued to drop. By 21 May, the SAFEX spot was quoted at ZAR 1567/MT, which represents a four percent drop from the April average of ZAR 1632/MT. The average monthly SAFEX spot price has remained below export parity since May 2008 – indicating greater competitiveness of local prices, whereby farmers can find better prices selling locally than they can through exports. Lower South African prices will mean lower import bills for those countries that rely on South

African maize imports. However, falling (and lower) international prices will also mean these countries could source their requirements abroad.

SAFEX wheat prices have largely remained higher than those quoted on international markets (Figure 6). Like maize, wheat prices on SAFEX have remained relatively stable since the beginning of 2009, but unlike those of maize which have continued to drop, wheat prices have been more volatile - moving in tandem with international prices. While monthly averages indicate a downward trend between January and April, the SAFEX price recorded on 21 May (ZAR 2635/MT) was four percent higher than the April average of ZAR 2526/MT. Higher wheat grain prices will have a direct impact on prices of wheat products consumed as staples in South Africa and among its neighbors, including BLNS. If this trend continues, it could reverse the downward trend in food prices (as reflected by drops in current food inflation rates) across these countries. Nonetheless, the current maize harvests, coupled with lower maize prices, will neutralize (in the short- to medium-term) the effects of higher wheat product prices.

**Figure 6.** FOB, USA, and Argentine maize and wheat prices compared to SAFEX spot prices (USD/MT)



Data source: SAFEX

The Southern Africa Food Security Update draws from the FEWS NET monthly food security reports, with additional inputs from network partners including FEWS NET/USGS, the SADC Regional Remote Sensing Unit, SADC Regional Early Warning Program – Gaborone, the SADC Regional Vulnerability Assessment Committee comprised of SADC FANR, FAO, WFP, FEWS NET, and OCHA and the national early warning units and meteorology services in SADC member states.