

## SOUTHERN AFRICA Food Security Update

February 2008

### Food security summary

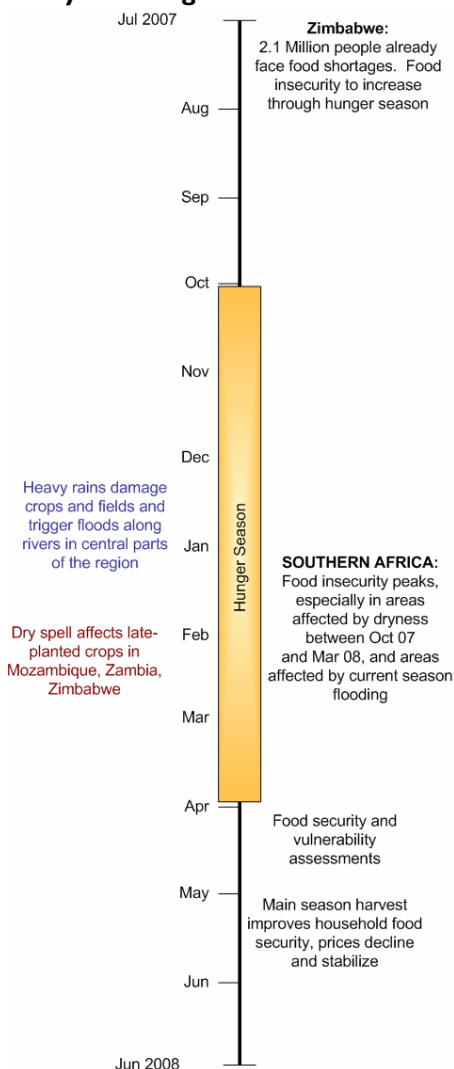
The current food security situation remains relatively stable in most parts of Malawi, Tanzania, Zambia, and northern Mozambique, where food crop production was good due to favorable rainfall during the 2006/07 crop growing season. In Zimbabwe, Lesotho, Swaziland, and southern Mozambique, where 2006/07 production was severely reduced due to drought, food insecurity levels have remained critical and, in Zimbabwe, have been exacerbated by the localized flooding that has persisted since late December 2007.

Despite tightening supplies during the hunger season, the availability of seasonal crops such as pumpkins and sweet potatoes over the past two months has improved food availability for many farming households in the region. Post-harvest assessments revealed that although the majority of households in the surplus producing countries would be food secure during the 2007/08 consumption period, localized pockets of populations would still require food assistance because they were either chronically food insecure or were affected by localized poor crop growing conditions such as droughts and floods in 2006/07 rainy season. In some of these areas, particularly those also affected by this season's flooding, food needs have increased over the hunger season. In the flooded areas of central Mozambique, where the flooding impact has been most severe, food security remains a concern, and the VAC has estimated that a total 226,500 people will be in need of food assistance up until May 2008.

Although food prices are increasing seasonably, this year's increases are significantly higher when compared to last season, and prices are now above the 5-year average in most countries (see Figure 4). Reasons for the higher increases vary from country to country. In Malawi for instance, they have largely been occasioned by improved opportunities for intra-regional grain trade, which has opened up more marketing opportunities for farmers and traders alike and therefore increasing effective demand for Malawian maize. In Tanzania, the rise in prices is due to tightening supplies following the failed *vuli* harvest in the bi-modal areas and high fuel costs that have resulted in high transport costs. Zambia, despite the adverse impacts of the recent floods remains the only country where price increases have followed normal trends and remain below the 5-year average.

Although the food insecurity situations in Zimbabwe, Lesotho, Swaziland and southern Mozambique are being mitigated through emergency food aid, access problems persist for many of the vulnerable groups, especially in Zimbabwe, due to logistical problems in the distribution that resulted in food aid pipeline breaks for both government and humanitarian programs. Reports from southern Mozambique, however, indicate continued improvements in food security due in part to the successful implementation of food aid programs and the availability of seasonal crops.

### Early Warning Timeline



Source: FEWS NET

Nominal retail cereal prices in Lesotho, southern Mozambique, Swaziland and Zimbabwe have increased quite significantly, shooting above last year's levels and in most cases remaining above the 5-year average. In Lesotho, food prices (as depicted in the CPI data) have remained relatively high. Food inflation (month on month) fell marginally to 18.2 percent in January from 18.7 percent in December against an overall inflation rate of 10.5 percent in both months. In Swaziland, month on month food inflation has risen to record levels, jumping from 19.7 percent in December to 21.1 percent in January against an overall inflation rate of 9.8 percent and 10.6 percent in December and January, respectively.

The WFP PRRO and C-SAFE (the Consortium for the Southern Africa Food Security Emergency) regional food aid programs implemented in response to the assessed needs of vulnerable populations in the 2007/08 consumption year are coming to an end by April 2008. As shown in Table 2, availability of cereals in the pipeline shows for the first time a positive balance in all countries except Namibia. This means that assessed needs for all other countries in the months of March and April will be fully covered, and no pipeline breaks are anticipated. Most of the countries in the WFP regional PRRO are moving to country-specific PRROs in the coming weeks, and by 1 May, only Zambia and Namibia will be covered by the regional PRRO until it ends on 31 July 2008. Mozambique's PRRO is scheduled to start on 1 April, while those for Lesotho, Swaziland and Zimbabwe will start on 1 May. Malawi's PRRO is already underway, having started on 1 January 2008. Except for Zimbabwe, these PRROs, which will run for 3 years, have a strong social protection bias with the main focus being HIV/AIDS support, food for assets, and training. WFP (OMJ) reports however that funding for all the PRROs is pretty dire, with the exception again of Zimbabwe. Over the next 3 years, and unless a major regional catastrophe occurs, WFP will respond to localized relief needs within the country-specific PRROs.

**Table 1.** Food aid (cereal) distributions for April – January 2008 and pipeline requirements March 2008 – April 2008. WFP Southern Africa PRRO (MT)

	Apr 2007 – Jan 2008		Mar 2008 - Apr 2008		
	Planned	Distributed	Requirements	In Pipeline	Surplus/ Shortfall
Lesotho	16,422	13,780	7,640	8,564	924
Malawi*	19,356	14,040	0	0	0
Mozambique	35,367	9,930	5,689	12,387	6,698
Namibia	8,260	7,257	1,372	821	-551
Swaziland	14,919	8,481	3,794	5,360	1,566
Zambia	39,904	13,571	7,425	22,985	15,560
Zimbabwe	216,220	104,419	41,091	59,782	18,691
<b>TOTAL</b>	<b>350,721</b>	<b>172,125</b>	<b>67,011</b>	<b>109,899</b>	<b>42,888</b>

Pipeline data includes C-SAFE programs for Lesotho and Zimbabwe

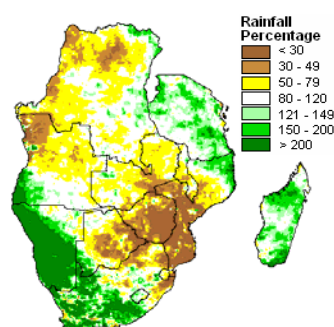
\*Malawi's food distributions under the regional PRRO ended in December 2007

Source: World Food Programme (OMJ) and USAID/FFP Pretoria

## Seasonal progress

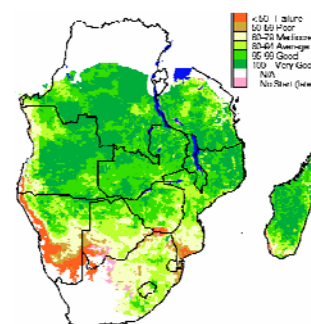
Light to moderate rains were generally received over most parts of the SADC region throughout the month of February, while other areas (such as Madagascar) received heavy rains during the month. Although the reduced rains in some areas helped alleviate the problems resulting from flooding, this dryness turned into an extended dry spell and had negative impacts on some crops in the affected areas. The central and eastern parts of the region, including parts of

**Figure 1.** Cumulative rainfall 1- 29 February, 2008 (percent of average)



Source: NOAA/FEWS NET

**Figure 2.** Water Requirements Satisfaction Index Dekad 3 Feb 2008



Source: NOAA/FEWS NET

eastern Botswana, southern Malawi, southern and central Mozambique, parts of Swaziland, northern and eastern South Africa, central Zambia, and much of Zimbabwe, received below normal rains, as shown by the yellow and brown colors in Figure 1. In many of these areas, there were reports of crop water stress being observed due to the low rainfall. This is likely to adversely affect crop yields in some of these areas. Reports in several countries affected by the dry spell are

indicating that in most cases, the crop that was planted in December was the most severely affected since the crop was still at the reproductive stage when the dry spell began in February. In contrast, most crops planted in October and November received sufficient moisture throughout their growth cycle to reach maturity before the dry spell began. Figure 2 shows the crop water satisfaction index for maize crops that were planted with the onset of rains. Green colors indicate that the crop received sufficient moisture to avoid significant yield reduction due to water stress. Based on this model (as depicted), southern Mozambique and southern Zimbabwe are among the crop growing areas where even crops planted on time were adversely affected by the short term dryness. Crops planted later than December, including much of Zimbabwe's crop, would be even more impacted by the short-term dryness than depicted in Figure 2. Delayed planting has been attributed to a variety of factors, such as the limited availability of inputs and draught power or indeed the excessive rains that rendered fields inaccessible for long periods of time.

### Country Focus

**ANGOLA:** Although the country has in general received normal to above normal rains this season, parts of the southern provinces were affected by a dry spell that lasted through December and January. This dryness affected crops and livestock, resulting in some livestock deaths and reduced crop production, particularly Cunene Province. In February, Cunene Province, along with Huila, Namibe and Kuando Kubango provinces received heavy downpours which led to flooding. The combined effects of these hazards will be detrimental to household food security in the next consumption season in many of the affected areas.

**BOTSWANA:** Rainfall performance has generally been good in Botswana portending prospects of above average crop harvests. However, below normal rains over most parts of the country in February, especially the central and eastern areas, have adversely affected the maize crop that was planted in late-November and December, as it was at tasselling stage. The October/early-November and January planted maize however remains in good condition. Sorghum also survived through the dry spell and the crop is in good condition. Pasture and cattle are in good condition country-wide.

**LESOTHO:** Much of the season in Lesotho has been typified by good rains, resulting in good crop performance. Through most of February however, rains were light to moderate in many parts, resulting in reduced soil moisture. As a result, some maize crops in the affected areas have suffered moisture stress. Generally, the maize and sorghum crop is at flowering to grain filling stages, and is reported to be in good condition in most areas. An improved harvest (compared to last season) could be realized if rainfall improves for the remainder of the season. However there are concerns that an early frost (occurring before the normal onset in March) may adversely affect crop yields since a large portion of the summer crops may not have reached maturity by then.

**MALAWI:** Following the normal to above normal rains received so far this season, reduced rainfall activity in February was observed over some parts of the country, especially in the south and centre. The dryness was more severe in the south, and this will most likely reduce the good yields that had previously been expected. The first round crop estimates released in early February by the Ministry of Agriculture indicated a maize crop (3.28 million MT) slightly below last year's excellent harvest (3.44 million MT), but still above average. This reduction which was largely because of the flood impact is likely to increase with the combined effect of the dry spell. The early-planted crops generally escaped the impacts of the dry spell, as they had already reached maturity by the time the dryness set in. However, the percentage of early planted crop in the south was quite small due to the erratic start of rains – most farmers planted late. Crops in the northern and central parts of the country are in much better condition and were reported to be at or nearing maturity stages. Pasture and livestock are generally in good condition throughout the country.

**MADAGASCAR:** Madagascar received excessive amounts of rainfall during February, primarily due to Cyclone Ivan, and this resulted in extensive flooding of paddy rice fields. The cyclone also brought with it strong winds, which, together with the flooding, caused over 80 deaths, over 190,000 people were displaced, according to preliminary government reports.

**MOZAMBIQUE:** Central and southern Mozambique were also affected by the February dry spell. In the south, the impact of the dryness has been exacerbated by high temperatures; as a result, many southern areas are facing reduced crop yields and outright crop failure. However, the dry spell mainly affected crops that were planted after December. The majority of farmers both in the south and center planted before December (in October and November), and many are now harvesting. As such, the majority of crops were spared the full impact of the dry spell, although crops planted during and after December suffered significant moisture stress and wilting. A current concern now is that if the dryness persists, the accumulation of soil moisture may be insufficient for the requirements of the second cropping season, particularly in the south. The recent dryness is less of a concern in areas where flooding occurred, as sufficient soil moisture is expected to remain after the recession of the flood waters.

**NAMIBIA:** In the central and northern crop growing regions of the country, the season has been characterized by delayed onset of planting rains, followed by heavy downpours in January and February that resulted in flooding, waterlogging and soil nutrient leaching, all of which will have detrimental effects on the crop yields. An outbreak of army worms was also reported in Oshana and Oshikoto regions. This also poses a threat to the final harvest. Preliminary forecasts suggest that overall area planted has decreased 14 percent compared to the 6-year average, mainly because of the delayed onset of rains and the flooding. Despite this reduction in area planted, the cereal production forecast stands at 125,000 MT, about 5% above the 6-year average and 10 percent above last year when production was affected by drought and an erratic rainfall pattern.

**SOUTH AFRICA:** Due to the good consistent rains over most of the major growing areas in South Africa and a 9.7 percent increase in area planted, the country is expecting a commercial maize harvest of 10.765 million MT, representing a 51.1 percent increase over the previous season. This is according to the March 27 report released by the National Department of Agriculture's Crop Estimates Committee (CEC).

Although the country also experienced the February dry spell, the impact was minimal in the major maize growing areas, in part because the dryness was not severe in the central parts of the country, and also because most of the crop was at an advanced stage of grain-filling. Significant amounts of early maize deliveries have been reported by the South Africa Grain Information Service, spurred by the relatively high prices currently prevailing. The winter wheat crop harvest is almost complete, and the final estimate puts it at 1.84 million MT (against earlier estimates of 1.81 million MT).

**SWAZILAND:** The eastern parts of Swaziland have suffered from extended dryness that started in January into February causing damage to crops in those areas, particularly the Lowveld. Significant yield reductions due to moisture stress are therefore expected. The impact was particularly severe for the late planted crop (from end of November onwards), while effects on early plantings have not been significant as the crops were nearing maturity. In contrast, crops are in good condition in the western half of the country (Highveld and Middleveld) where most of the country's maize is grown.

**TANZANIA:** *Musimu* crops in the unimodal areas in Tanzania are reported in good condition and mostly at pre-tasselling stage. Good rains fell in most of the unimodal areas, through much of February. The third dekad was however mainly dry, thus facilitating weeding, though rainfall picked up again in the first dekad of March. In the bimodal areas in the north-eastern and northern parts of the country, farmers are awaiting the start of the second season (the long rains or *Masika*) rains that normally start in early March. The success of the *Masika* season is critical, after the recent failure of the *Vuli* season which contributes 30 percent to national crop production. Food supplies are likely to remain tighter this season compared to last year. The recent rains have improved water availability and livestock and pasture condition countrywide.

**ZAMBIA:** Following the heavy rains received over most parts of the country since the start of the season, rainfall activity was significantly reduced in the first two dekads of February, ushering in a dry spell that has negatively affected crops, especially in the central parts of the country. The light to moderate rains that fell in the 3<sup>rd</sup> dekad brought some relief to some parts, although in some of the affected central areas very little rainfall was received. This, together with the problems emanating from the excessive rains and flooding earlier in the season, is likely to result in significant reductions in crop yields in the affected areas. Zambia VAC assessments indicate significant losses from flood damage to crops ranging from 30 – 60 percent in the flooded districts in Southern Province. However the full extent of yield reductions can only be known once the crop forecast has been conducted as expected in April/May.

**ZIMBABWE:** Despite above normal rains having been received over most parts of the country, crop growing conditions have not been very favorable mainly on account of heavy and incessant rains leading to waterlogging, late planting, delayed field activities and leaching of soil nutrients. Other factors hampering production recovery this season include critical shortages of inputs such as top dressing fertilizers, fuel and draft power. The February dry spell experienced over most parts of the country, but particularly in the eastern parts has negatively affected the December-planted crop. The earlier planted crop (which constitutes a small proportion) has not been negatively affected by the dry spell. In contrast, the central-to-northern parts of the country were not severely affected by the dryness, and crops in good condition were observed in most of those areas. Several assessments by the government and partners are underway to estimate overall crop production; some of these are likely to provide results as early as April; while others, like the 2<sup>nd</sup> round forecast survey may only provide results in May.

## Markets, trade and food access

This year, a significant amount of maize has been formally exported to deficit countries from the three surplus producing countries of Malawi, Tanzania and Zambia. However, the governments of Tanzania and Zambia have recently imposed export bans following the poor *vuli* season (Tanzania) and the flooding impact (Zambia). Nonetheless, existing contracts will be permitted to continue until completion. This trade (estimated at 612,001 MT through the end of February of this season) exceeds the level of exports by South Africa, which, at 356,075 MT, has been less significant this year due to tighter supplies and high prices in South Africa. By the end of February, Malawi's National Food Reserve Agency (FRA) had shipped 301,000 MT as part of the contractual agreement to supply 400,000 MT of maize to Zimbabwe over a 10 month period (May 2007 – Feb 2008). In addition, the World Food Programme has shipped some 32,100 MT of Malawian maize for its food assistance programs in Zimbabwe. Zambia is also exporting to several neighboring countries including Democratic Republic of Congo (25,000 MT), Zimbabwe (166,000 MT), and South Africa (63,000 MT).

**Table 2.** Intra-regional maize imports by SADC member states, April 2007 to February 2008 (MT)

Source	Ang	Bot	DRC	Les	Moz	Mal	Mad	Nam	RSA	Sw	Tan	Zam	Zim	TOTAL
<b>SA White Maize</b>	0	102,192	0	62,592	40,540	0	0	46,376	0	29,151	0	0	10,289	291,140
<b>SA Yellow Maize</b>	0	2,330	0	7,713	0	0	0	15,200	0	39,375	0	0	317	64,935
<b>Informal Cross Border*</b>	-	-	30,588	-	3,732	48,782	-	-	-	-	3,919	8,867	523	96,411
<b>Formal Other</b>	11	670	25,240	-	-	3,000	-	11,655	67,311	-	5,000	-	499,115	612,001
<b>Total</b>	11	105,192	55,828	70,305	44,272	51,782	0	73,231	67,311	68,526	8,919	8,867	510,244	1,064,487

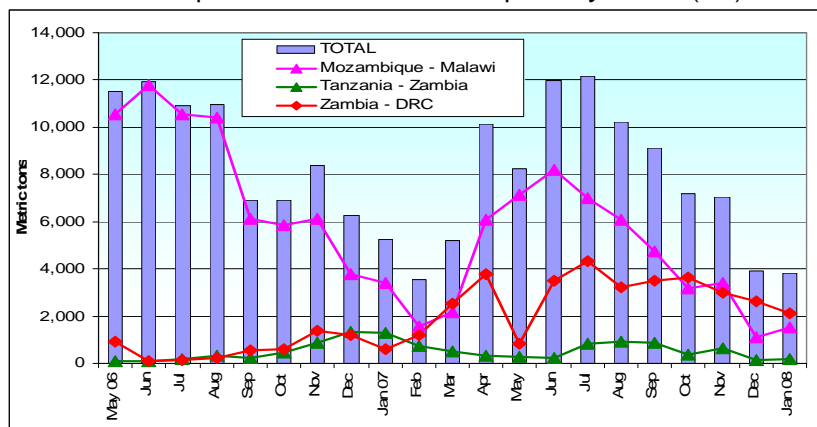
Source: South African Grain Information Service (SAGIS) – Feb 29, 2008 and Southern Africa Informal Cross Border Monitoring System – Jan 2008 \*

\*Informal trade volumes only includes trade observed volumes "captured" by the border monitors.

During the current marketing year, South Africa has been importing substantial quantities of white and yellow maize to meet both its domestic requirements and export commitments to neighboring Botswana, Lesotho, Namibia, and Swaziland. At the end of February, the South African Grain Information Service (SAGIS) indicated that South Africa had imported 1,073,511 MT of yellow maize from Argentina and 28,070 MT of white maize from Zambia (including 23,737 MT from Zambia's Food Reserve Agency), Tanzania (3,528 MT) and Malawi (805 MT). The Zambia FRA reports that it has shipped an additional 39,241 MT of maize to South Africa.

Despite the generally tightening supplies, volumes of informally traded staple foods across monitored countries remain significant, underlining the importance of cross border food trade in meeting the supply and demand needs of communities living on either side of the borders. For example, as shown in Table 2 (and Figure 3), Malawi has already informally imported some 49,000 MT of maize from northern Mozambique, while Zambia has exported some 31,000 MT, mostly to the DRC. Nonetheless, informal trade accounts for a relatively small proportion of total national imports, especially in countries (like Zimbabwe) where large cereal deficits exist alongside strict trade regimes, including restrictions on informal and private importation of maize.

**Figure 3.** Volume of informal cross-border trade in maize between DRC, Malawi, Mozambique, Tanzania, and Zambia: Apr 06 – Jan 2008 (MT)



Southern Africa Informal Cross Border Monitoring System – Jan 2008

Table 3 shows import and export plans and the progress that has been made to date to meet cereal import requirements and export commitments. Available data suggests that with only one month left in the current marketing year, only 77 percent of planned maize imports (commercial and food aid) in the SADC region have been met, while 64 percent of planned exports have been shipped. However, trade volumes recorded indicate that the regional import requirement for maize has been covered: net imports now exceed the indicated deficit. Furthermore, it is possible that actual trade volumes for all cereals exceed what is currently recorded (and available). This data however suggests that the region has largely been able to cover most of the shortages indicated at the start of the marketing year, despite the higher prices prevailing for both maize and wheat. This conclusion/ assessment is borne out by the country reports alluded to in the Food security summary indicating generally satisfactory food security conditions in most parts. However in the most extreme cases (as in Zimbabwe), market access has been hampered by logistical problems encountered in the distribution of grain within in the country, in both urban and the more remote markets.

**Table 3.** SADC cereal imports and exports progress  
Balance sheets updated end February 2008 – ('000 MT)

	Maize	Wheat	Rice	Sorghum /Millet	TOTAL Cereals
<b>Deficit/Surplus</b>	<b>-1,147</b>	<b>-2,574</b>	<b>-840</b>	<b>-124</b>	<b>-4,685</b>
Planned Imports	2,963	3,004	582	86	6,635
Planned exports	1,675	142	25	32	1,874
<b>Uncovered Gap/Surplus</b>	<b>142</b>	<b>287</b>	<b>-282</b>	<b>-71</b>	<b>76</b>
Imports Received	2,271	1,852	275	19	4,417
Exports shipped	1,077	140	25	0	1,242
<b>Imports Progress (in %)</b>	<b>77</b>	<b>62</b>	<b>47</b>	<b>22</b>	<b>67</b>
<b>Exports Progress (in %)</b>	<b>64</b>	<b>98</b>	<b>100</b>	<b>0</b>	<b>66</b>

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

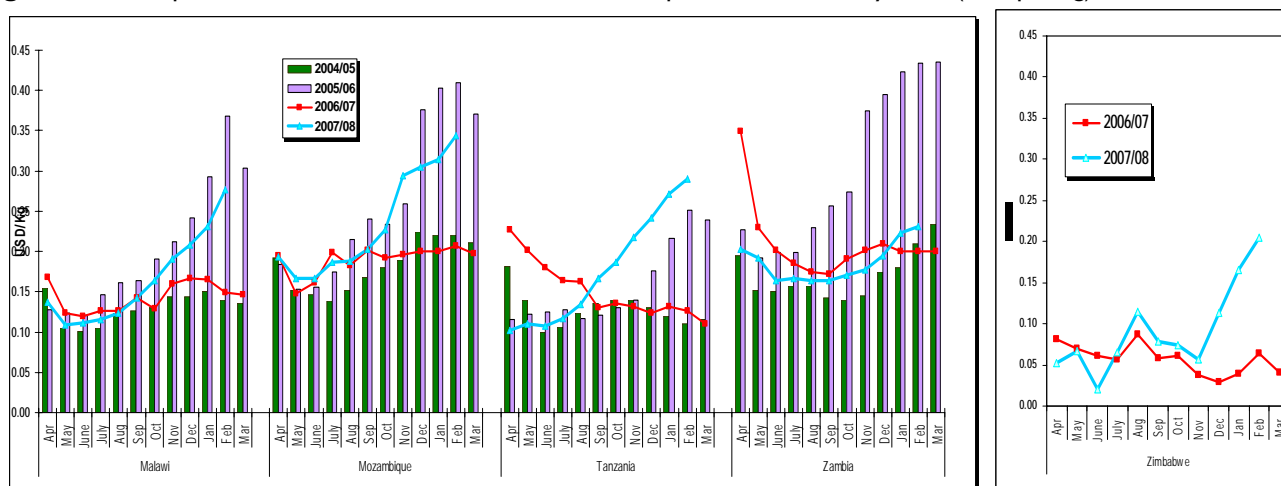
## Maize prices

In many parts of Malawi, Zambia, and northern Mozambique, maize availability remains adequate. Nonetheless, nominal prices have been increasing as is normal this time of the year, when households deplete their own produced food stocks



and turn to the markets to access food. Prices in most areas have spiked significantly this year, and, with the exception of Zambia, current prices (February) are now significantly above their levels at the same time last year, and above the 5-year average (Figure 4). In the monitored markets of Malawi (Chitipa, Mchinji, and Nsaje), maize prices rose a steep 20 percent over January prices, mainly on account of increased demand from neighboring countries. These prices are now above those prevailing at ADMARC markets and anecdotal reports indicate that households are opting to purchase from the ADMARC outlets, a situation that has resulted in intermittent shortages at the ADMARC markets. In Tanzania (Dar-es-Salaam and Mbeya), prices have also increased significantly compared to the same time last year and are above the 5-year average. This is largely due to the tighter supplies as a result of the failure of the *vuli* harvest, which normally contributes about 30 percent to overall national food production. Increased transport costs, as a result of higher fuel prices have also contributed to the significant price increases. In Zambia (Lusaka and Choma), prices have remained generally low – lower than in all the monitored countries, and still below the 5-year average. Here, the maize price rose a marginal 3 percent between January and February. This confirms the reports that maize supplies have met market demand, even despite floods, which, apart from destroying homes and infrastructure, have also reduced access to seasonal crops by keeping fields waterlogged and submerged.

**Figure 4.** Retail prices of white maize at selected markets – April 2004 – February 2008 (US\$ per kg)



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

Prices in Mozambique have also remained generally stable over this period, largely reflecting adequate national food availability. Although price trends varied from region to region earlier in the hunger period (dropping marginally in markets in the south and north, and increasing in the center), trends in January and February have been generally upwards in most monitored markets in the south and center, but remain stable or decreasing in the north. Overall, the national average price (average of Maputo, Beira and Nampula markets) in US Dollar terms shows a 10 percent increase in February over the January average price level, compared to no increase at all between December and January (Figure 5).

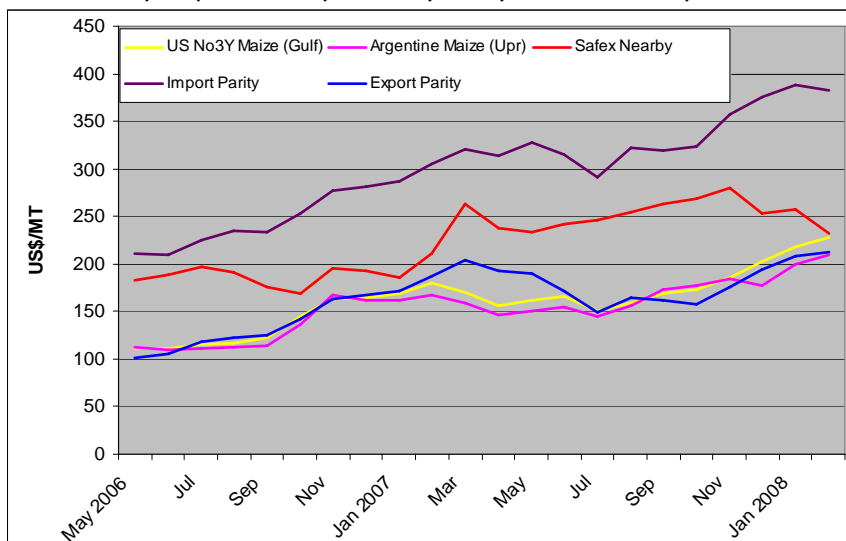
In Zimbabwe, critical food shortages in a hyper inflationary environment and the progressive depreciation of the Zimbabwe dollar continue to drive cereal prices upwards in both urban and rural areas. Maize prices have been rising very steeply since the hunger season began, in line with rising inflation levels which have been estimated to be over 100,000 percent. Between December and January, price increases ranged from 100-300 percent countrywide, and by between 135-400 percent from January to February. Among the open markets monitored by FEWS NET, prices were higher in Harare, recorded at Zim\$1.71 million/kg compared to Zim\$1.14 million/kg in Bulawayo and Mutare. These prices compare with January prices recorded at Zim\$342,857/kg and Zim\$485,714/kg respectively. As the economic environment has progressively deteriorated, with unprecedented levels of inflation, converting local prices to US Dollar equivalents has become a challenge, especially as the official exchange rates remain static and that most transactions occur on the parallel markets. Figure 4 shows a comparison of maize prices in Zimbabwe open markets (using the average of prevailing prices in Harare, Bulawayo, and Mutare) converted to US Dollar equivalents using parallel market rates. This shows clearly that prices in the current year, especially since October, have increased sharply when compared to the same period last year. Food prices are expected to escalate further until the new harvest comes in around April/May. However the excessive rains

and floods that have occurred this season, combined with shortages of inputs and a dry spell at the end of the season, have acted to significantly reduce expected yields, and another harvest below the recent five-year average is possible.

### South Africa maize prices

Maize prices on the South African Futures Exchange (SAFEX) have been trending downwards, despite the continued upward trend in global prices (Figure 5). This is largely in response to the positive harvest prospects this season, where commercial maize production has been estimated to increase 48.5 percent from 7.3 million MT last season to 10.58 million MT. This is 17 percent above the past 5-year average of 9.03 million MT. The decline in South African prices is more pronounced when prices are expressed in US dollar equivalents due to the recent weakening of the local currency against major currencies. Nearby white maize prices rose 19 percent from an average of US\$236/MT at the beginning of the 2007/08 marketing year to US\$280/MT in November. Since then, prices have dropped 18 percent to an average of US\$229/MT in February. Yellow maize prices, which this season have been above white maize levels, rose more sharply (24 percent) between May and November from US\$240/MT to US\$298/MT, but have since dropped about 20 percent to US\$239/MT in February. Prices over the first week of March 2008 prices (for both white and yellow maize) have been higher than those recorded in February, and this has prompted farmers to increase early maize deliveries to the silos.

**Figure 5.** FOB USA and Argentine maize prices compared to white maize SAFEX nearby, import and export Parity – May 2006 – February 2008

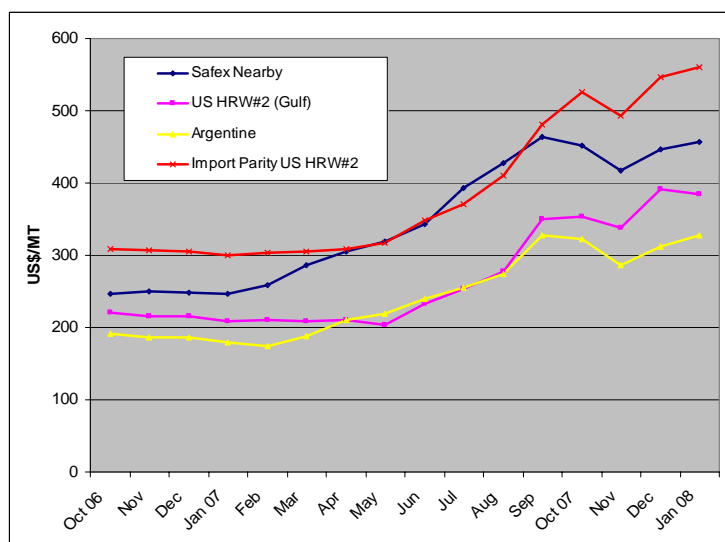


Data source: SAFEX and SAGIS

### South Africa wheat prices

With tighter global wheat supplies, prices have risen to record levels fuelling fears of food price hikes internationally and particularly in grain deficit developing countries where wheat is a main staple food. South Africa (like other SADC countries) is structurally deficit in wheat production and relies on imports from Canada, Argentina, and the US to meet its domestic demand. The rise in international prices (and therefore import parity) has fueled increases in the local prices on SAFEX, which are strongly influenced by international trends (Figure 6). Consequently, bread prices have increased significantly, and there are fears that soaring wheat prices may trigger further increases in bread prices. South Africa's domestic requirements are estimated at 3.0 million MT. With last year's production estimated at 1.84 million MT, the country needs to import some 1.4 million MT to cover its needs including pipeline requirements.

**Figure 6.** FOB USA and Argentine wheat prices compared to wheat SAFEX nearby, import and export Parity – Oct 2006 – Feb 2008



Data source: SAFEX and SAGIS

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.