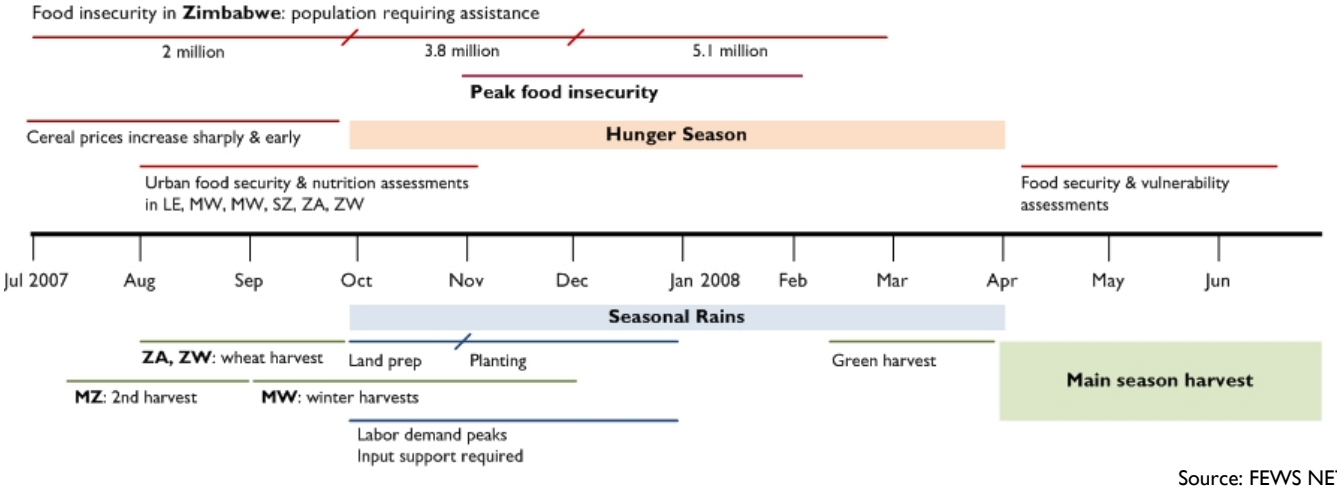
SOUTHERN AFRICA Food Security Update — September 2008

- In most of Southern Africa, food security conditions have been stable since the 2008 harvests (April-June) and are expected to remain so until the peak of the hunger season (November-February). Overall, crop growing conditions were favorable last season. Regional maize production was above the past 5-year average and above last year's levels, largely due to South Africa's bumper crop. While most countries produced above average harvests, prospects for excellent harvests were compromised by excessive rains and flooding in December and January, followed by a dry spell in February and March. Elsewhere, such as Lesotho, Swaziland, and Zimbabwe, and other localized areas where conditions were unfavorable and production was below average; households are already moderately food insecure.
- In July, the region's national vulnerability assessment committees (NVACs) indicated that a significant proportion of the region's population would be at risk of food insecurity during the April 2008-March 2009 consumption period, and would require some kind of assistance. These numbers were projected to peak at 8 million over the November to March hunger season. Food insecurity in Lesotho, Namibia, Swaziland, Zimbabwe, southern and parts of central Mozambique, southern and western Zambia, and parts of Malawi has resulted from several factors, but especially poor harvests as a result of excessive rains and floods that led to loss of crops and disruption of livelihoods, followed by an end of season dry spell in February and March that also further reduced crop yields.
- Currently and during the upcoming hunger period, Zimbabwe faces (and will face) the most severe and prevalent levels of food insecurity in the region due to poor harvests resulting from adverse crop growing conditions in 2007/08 and the country's continuing economic and political crisis. A joint FAO/WFP crop and food supply assessment mission in May estimated that the food insecure population would peak at about 5.1 million from January to March 2009. Recent assessments and further monitoring by the Zimbabwe NVAC have confirmed these results.
- Humanitarian assistance from governments, the UN, and other humanitarian agencies is critical between now and the start of the next early harvests in March 2009 to help stave off hunger and save livelihoods. Currently, these efforts have mitigated food insecurity through targeted food distribution and food for work or food for assets programs. Progress has been limited in Zimbabwe, where the government had suspended NGO activities through the end of August, delaying program implementation and assistance to an estimated 2 million beneficiaries. Humanitarian agencies have resumed operations and are expected to scale up assistance to meet the food needs of an increasing number of households between now and April 2009. In all countries, it will be critical for additional donor support to be secured to offset the current commodity shortfalls and expected pipeline breaks that WFP currently faces.

Seasonal calendar and critical events timeline



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Food security summary

Overall, food availability in most parts of the region has remained stable since the April-June harvests. This stability follows above-average 2008 crop production due to favorable crop growing conditions during the 2007/08 growing season. In Malawi, Mozambique, Tanzania, Zambia, and particularly South Africa, harvests were above the five-year average, although (with the exception of South Africa) below levels attained in the previous year by an average of seven percent. The decline in production this year was largely a result of excessive rains in December and January that led to flooding in parts of these countries, coupled with a late-season dry spell in February and March that ultimately compromised yields.

Table 1. SADC Demand/Supply: 2008/09 marketing year projections compared to 2007/08 and past 5-year average ('000MT)

	Current: 2008/09 Year		Last: 2007/08 Year		Past 5 year AVG	
	Maize	All Cereals	Maize	All Cereals	Maize	All Cereals
Opening stocks	1,780	2,990	2,590	3,853	3,061	4,417
Gross Production	23,067	29,053	18,944	24,701	18,874	24,163
Availability	24,847	32,043	21,534	28,554	21,935	28,580
Gross requirements	22,575	32,819	20,995	30,691	20,243	29,443
Desired stock requirements	1,586	2,365	1,639	2,389	1,579	2,366
Demand	24,161	35,184	22,634	33,080	21,822	31,809
Deficit/Surplus	686	-3,141	-1,100	-4,526	113	-3,229
Deficit/Surplus*	2,272	-776	539	-2,137	1,692	-863

*Deficit/Surplus without stock replenishment. Excludes DRC and Madagascar

Overall, regional cereal availability for the April 2008-March 2009 marketing year is about 12 percent above levels achieved last year and the past five year average (table 1). Regional availability has been boosted this year by an excellent harvest in South Africa, which is 70 percent higher than the previous year's harvest (from 7.3 million MT last year to 12.5 million MT this year) and about 40 percent higher than the five-year average. Opening stocks, however, were much lower this year. While regional maize availability is adequate to meet the regions consumption and stock replenishment requirements for the year, overall cereal supplies (maize, wheat, rice, sorghum, and millets) are still inadequate. A regional cereal import requirement (without stock replenishment) of about 776,000 MT is projected. Most countries have made appropriate import plans (commercial and food aid) to cover national shortfalls as indicated in table 5 below.

Table 2. SADC Cereal Production Estimates: 2007/08 production season ('000 MT)

	PRODUCTION: 2006/07		PRODUCTION: 2007/08		5-year average		Percent All Cereals 2007/08 ESTIMATES compared to:		
	Maize	All Cereals	Maize	All Cereals	Maize	All cereals	2006/07	5-year Average	10-year Average
SADC*	11,581	15,257	10,582	14,073	9,754	12,990	-8	8	16
South Africa	7,339	9,444	12,485	14,981	9,030	11,141	59	34	32
TOTAL	**18,920**	**24,701**	**23,067**	**29,053**	**18,784**	**24,131**	**18**	**20**	**24**

* Excluding South Africa, DRC and Madagascar
Source: SADC Food Security Early Warning System and SADC National Early Warning Units and partners

Despite generally adequate national level food supplies, there is growing concern of increasing food insecurity in localized areas of Malawi, Mozambique, Tanzania, and Zambia, as well as in parts of Lesotho, Swaziland, and Zimbabwe, where May/June vulnerability assessments indicated the existence of populations that were vulnerable to food insecurity later in the year and would require assistance, some as early as July 2008. In response to localized production shortfalls, Tanzania's Food Security Information Team led a rapid assessment in August to determine how many people might need emergency assistance until the next harvests in April 2009.

In Zimbabwe, critical levels of food insecurity have been assessed throughout the country after 2008 cereal production declined severely to about 50 percent of the 5-year average, due through a combination of factors, including inclement weather and inadequate access to inputs. These conditions are likely to remain critical and worsen during the October-

March hunger season. There are some indications that the hunger season may set in earlier than normal in some of the region's worst affected areas, including parts of southern Mozambique and most of Zimbabwe, where most vulnerable households have already depleted what little food reserves they had following the harvest.

The situation is likely to be exacerbated by above-average food prices, especially for the staple crops like maize. High prices will limit food access for many market dependant vulnerable households in urban and deficit rural areas. Generally, and with the exception of Tanzania, staple food prices have been rising unseasonably a month or two after this year's harvest and remain well above average for this time of year. In a normal year, local prices decline during the harvest period and remain stable until July or August, when they start to rise. This year, prices started increasing as early as June in certain markets (figure 3). Headline inflation rates remain high, with the largest increases attributed to food items. In the small, structurally grain deficit countries, food inflation provides a good indication of the general rise in food prices. The September food inflation rate in Lesotho was at 16.5 per cent (up from 15.1 percent in August) while in Swaziland, the September food inflation rate was even higher, at 18.32 per cent (slightly lower than 19.2 percent in August).

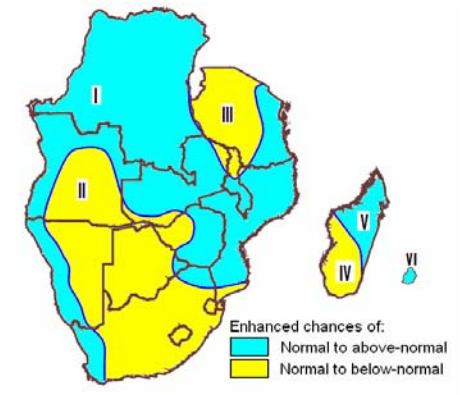
In urban areas, the poorest households are struggling to meet basic food requirements due to the increasingly high cost of food and other living expenses. With limited coping strategies available, and few affordable substitute foods, severe food deficits are likely affecting the poorest households. Anecdotal evidence indicates that households are rapidly changing their consumption patterns, spending less on non-food items, including transportation to access cheaper food. Mainly in response to the global high food prices, WFP is conducting Urban Food Security and Nutrition Assessments jointly with the national VACs in Lesotho, Mozambique, Malawi, Swaziland, Zambia, and Zimbabwe from August-November. The results of these assessments will provide more information on the severity of food insecurity in the region's main urban centers. Although there is currently limited formal food assistance in urban areas, humanitarian agencies are making concerted efforts to assist vulnerable urban populations through targeted interventions. For example, in Mozambique, WFP is responding through interventions that build on government safety net programs as well as expanding school feeding programs and nutrition rehabilitation centers.

Humanitarian assistance from governments, the UN, and other humanitarian agencies will be critical between now and April 2009 to help stave off hunger and to save livelihoods. Currently, these efforts have mitigated levels of food insecurity through targeted food distributions as well as food for work or food for assets programs. However, progress has been minimal in Zimbabwe, where NGO activity was suspended through the end of August, delaying program implementation and assistance to an estimated 2 million beneficiaries who would otherwise have been receiving food assistance and have instead resorted to extreme coping mechanisms, such as skipping meals and relying on wild foods to survive. In September, humanitarian agencies resumed operations and are expected to scale up assistance now and April 2009 to meet the increased number of food insecure people, reaching 5.1 million by December. It will be critical to secure additional donor support to offset the current commodity shortfalls and expected pipeline breaks that WFP now faces.

While current food security conditions in the region (outside Zimbabwe and affected localized areas elsewhere) are generally stable, mitigating rising food insecurity in affected areas in the region over the next six months requires (as recommended by the NVACs) a combination of short-term action and long-term investment. Most immediately, close monitoring of the food security situation, accelerated commercial and humanitarian food imports and improved food distribution (especially in Zimbabwe), and mobilization of adequate assistance (food, seeds, water, and cash transfers) are required. Beyond these urgent needs, increased investment is required to improve access to inputs (seeds, fertilizer, and irrigation), promote income diversification away from subsistence farming, reduce household vulnerability, and address chronic food insecurity.

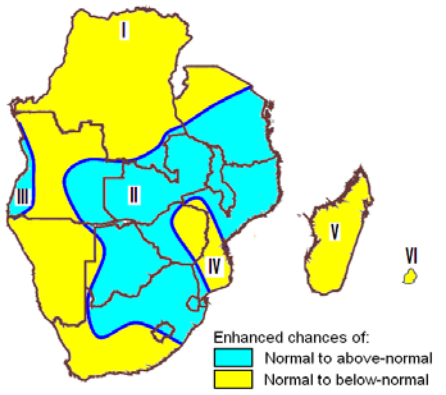
Seasonal progress

Figure 1a: SARCOF rainfall forecast, October-December 2008



Source: SADC FANR

Figure 1b: SARCOF rainfall forecast, January-March 2009



Source: SADC FANR

The Southern Africa Regional Climate Outlook Forum (SARCOF), held in August 2008, produced a consensus probabilistic rainfall forecast for the 2008/09 rainfall season. The forum's forecast findings are presented for the first half of the season (October-December 2008) in figure 1a and the second half of the season (January-March 2009) in figure 1b. In the second half of the season, rainfall conditions are expected to deteriorate to normal to below-normal levels in central and northeastern Zimbabwe and southern Mozambique, as well as most of the DRC, northern Angola, coastal Namibia, the Atlantic coastal area of South Africa, and northern Madagascar. Rainfall conditions are expected to be normal to below-normal through the six month season in northern Tanzania, southern Madagascar, southern Swaziland, eastern Namibia, parts of southern Angola, and parts of southern South Africa. In areas where rainfall is expected to decline in the second half of the season (eastern Zimbabwe and southern and parts of central Mozambique), adequate availability of inputs is essential early in the season, so that crops are better established in the likely event that rainfall declines in the second half of the season.

An analysis of this forecast by the SADC Regional remote Sensing Unit (Issue 01, September 2008) indicates that below normal rains will have varying impacts in the different parts of the region where such rains are forecast. For example, central Angola, central and eastern Madagascar, and western Tanzania normally receive more than adequate rainfall and would still have good chances of reasonable crop yields in the event that seasonal rainfall is slightly below-normal. On the other hand, Tanzania's bimodal areas had a failed first season *(vuli)* crop last year, and poor second season rains (*masika*) in the same area may lead to diminishing food security. Likewise, southern Angola also had poor harvests in the 2007/08 season, and the forecast for enhanced chances of normal to below-normal rains throughout the season may dampen chances for recovery if the forecast holds. In contrast, below-normal rainfall in areas that normally receive adequate or less than adequate rainfall, including Namibia, Lesotho, and parts of South Africa, is more likely to have a greater impact on the local communities.

In some of Zimbabwe's productive regions, rainfall is likely to be normal to below-normal in the second half of the season. There is a serious concern that inputs will again not be available or remain scarce until well after the rains have begun. If maize in planted late, as has been the case in recent years, the decline in rainfall in the second half of the season will coincide with critical growth stages of the maize crop, when adequate moisture is most essential. Unless inputs are made available in time for early planting, Zimbabwe faces another poor season.

The rainy season has not started yet in most parts of the region. Apart from DRC and Angola, the onset of planting rains in most of the SADC region happens between late October and December. While farming communities await the onset of planting rains, anecdotal reports indicate that widespread constraints in accessing adequate inputs in preparation for the season may delay planting or limit area planted. The costs of seeds, fertilizers, chemicals, and draft power have increased considerably. In a number of countries (South Africa, Lesotho, Swaziland, Malawi, and Zambia), fertilizer prices have risen by between 150 percent to over 200 percent. While government-sponsored subsidy programs do exist in some countries (Malawi and Zambia), and in Malawi have been particularly effective in improving total production, these are unable to meet the complete needs of small farmers. Meanwhile, FAO-sponsored input fairs have been scaled down this year, due to a lack of funding. Lack of access to inputs could lead to considerable reductions in area planted and fertilizer use,

compromising yields and subsequent harvests. Further, larger commercial farmers, especially in South Africa and Zambia, may shift away from maize towards higher value crops, like soybeans, which are cultivated primarily for cooking oil, animal feed and other industrial purposes.

Markets and trade

After an excellent harvest, maize availability in South Africa this year is at one of its highest levels in the last five years and is sufficient to cover domestic consumer and industrial needs as well as all regional import requirements. Table 3 shows that the current exportable maize surplus of 2.75 million MT is about 60 percent higher than levels realized in the recent past, and especially last year when the country was facing a net deficit. The large surplus this season has posed a challenge for traders to find markets beyond the traditional BLNS trading partners and Zimbabwe and Mozambique. With local prices closely following international trends (see discussion on prices below), the country has managed to export to destinations elsewhere in Africa and to the Middle East and Malaysia. Table 4 shows the amount of maize exports by South Africa to neighboring SADC states as at the end of September. Apart from these exports, at the end of September, white maize consignments totaling 97,680 MT had been shipped to countries in West and East Africa and Iran, while yellow maize consignments totaling 156,011 MT had been shipped to Iran, Yemen, and Malaysia.

Table 3. South Africa cereal balance projections: 2008/09 compared to past 5-year average ('000MT)

	Current: 2008/09		Past 5-year AVG	
	Maize	**All Cereals***	**Maize**	**All Cereals***
Opening stocks	1,070	1,809	2,324	3,272
Gross Production	12,485	14,981	9,019	11,092
Dom. Availability	13,555	16,790	11,343	14,363
Gross requirements	9,758	13,758	8,604	12,269
Desired stock	1,047	1,701	986	1,643
Dom. Demand	10,805	15,459	9,591	13,912
Deficit/Surplus	2,750	1,331	1,752	451
Deficit/Surplus**	3,797	3,032	2,739	2,094

* All cereals include white and yellow maize, wheat and sorghum only.
** Without stock replenishment
Source: GrainSA and Statistics Directorate - DoA

Malawi, Mozambique, and Zambia are also assessed as having some level of maize surplus, which, however, may not be available for formal export due to ongoing export bans in these countries. Nonetheless, the informal cross border trade monitoring system indicates that informal trade is continuing normally in the monitored countries (DRC, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe). For example, as shown in table 4, Malawi has already informally imported close to 50,000 MT of maize from northern Mozambique, while Zambia has exported about 7,000 MT, and Tanzania has exported just over 10,000 MT. However, informal trade accounts for a relatively small proportion of total imports, especially in Zimbabwe, where large cereal deficits exist side by side with stringent import/export regulations.

Table 4. Maize imports by SADC member states, April to September 2008 (MT)

	Ang	Bot	DRC	Les	Moz	Mal	Mau	Nam	Swa	Tan	Zam	Zim	TOTAL
SA White Maize	233	127,024	0	42,655	74,118	0	12,400	21,854	3,347	0	677	196,309	478,706
SA Yellow Maize	0	251	0	3,305	6,021	0	0	7,461	16,933	0	0	704	34,675
Informal Cross Border	-	-	2,732	-	120	49,723	-	-	-	228	2,094	381	55,278
Total	322	127,275	2,732	45,960	80,259	49,723	12,400	29,315	20,280	228	2,771	197,394	568,659

Source: South African Grain Information Service (SAGIS) – September 26 Southern Africa Informal Cross Border Monitoring System – August 2008

Table 5 shows import and export plans and the progress that has been made to date to meet import requirements. Available data suggests that six months into the marketing year, only 37 percent of planned maize imports (commercial and humanitarian) have been met. The slow delivery of food imports has been most severe in Zimbabwe, after six months (at the end of September); cereal imports had only reached 25 percent of the year's requirements. Deliveries will need to be accelerated from now onwards as the hunger season approaches and many more households run out of their own stocks.

Table 5. SADC cereal imports and exports progress
Balance sheets updated end September 2008 – ('000 MT)

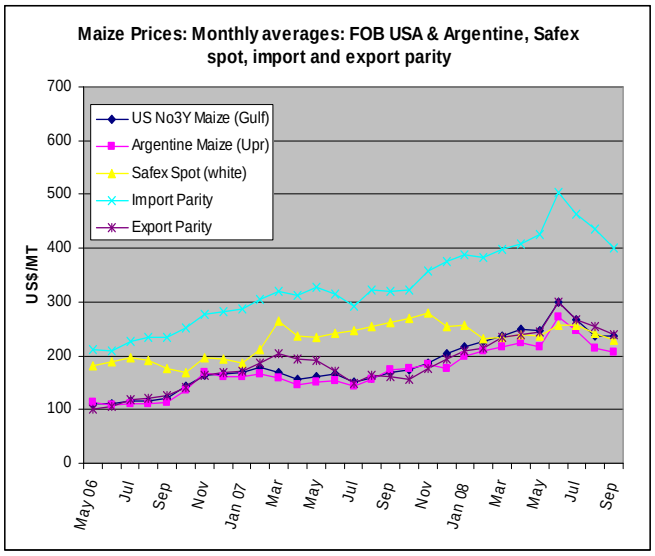
	Maize	Wheat	Rice	Sorghum /Millet	TOTAL Cereals
Deficit/Surplus	617	-2,370	-940	-449	-3,142
Planned Imports	1,504	2,285	1,147	9	4,946
Planned exports	1,644	233	15	28	1,920
Uncovered Gap/Surplus	**477**	**-317**	**193**	**-468**	**-116**
Imports Received	550	217	43	7	817
Exports shipped	831	0	14	0	845
Imports Progress (in %)	**37**	**9**	**4**	**83**	**17**
Exports Progress (in %)	**51**	**0**	**93**	**0**	**44**

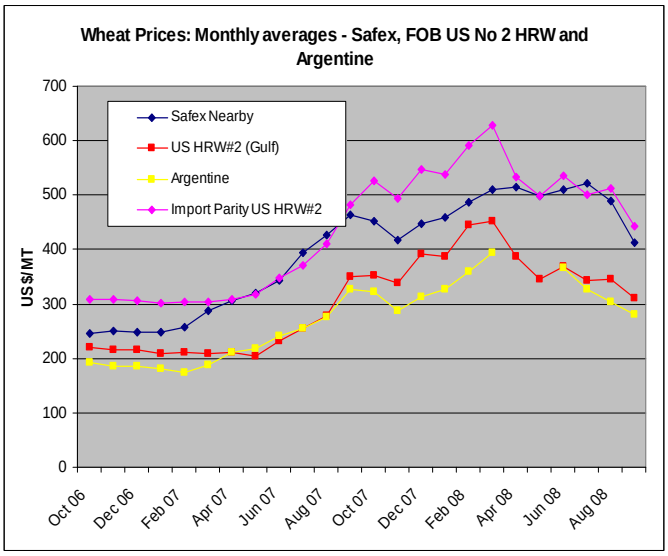
Excludes DRC and Madagascar. Source: National Early Warning Units and SADC FANR

Maize and wheat prices on the South African Futures Exchange

Falling grain prices should temper the current steep increases in food inflation rates in most countries that are dependent on grain imports from South Africa. Prices of white maize on the South African Futures Exchange (SAFEX) continue to fluctuate daily in response to international prices, domestic supply estimates, and the strength of the Rand. The excellent maize supply in South Africa kept spot prices of maize (denoted in USD equivalent) on SAFEX below international price levels between March and July 2008 – the period during which global prices were rising astronomically. However, following the drop in international prices, the trend has not reversed despite the relative increases (in Rand/MT) noted between August and September. As shown in Figure 2, local prices remain at par with US and Argentine FOB maize prices, mainly as a result of recent weakening of the Rand against major currencies. The September average for example (in USD equivalent) is indicated at USD 231/MT (dropping from USD241/MT in August) and is still below the September average FOB price as recorded for the USNo3 Yellow maize (USD 237/MT). Similar trends have been noted with wheat prices, as indicated in figure 2. Wheat prices have dropped 19 percent in the period between March and September 2008 and continue to decline, driven by indications of a modest wheat harvest (currently estimated at 2.19 million MT), as well as the continuing drop in global wheat prices.

Figure 2. FOB USA and Argentine maize and wheat prices compared to SAFEX spot (USD/MT)



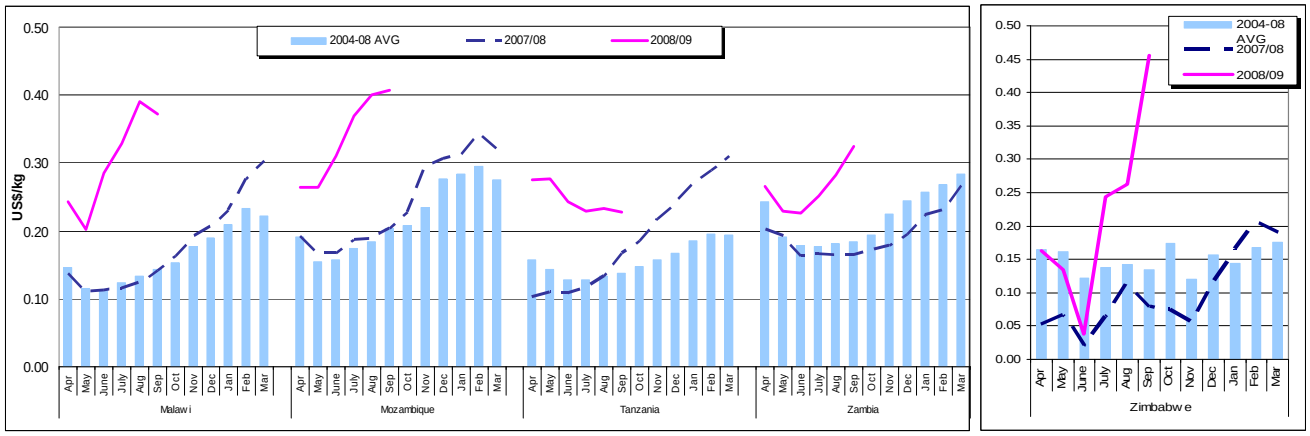


Data source: SAFEX

Nominal retail prices on regional local markets

Nominal prices of staple foods in most monitored local markets have been rising very steeply and unseasonably this year, and current levels are well above levels last year and the past 4-year average for this time (figure 3). In all monitored markets in reporting countries, prices have increased significantly since the harvest in May. In Malawi for example, the average maize price (Chitipa, Mchinji, and Nsanje) has risen from about USD 0.20/kg in May to USD 0.37/kg in September, an increase of over 84 percent. Similarly, in Mozambique (Nampula, Beira, and Maputo) the average has risen 54 percent from USD 0.26/kg in May to USD 0.41/kg in September. In Zambia, prices had until July remained below pre-harvest levels, but have also now risen considerably. The average for Lusaka rural and Choma rose 42 percent from USD 0.23/kg in May to USD 0.32/kg in September. Tanzania remains the only monitored country in which average prices (Mbeya and Dar es Salaam) have remained stable and below pre-harvest levels. Prices have been dropping since the main harvest in June and have since July hovered around USD0.23/kg.

Figure 3. Retail prices of white maize at selected markets – April 2004 – September 2008 (US$ per kg)



Based on average prices on key markets in each country. Source: FEWS NET Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe

In Zimbabwe on the other hand, where record levels of inflation are recorded daily and food shortages continue largely unabated, maize prices (converted to USD using parallel market exchange rates) in the three monitored markets (Harare, Bulawayo, and Mutare) rose astronomically from USD 0.14/kg in May to USD 0.46/kg in September – an increase of 229 percent. Prices are likely to rise further as current food supplies are insufficient to meet domestic demand. Shortages and rising prices have been exacerbated by the slow delivery of the government's contracted commercial food imports, the ineffective internal distribution mechanism by the country's sole grain importer (the Grain marketing Board), as well as inadequate food aid deliveries required to implement emergency humanitarian programs.

The Southern Africa Food Security Brief draws from the FEWS NET monthly food security reports, with additional contributions from network partners including FEWS NET/USGS, the SADC Regional Remote Sensing Unit, 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.