

SOUTHERN AFRICA Food Security Update

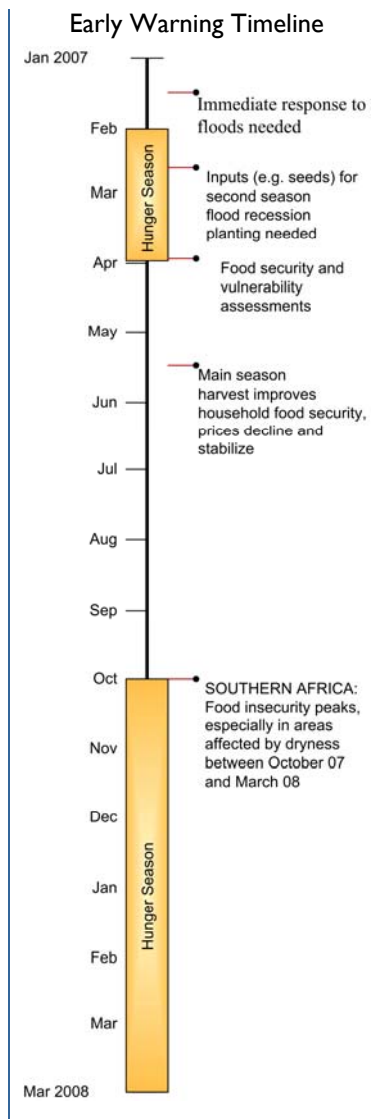
February 2007

The food security situation remains generally stable in most parts of the region reflecting the good 2005/06 harvest. However pockets of food insecurity exist in many countries, and food supplies are increasingly tight as the hunger season progresses. Incessant, heavy rains caused floods in parts of Angola, Madagascar, Malawi, Mozambique, Tanzania and Zambia, destroying homes, crops, and infrastructure such as roads and bridges, necessitating emergency responses from governments and humanitarian agencies. Many households in flooded areas require immediate assistance including food aid as well as seeds and other inputs to enable them to take advantage of the second season planting as the waters begin to recede.

The current food security situation in **Malawi** remains favorable, even at the peak of the hunger season. Food is readily available in the markets and many households still have stocks from last season's bumper harvest. Maize prices are lower than normal for this time of year, and poor households have sufficient access to food through the markets or food aid interventions in those food insecure areas that had below normal harvests last year. Production prospects for the 2006/07 season are very good following favorable rainfall performance, coupled with improved access to seeds and fertilizers through the government's input distribution scheme. The food security outlook therefore is positive, and current food security indicators (such as food and livestock prices and availability of food on local markets) point to a continuation of the generally stable conditions.

In **Zimbabwe**, runaway inflation (now estimated at close to 1,600 percent) continues to severely limit the purchasing power of most households, hampering their access to adequate amounts of food. Maize availability remains tight and is often acute in the grain deficit areas of the country. This has caused price levels to rise to very high levels, well beyond the reach of many households in both rural and urban areas. The most affected provinces include Manicaland, Masvingo, Midlands and North and South Matabeleland. The situation is not expected to improve much until the end of the hunger period around March, when fresh crops become available as the new harvest approaches. Good rains in the northern half of the country have facilitated increased agricultural activities and opened up casual employment opportunities thus improving food access for those able to engage in this type of work. The production outlook is mixed with the northern half facing moderately improved prospects while the drier southern half faces a grimmer outlook in view of the below normal rains that have been received since the start of the season.

The food security situation over much of **Tanzania** remains satisfactory, and food availability is increasing as a result of the good production prospects for both the *vuli* and *msimu* seasons. The recent release of last season's food stocks onto the markets has improved food access to market depended households as prices have declined and are likely to remain low as the *vuli* (and later *msimu*) crops become available. Heavy rains have however caused localized problems in central



parts of the country, damaging homes, crops and infrastructure. Pasture conditions have benefited from the above normal rains, and livestock conditions and pastoralists' food security have improved. However the outbreak and spread of Rift Valley Fever has spread from Kenya and has already been reported in northern Tanzania, threatening pastoralists' food security, and close monitoring is recommended.

Although **Zambia** produced a surplus maize crop this past season and is currently exporting to neighboring countries, there are isolated, chronically food insecure areas that are reported to have run out of food stocks. A field verification exercise has estimated that some 9,133 MT of food will be required to assist 380,537 beneficiaries between now and the next harvest (i.e. February to March). Apart from these cases, many households along the Zambezi river basin in western and north western Zambia are in need of immediate food assistance as a result of the flooding that occurred following heavy rains in December and January.

In **Mozambique**, overall food security remains stable, although pockets of moderate food insecurity exist in the southern and central regions. While food prices have been stable, reflecting the good 2005/06 harvest, the decline in food supplies has led to price increases, especially in the south, an area that is also experiencing below normal rains this season. Production prospects are mixed: prospects are favorable in the north where rainfall has been above normal; in parts of central and southern Mozambique, production is expected to be below normal. Floods along the Zambezi Basin in northern and central Mozambique have displaced communities that are now without food and basic amenities and in critical need of emergency assistance.

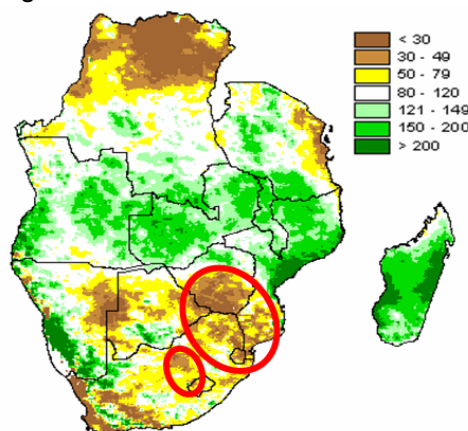
Food availability and access remain generally satisfactory across most of **Angola**, due to improved production of food crops last season, adequate formal imports and intra-regional trade. However pockets of food insecurity exist in a number of districts in Huambo, Bengo, Zaire and Uige, due to below normal harvests last season, including reduced yields of the nacas crop as a result of flood damage, and lower cassava production due to cassava mosaic virus. However, the food security outlook for 2007/08 is positive on account of the favorable rainfall performance and expectation of improved food production across most of the country.

2006/07 Seasonal outlook

Seasonal rainfall performance

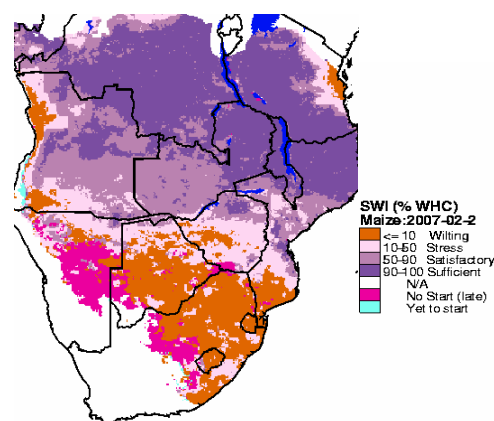
Below normal rainfall characterized much of the southern half of the SADC region during January 2007 (brown and yellow colors, figure 1). Some areas experienced an extended dry spell throughout this period, while other areas received little scattered rains at this time. Areas particularly affected include Lesotho, southern Mozambique, central and northern South Africa, Swaziland, and southern half of Zimbabwe. In contrast, many areas in the northern half of the region received above normal rains as evidenced by the green colors in Figure 1. Above-normal rains fell in areas including Angola, Namibia-Capri strip, Zambia, southern DRC, northern Zimbabwe, Malawi, southern and central Tanzania, and northern and central Mozambique. Heavy rains also fell in Madagascar. In many cases, this was beneficial, and will provide good moisture for crop development, improving chances of good harvests. However, the

Figure 1. January 2007 rainfall as percent of average



Source: NOAA/USGS/FEWS NET

Figure 2. Soil Water Index Dekad 2 February, 2007



Source: USGS/FEWS NET

heavy rains have triggered floods and flood warnings. Areas were flooded in Angola (Luanda city, Benguela, Huambo, Malange, and the eastern Moxico provinces), Malawi (especially in the southern-most, as well as the northern districts), central/northern Mozambique (especially along the Zambezi river), and Zambia (in the north-western and north-eastern areas).

Figure 2 shows the soil moisture index for the second dekad or ten day period of February, confirming that most of the southern parts of the region experienced dryness that could have led to water stress and wilting of crops. Ground reports (see country focus below) confirm that many of the affected areas in southern Mozambique, southern Zimbabwe, Botswana, Lesotho, Swaziland and parts of the maize producing areas of South Africa have reported severe crop stress and imminent crop failure.

Country Focus

ANGOLA: The area planted to staple crops and subsequent production is expected to increase in the 2006/07 season for a variety of reasons: the increasing number of returnees, the increased size of households' landholdings and the increased use of animal traction. Continued rehabilitation measures by government and humanitarian agencies, such as provision of farm inputs (implements, seeds and fertilizers) to returnees, and former internally displaced persons, coupled with good rains and an early start of season, have enhanced production prospects. Crop conditions are generally good, although there are isolated areas, particularly in parts of Benguela and along the Dande River, where intense rains have destroyed crops.

BOTSWANA: A below average harvest is expected as a result of a drastic reduction in area planted, occasioned by the below normal and sporadic nature of the rains in the first half of the season coupled with inadequate draft power (shortage of tractors and poor condition of oxen). Plowing and planting began late due to insufficient moisture - the majority of farmers waited until December when widespread rains began. However, intermittent dry spells coupled with high temperatures since December have severely affected crop development; the lack of soil moisture and heat stress led to poor germination, and necessitated replanting in some areas. Most of the cereal crops, which by end of January were at emergence to early vegetative stage, are reported to be in poor condition and are likely to fail if good rains do not materialize in February and March.

LESOTHO: The months of January and February have been uncharacteristically dry across most parts of the country resulting in crop water deficits especially in the southern lowlands, Senqu River Valley and the east of the country. Crop stage varies across the country from vegetative to grain filling stages. Many areas, including areas in the north and northeast, are reporting that the maize crop continues to be under severe moisture stress and is in poor condition as a result of long dry spells and high temperatures. Area planted is estimated to be at least 20 percent below the average due to an erratic start of the season and limited access to draft power. The forecast for below normal rains in February and March could further erode the harvest expectations which are already quite poor.

MALAWI: Crop growing conditions have been favorable, with normal to above normal rainfall totals over most of the country. Although crop conditions over most of the country are good; incessant rains in many districts are threatening good harvest prospects. If heavy rains continue in February, some areas might suffer from water logging, nutrient leaching, and the risk of floods will increase. The maize crop varies from vegetative to tasseling and cobbing stages and no major incidences of pests and diseases have been reported. Expectations are that crop production will show an overall improvement this season due to the favorable crop growing conditions, coupled with increased uptake of inputs. The latest precipitation forecast predicts normal to above normal rains for the remainder of the season. At the same time, the level of rainfall activity has improved prospects for winter crop production.

MOZAMBIQUE: Rainfall performance has varied throughout the country with rainfall deficits in the southern region and south eastern Cabo Delgado province in the north, excessive rains in parts of the central and northern regions and near-normal rains elsewhere. In the south and central provinces, rains in the first half of the season were erratic and below normal resulting in a prolonged dry spell that has resulted in widespread crop failure and repeated replanting. The forecast for normal to above normal rains throughout the country for the period between February and April indicates the situation might improve and will also encourage the planting of second season crops. Heavy rains in the central and northern provinces especially in areas along the mid-Zambezi basin have caused flooding. The excessive rains, localized flooding and saturated soils have negatively impacted communities through loss of homes, property and planted crops. Elsewhere, moisture levels are reported to be adequate, and crop performance is satisfactory.

SOUTH AFRICA: Unfavorable crop growing conditions have prevailed since January over parts of the maize producing areas in South Africa. These have negatively impacted maize plantings and have resulted in water stress in some areas. The National Department of Agriculture's Crop Estimates Committee (CEC) released the revised estimates on February 27th. Accordingly, area planted to maize is now estimated at 2.60 million hectares, 3 percent down from the forecast (intentions) of 2.68 million hectares. The production estimate stands at 7.76 million MT - implying lower yield levels compared to last year when 6.62 million MT was harvested from 1.60 million hectares. The rainfall performance in February will be the critical determining factor. The winter wheat crop harvest is almost complete, and the final estimate puts it at 2.12 million MT (against 1.91 million MT last year) on account of slightly more favorable growing conditions compared to last year.

SWAZILAND: The maize crop is mainly found at flowering to grain filling stages, with a smaller percentage still at emergence and vegetative stages. The January dry spell, which was accompanied by high temperatures, has therefore affected the crop at its most critical stage, resulting in widespread crop failure. A severe hail storm caused further crop damage in parts of the Highveld, Middleveld and Lubombo Plateau. Army worm, which has been reported in parts of the Middleveld, poses yet another threat to this season's crop. In the few pockets that were not affected by the January dry spell, crops are reported generally in fair to good condition. The combined effect of crop failure due to the dry spells and heat stress in January and early February and recent storms has depressed crop yields, and current expectations are for a maize crop that is 20 percent below last year's poor harvest estimated at 67,000 MT.

TANZANIA: Rainfall performance has been favorable throughout the country, and prospects for the upcoming harvest in both unimodal and bimodal areas are good. Crops planted during the short season rains (*vuli*) in bimodal rainfall areas are almost ready for harvesting, while those in the unimodal areas planted with the *msimu* rains are at different stages (from emergence to vegetative) and their condition is satisfactory. If favorable conditions continue, the final harvest is likely to exceed what was realized last season, and this will greatly enhance food security. However the heavy rains have resulted in localized flooding that has caused damage in some parts of the country including loss of crops and damage to infrastructure. Affected areas include parts of Mwanza, Shinyanga, Singida and Dodoma regions.

ZAMBIA: The delayed onset of rains in northern Zambia resulted in late planting, while in the southern and central parts, dryness in November and December delayed planting or necessitated replanting. However, the above normal rains that have since been received in most parts of the country have improved the moisture condition for crops that were under prolonged stress due to deficient rainfall in the earlier part of the season. The cereal crops are reported at vegetative to flowering stage, with those in the southern half mostly at vegetative due to late planting. Overall production outlook will depend on rainfall performance during the critical month of February. Excessive rains in most of Western, Eastern, Central, Northern and North-western provinces have flooded the valley areas, causing crop damage, the extent of which is currently being assessed by the Zambia VAC.

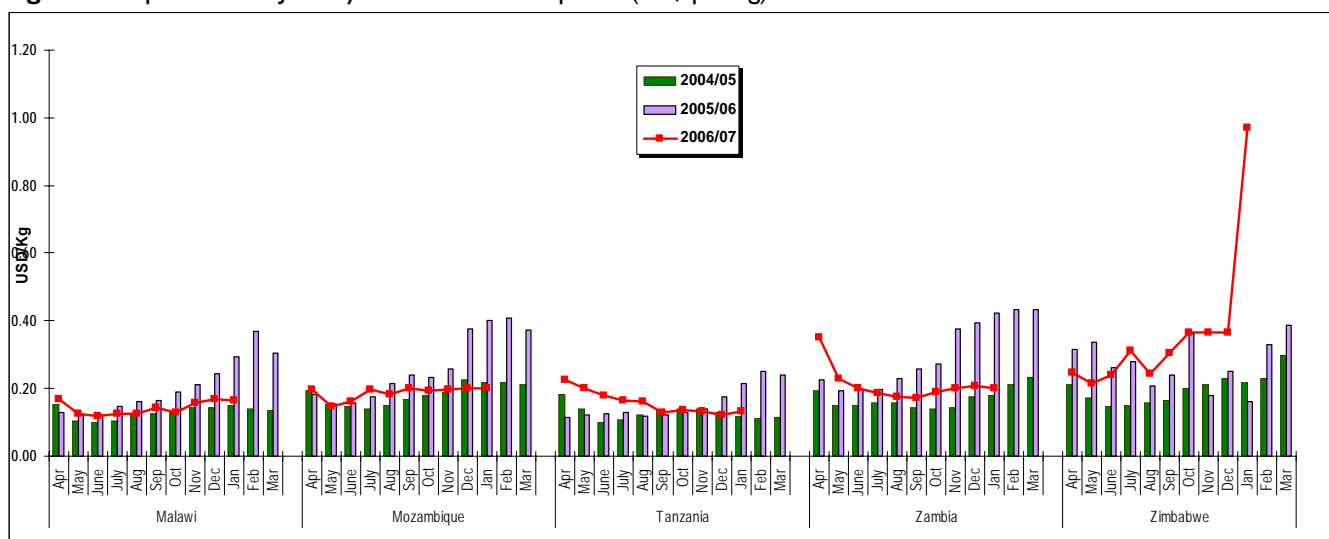
ZIMBABWE: Due to delayed planting, the bulk of the maize crop was planted in the last two dekads of December, and by end of January was reported to be mostly at the vegetative stage. Consequently, only a small proportion of the country's crop (i.e. crops planted in November and early December) had reached the reproductive stage by mid February 2007. Crop conditions, especially in the northern half of the country, are reported to be fair to good, despite the lack of top dressing fertilizer and the intermittent dry spells in the first half of the season. Conditions in the south however are poor, and total crop failure has been reported in the southern districts of Manicaland, Masvingo and the Midlands provinces and the greater part of Matebeleland South Province. Harvest prospects are not good, given that below normal rainfall is forecasted for the rest of the season in the greater part of the country.

Regional trade and price analysis

Retail maize price movements across the region

Maize retail prices remained generally stable across the monitored markets of Malawi, Mozambique, Tanzania and Zambia. However, in Zimbabwe, prices almost tripled in the last month, going up 185 percent over the December levels mainly as a result of hyperinflation which in January reached 1,594 percent. Prices in many of Tanzania's monitored markets continue to decline as both households (who still had some on farm stocks) and traders respond to the good harvest prospects by releasing their stocks on to the markets. This has led to a steady drop in prices across many markets, and prices remain below last year's levels as well as the five-year average.

Figure 3. April 2004 to January 2007 retail maize prices (US\$ per kg)



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

The only exceptions were found in markets in the Lake Victoria zone and the southern coastal districts. In Zambia, maize prices have remained quite stable (and low) since the hunger season began. However some markets have started recording increases - reflecting tightening supplies - a trend which is expected to continue until the new harvest comes in about the end of April. The average maize price recorded in January for Lusaka and Choma showed a marginal decline from the December level - dropping from US\$0.21/kg to US\$0.20/kg. In Mozambique (Maputo, Beira and

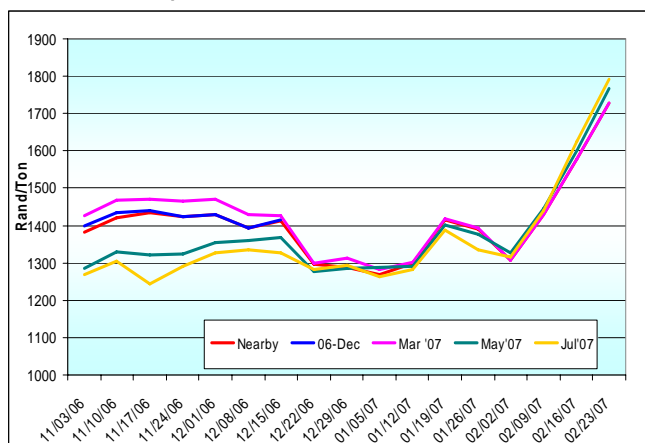
Nampula) average prices have also remained very stable since July hovering between US\$0.18/kg and US\$0.20/kg throughout this period. However prices are now expected to rise, as stocks are depleted and farmers react to the unfavorable harvest prospects, especially in the south of the country. Prices have remained well below last years' levels at the same time and are below the past five-year average. In most of the monitored markets in Malawi, maize prices continued to drop, and remained well below last year's levels, reflecting the improved household food supply this season. A good 2005/06 season production, coupled with the vibrant cross border trade and ongoing food aid distributions to food insecure populations, has helped stabilize prices; keeping them at relatively low and affordable levels. Expectations are that prices could remain low on account of the good harvest prospects for the 2007/08 season. Malawi prices remain the lowest (after Tanzania) among the countries for which data is available.

At the other extreme, prices observed in Zimbabwe this past season have been exceptionally higher than those from neighboring states, rising almost threefold, from US\$0.37/kg in December to US\$0.97/kg in January mainly as a result of the hyperinflationary environment in that country and the critical grain shortages that have been reported in some areas during January. Prices are expected to rise further before new seasonal food crops become available, and may remain high as current production prospects are not good.

SAFEX white maize prices rise sharply

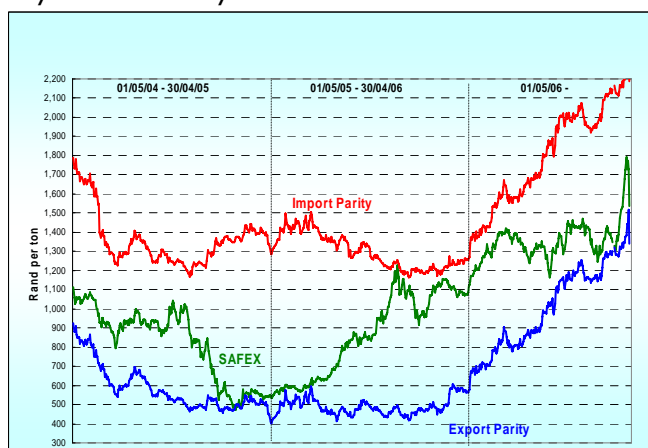
White maize prices on the South African Futures Exchange (SAFEX) have been fluctuating since the rainy season began mainly in response to the local production outlook which is driven by weather conditions. Although prices dropped in early December, they have, since the last week of January been rising steeply reflecting current uncertainty on production as weather conditions remain unfavorable in the main producing areas, especially in the west. By February 27th, nearby prices had risen as high as R1,727/MT, from about R1,307/MT on February 2nd, a 32 percent increase. US prices for maize have also gone up in the past two weeks driving up import parity (figure 5) to over R2,300/MT. If international prices continue to rise, (as would be the case if weather conditions are unfavorable in the US), local prices can also be expected to remain relatively high. Even at these prices, white maize is still trading lower than yellow maize, and it is expected that white maize prices will therefore continue to rise until the gap narrows.

Figure 4. Prices of white maize delivered in Randfontein: SAFEX - Nearby and futures contracts



Source: SAFEX and SAGIS

Figure 5. Prices of white maize delivered in Randfontein: May 2003 - February 2007



Source: GrainSA

Imports progress

On a regional basis, deliveries of cereal imports as assessed from available data have remained well below target, with only about 50 percent, delivered so far this marketing season. And while total planned imports exceed import requirements at the regional level, planned imports are below requirements in several countries. The progress of imports in these countries needs to be monitored closely. This is particularly true for countries with significant food deficits this season, including Angola, Lesotho, Swaziland, and Zimbabwe, where food security and vulnerability analyses indicate the existence of food insecure populations, some of whom require emergency assistance. Due to resourcing problems experienced by the World Food Programme (WFP), food aid distributions have been below what was planned based on the needs assessments. For the region as a whole, actual distributions as at the end of January 2007 were only 57 percent of planned distributions. WFP's regional pipeline for the period January to June 2007 indicates a negative balance, with all countries except Angola, Malawi and Swaziland experiencing pipeline breaks for cereal commodities as early as February 2007. C-SAFE interventions are augmenting WFP food supplies in Lesotho, Swaziland and Zimbabwe and currently, for the period up to June 2007, cereal aid requirements in all three countries are adequately covered. The main concerns are in Mozambique and Zambia, where recent flooding and displacements of populations have increased emergency assistance needs beyond current estimates and yet both countries reflect pipeline breaks from February 2007.

South African white maize exports to neighboring states

By the end of January, South Africa had exported a total of 441,017 MT of maize out of the planned total exports of 740,000 MT over the 2006/07 marketing year. The export rate has been quite slow this season on account of the good harvests realized in many of the neighboring states, and the high prices that have prevailed throughout the season. SADC member States have received a total of 428,643 MT (calculated from April 2006) with the major part (52 percent) going to the SACU countries

Table 1. SADC Maize import progress: April – January 2007
Balance sheets updated end January 2007

	Maize	Wheat	Rice	Sorghum /Millet	SADC* All Cereals
Deficit/Surplus Cross	-745	-1,933	-938	-308	-3,924
Substitution Import Requirement	564	51	34	539	1,188
Total Planned Imports	2,215	1,580	497	34	4,325
Imports Received	1,510	474	99	14	2,097
Commercial	1,342	474	94	12	1,921
Food Aid	168	0	5	2	175
Imports Expected	704	1,106	398	20	2,228
Commercial	609	1,056	391	20	2,076
Food Aid	96	50	7	0	153
Progress (in %)	68	30	20	41	48

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

Table 2: Food aid (Cereal) distributions during period April - January 2007 (Metric tons). WFP Southern Africa PRRO

	Planned	Distributed	Percent
Lesotho	13881	8006	58
Malawi	51231	38503	75
Mozambique	32621	20489	63
Swaziland	15267	9460	62
Zambia	53781	25156	47
Zimbabwe	122116	62965	52
TOTAL	288896	164579	57

Source: WFP (ODJ) - February 2007

Table 3. South African cereal exports 2003/04 - 2006/07

Marketing Year	White		Total (white and Yellow)	
	SADC	ALL	SADC	ALL
2006/07*	428,643	441,017	514,004	526,378
2005/06	1,686,507	1,773,301	1,781,703	2,124,379
2004/05	707,562	709,944	770,712	773,094
2003/04	938,138	1,011,023	1,016,053	1,118,638

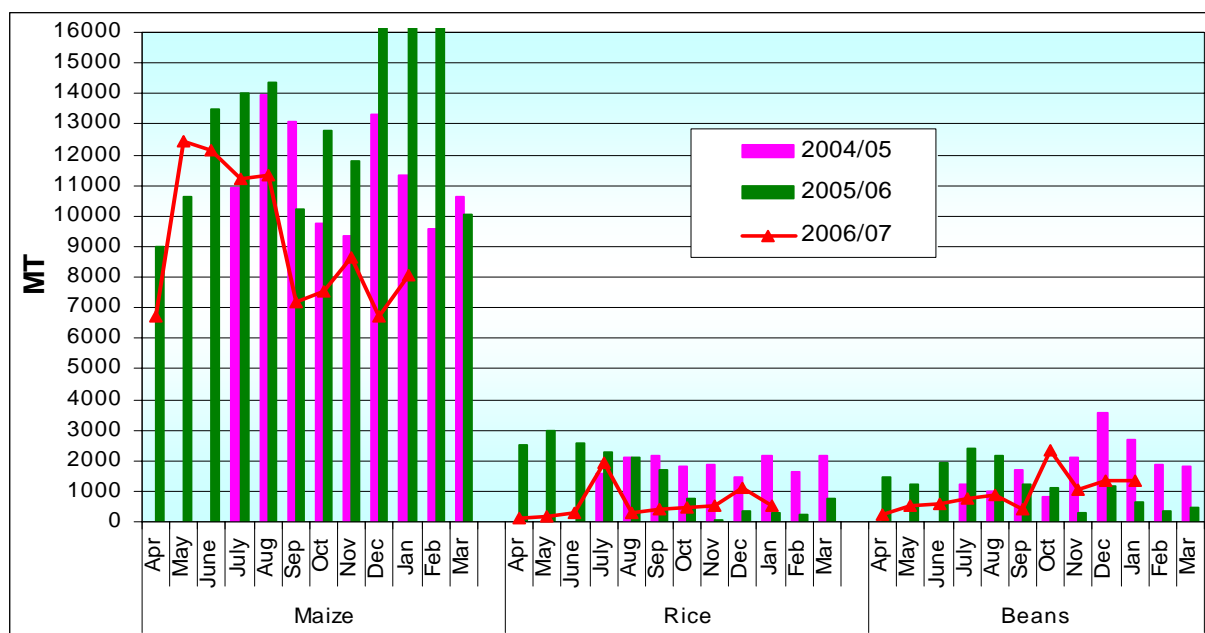
Source: South African Grain Information Service (SAGIS)
2006/07 data as at February 23, 2007

(Botswana, Lesotho, Namibia and Swaziland). Zimbabwe, whose import program is estimated at 565,000 MT, has only received 138,200 MT from South Africa. Exports to Zimbabwe have dwindled since October, with nothing shipped during the months of January and February. This could be a reflection of the exorbitant prices at which maize is currently being sold in South Africa when compared to prices in neighboring Zambia from which a consignment of some 100,000 MT has been secured. Table 3, which shows maize exports from South Africa for the past four years clearly shows that this year's exports will be the lowest despite the availability of an exportable white maize surplus of some 840,000 MT. The National Department of Agriculture's Agricultural statistics directorate estimates a total of about 1.3 million MT to be carried over to the next marketing year.

Informal cross border imports

Informally traded volumes of maize, rice and beans among the six monitored countries in the region increased slightly in January. The total amount recorded was just over 9,900 MT, representing a 3 percent increase over the previous month and a 53 percent decline when compared with the same time last year. The volume of maize traded in January (8,000 MT) was 20 percent higher than the previous month, but 60 percent below the January 2006 level of 19,950 MT (see figure 6). Current maize trade levels are indicative of the staple food supply situation in the monitored countries. In 2005/06, a relatively poor production season, trade volumes between April 2005 and January 2006 amounted to 168,972 MT. Trade volumes over the same period in 2006/07 were only 107,177 MT, or 37 percent less than in 2005/06, reflecting a good production season. Prices at both source and destination have also remained low, even over the hunger period, reducing the incentive to trade. Trade dynamics could be the same next marketing season if current harvest prospects remain good in the monitored countries.

Figure 6. Total informal cross-border trade in DRC, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe



Source: WFP/FEWS NET Informal Cross Border Monitoring System

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.