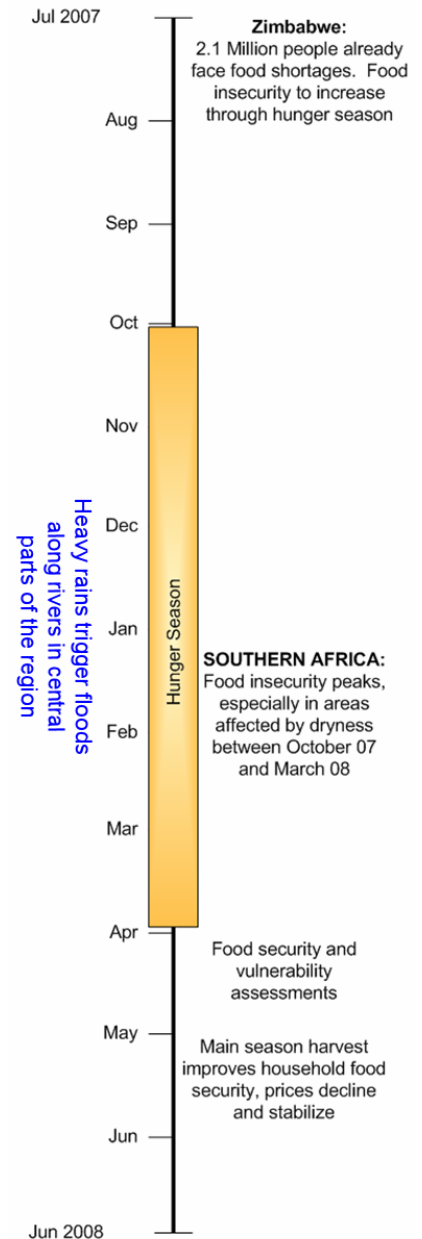


SOUTHERN AFRICA Food Security Update

January 2008

- As the hunger season progresses, food supplies are tightening throughout much of the region. Food security conditions continue to be mixed: the situation remains generally stable in the surplus producing countries of Malawi, Tanzania, and Zambia, while food insecurity persists in deficit countries such as Zimbabwe and in parts of southern Mozambique.
- Though the 2007/08 rainy season has been favorable overall, excessive rains and flooding in parts of several countries, particularly Mozambique, have elevated the level of food insecurity for thousands of affected households. In most of the food insecure areas outside flooded areas, food insecurity conditions have remained moderate, mainly due to a combination of on-going humanitarian interventions, a good second season crop, and the availability of green harvest from seasonal crops. Levels have not deteriorated to the worst case conditions.
- Apart from north-eastern bi-modal areas of Tanzania, and parts of western South Africa, the region has received above normal or normal rainfall. In particular, nearly the entire central part of the region has received significantly above-normal rainfall, with some areas receiving more than twice the normal rainfall for this period.
- The sustained heavy rains have resulted in serious flooding in parts of Mozambique, Zimbabwe, Zambia, and Malawi causing displacement of several thousand households and the destruction of crops, property (including livestock), and infrastructure. The floods have had their worst impact in Mozambique, where the government issued its highest flood alert, and continues to evacuate thousands of households from the vicinity of affected flood-risk zones, particularly in the lower Zambezi. Governments and humanitarian agencies have been providing necessary emergency support, including temporary shelter as well as food and non-food needs. While the response has in general been timely, emergency activities have been hindered by bad weather, the recent damage to infrastructure, and in some cases lack of aircraft. Assessments are currently underway in the affected countries to determine the extent of damage to communities, infrastructure, and crops.
- Available data suggests a significant volume of intra-regional maize trade between surplus and deficit countries. Formal trade flows have picked up since October, and overall imports/exports progress has been quite impressive when compared to previous years. This could be partly due to the unbanning of exports in the surplus producing countries, and the government to government trade negotiations, especially the Malawi – Zimbabwe export agreement. Nonetheless, current delivery rates need to be maintained and even accelerated until the end of the hunger season as many more households are now relying on the markets to access food.

Early Warning Timeline



Food security summary

Although the current food security situation remains stable in Malawi, Tanzania, Zambia, and northern Mozambique, where food crop production was good due to favorable rainfall during the 2006/07, on farm food stocks are declining as the hunger season progresses. However, second season harvests in December in Malawi and as early as September in Mozambique, and the early availability of seasonal crops from late December have stabilized available food supplies. This has contributed to the relative stability of food prices, which, although rising seasonably, are on average lower than the past 5-year average for this time. This has facilitated access to adequate amounts of staple food for most market-dependant households.

Post harvest assessments in these countries revealed that although the majority of households 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, food needs have increased over the hunger season, particularly in areas also affected by flooding.

In Zimbabwe, Lesotho, Swaziland and southern Mozambique, where production was severely reduced due to drought, food insecurity levels have remained critical, and in cases been exacerbated by the localized flooding that has persisted since late December 2007. Although the situation is 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 and inadequate resourcing of food aid pipelines for both government and humanitarian programs. Reports from southern Mozambique, however, indicate some improvements in food security due in part to the food aid programs and the availability of seasonal crops.

The combined WFP and C-SAFE (the Consortium for the Southern Africa Food Security Emergency) regional cereal pipeline for its PRRO in response to the April/May 2007 assessments has 172,000 MT of cereals available for the period January – April 2008. This amount falls short of the requirement of 192,000 MT. Pipeline breaks are anticipated in most countries; Mozambique, Namibia and Zambia, have no stocks at all from January, a temporary break is indicated in Zimbabwe in February, while Swaziland will run out of stocks in February. Lesotho is currently the only country with no pipeline breaks for the period, while Malawi's PRRO program came to

Table 1. Food aid (cereal) distributions for April – December 2007 and pipeline requirements January 2008 – April 2008. WFP Southern Africa PRRO (MT)

	Apr - Dec 2007		Jan 2008 - Apr 2008		
	Planned	Distributed	Requirements	In Pipeline	Shortfall
Lesotho	13,338	11,130	15,280	17,722	2,442
Malawi	19,356	14,040	0	1,995	1,995
Mozambique	30,212	7,252	15,465	10,187	-5,278
Namibia	7,289	6,591	2,452	0	-2,452
Swaziland	13,023	7,178	7,588	3,495	-4,093
Zambia	34,987	11,052	17,259	1,295	-15,964
Zimbabwe	177,573	86,726	133,704	137,080	3,376
TOTAL	295,778	143,968	191,748	171,774	-19,974

Source: World Food Programme (ODJ) and USAID/FFP Pretoria. Pipeline data includes C-SAFE programs for Lesotho and Zimbabwe

an end at the end of December. It is concerning that pledges received remain insufficient to meet the needs as assessed in the appeals that were issued by the UN, WFP, national governments and other humanitarian agencies. As shown in Table 1, food aid distributions have thus far fallen far short of what was planned in all seven countries mainly due to under resourcing of intervention programs. Needs have now risen as many households in flood affected areas have lost their food stocks, assets, and access to fields, and have been evacuated to places of safety.

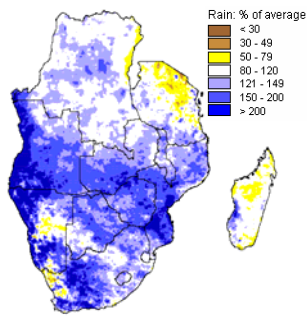
Seasonal progress

The 2007/08 rainfall season continues to be a very wet one in southern Africa, as most parts of the SADC region have received significantly above-normal rainfall. Figure 1 shows the cumulative rainfall from 1 October 2007 to 20 January 2008, expressed as a percentage of average. Blue colors indicate above normal rains, white shows approximately normal rains while yellow and brown show areas where rainfall has been below normal. Apart from north-eastern Tanzania, parts of western South Africa, central parts of Namibia, and the northern half of Madagascar, the region has received above

normal or normal rainfall. In particular, nearly the entire central region has received above-normal rainfall, with some parts receiving more than twice the normal rainfall they would receive during this period.

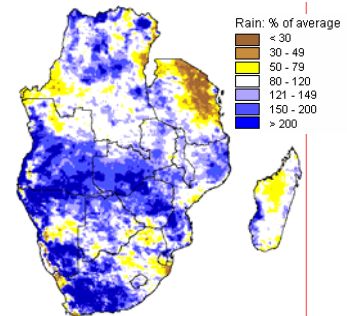
These sustained heavy rains have resulted in severe flooding in parts of Mozambique, Zimbabwe, Zambia, and Malawi. The Government of Mozambique issued its highest flood alert, and has evacuated thousands of households from the vicinity of affected flood-risk zones, particularly in the lower Zambezi. The situation in the lower Zambezi is compounded by the heavy rains that have been falling upstream in Zambia and Zimbabwe. The

Figure 1. Cumulative rainfall October 2007 – January 20, 2008 (percent of average)



Source: NOAA/FEWS NET

Figure 2. Cumulative rainfall Dec 21 2007 – January 20, 2008 (percent of average)



Source: NOAA/FEWS NET

government continues to evacuate additional areas in anticipation of opening the flood gates of the Cahora Bassa Dam on the Zambezi. The incessant, heavy rains in these central parts of the region have also led to fears of widespread crop losses due to inundations leading to leaching and waterlogging, particularly in the productive southern parts of Zambia, and northern and central parts of Zimbabwe. Assessments are currently being undertaken in the affected countries to determine the extent of damage to both infrastructure and crops.

In general, above normal rains usually bring both negative and positive impacts: the negative impacts are due to flooding and destruction of crops and property, especially in riverine and flood-plain areas; and the positive impacts are due to adequate rainfall supply for agricultural activities across vast areas. Looking at the more recent events, Figure 2 shows the rainfall for the 31 days spanning from 21 December 2007 to 20 January 2008. The map clearly shows areas in southern Zambia, and northern and central Zimbabwe that have received more than twice their normal rainfall amounts (dark blue colors, Figure 2). These include some of the areas where crop-losses will occur due to adverse effects of excessive rains. The rains received in South Africa have been good for crop development, particularly in the most productive areas, raising prospects for a good 2007/08 maize harvest.

Despite the heavy rains being received in other parts of the region, Tanzania is facing a problem of the opposite nature. The north-eastern half of the country has received below normal rains in the last 31 days starting 21 December 2007, and in many areas, less than 30 percent of the rains normally received during this time (brown colors over Tanzania in Figure 2b). This dryness has had negative impacts on agricultural activities over the *vuli* season, which appears to have failed. Swaziland has also recently reported dryness in the eastern parts of the country that is already affecting crops in those areas.

In general, crop growing conditions in most of the region not affected by flooding are reported to be good, and prospects for the 2007/08 food crop harvest are favorable. Summer crops are reportedly thriving, with cereal crops reported to range in stage from vegetative to flowering and cobbling in those areas where farmers took advantage of early rains. However, continued above normal rains could still lead to additional reduced crop yields due to soil nutrient leaching as a result of water logging. Yields could also be reduced by poor husbandry practices (weeding) due to the incessant rains.

Agricultural inputs are generally readily available in most countries, but critical shortages exist in some areas. Fertilizers have not been readily available in much of Zimbabwe, and seeds are currently needed in parts of Mozambique where farmers may have the opportunity to replant once the flood waters recede. Governments and humanitarian agencies in some countries have been implementing programs to make inputs accessible both commercially and through emergency assistance. Success in program implementation varies from country to country. Government input subsidy programs in Malawi and Zambia, which have contributed significantly to production recovery in the last two seasons, were reported on track. Reports from Zambia however indicate that the program has been scaled back this season due to funding limitations.

Markets, trade and food access

This year, a significant amount of formal maize trade is going on between deficit countries and the three surplus producing countries of Malawi, Tanzania and Zambia. This trade exceeds the level of exports from South Africa, which has been less significant this year due to shortages and high prices in South Africa. Malawi has been supplying some 400,000 MT to Zimbabwe over a 10 month period (May 2007 – Feb 2008) and, by the end of December, some 319,000 MT had been shipped. Malawi's National Food Reserve Agency (FRA) shipped 286,600 MT of maize, while an additional 32,300 MT were shipped by the World Food Aid Programme for its food assistance programs in Zimbabwe. Zambia is also exporting to several neighboring countries including Democratic Republic of Congo (25,000 MT), Zimbabwe (105,000 MT) and South Africa (46,821 MT).

Table 2. Maize imports by SADC member states, April to January 2008 (MT)

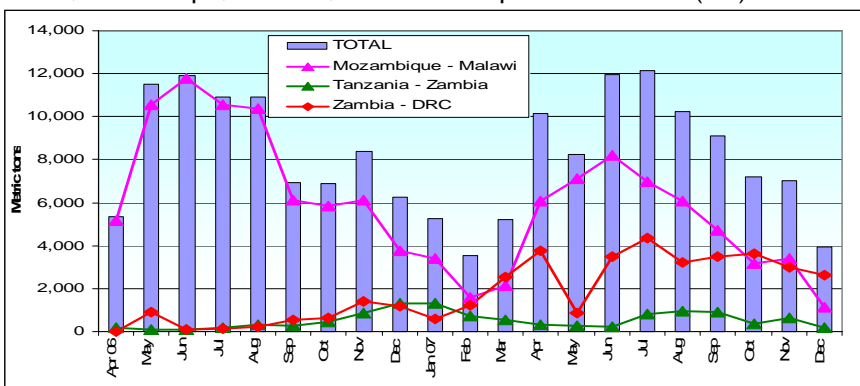
Source	Ang	Bot	DRC	Les	Moz	Mal	Mad	Nam	RSA	Swa	Tan	Zam	Zim	TOTAL
SA White Maize	0	92,519	0	57,321	35,391	0	0	39,568	0	24,304	0	0	7,170	256,273
SA Yellow Maize	0	2,278	0	7,713	0	0	0	13,928	0	34,666	0	0	287	58,872
Informal Cross Border*	-	-	28,454	-	1,964	47,262	-	-	-	-	1,614	8,327	515	88,136
Formal Other	11	506	25,477	-	-	-	-	8,412	51,154	-	-	-	424,200	509,761
Total	11	95,303	53,931	65,034	37,355	47,262	0	61,908	51,154	58,970	1,614	8,327	432,172	913,042

Source: South African Grain Information Service (SAGIS) – Feb 1, 2008 and Southern Africa Informal Cross Border Monitoring System - Dec 2007 *Informal trade volumes only includes trade observed volumes "captured" by the border monitors

Following a below average harvest in 2006/07, South Africa is importing substantial quantities of maize to meet both its domestic requirements and export commitments to neighboring Botswana, Lesotho, Namibia and Swaziland. At the end of January 2008, the South African Grain Information Service (SAGIS) indicated that South Africa had imported 1.07 million MT of yellow maize from Argentina and 25,797 MT of white maize from Zambia (21,464 MT Zambia Food Reserve Agency), Tanzania (3,528 MT) and Malawi (805 MT). The Zambia FRA reports that it has shipped an additional 25,357 MT of maize to South Africa.

Data from the cross border food trade monitoring system indicates that informal trade continues to play a significant role in filling localized food gaps and is stabilizing food prices in rural markets. For example, as shown in Table 2 (and figure 3), Malawi has already informally imported some 47,000 MT of maize from northern Mozambique, while Zambia has exported some 29,000 MT, mostly to the DRC. Nonetheless, this type of trade accounts for a relatively small proportion of total national imports, especially in countries (like Zimbabwe) where large cereal deficits exist.

Figure 3. Volume of informal cross-border trade in maize between DRC, Malawi, Mozambique, Tanzania, and Zambia: Apr 06 - Dec 2007 (MT)



Southern Africa Informal Cross Border Monitoring System - Dec 2007

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 72 percent of planned maize imports (commercial and food aid) in the SADC region have been received nine months into the marketing year, while 60 percent of exports have been shipped. Although it is possible that actual trade exceeds what is currently recorded, trade volumes have picked up significantly since October. The current delivery rates need to be maintained and even accelerated until the end of the hunger season, as many more households are now relying on the markets to access food.

Internal distributions to more remote markets in deficit areas could also be hindered by the inclement weather and damage to infrastructure.

Maize prices

In many parts of Malawi, Zambia, Tanzania 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.

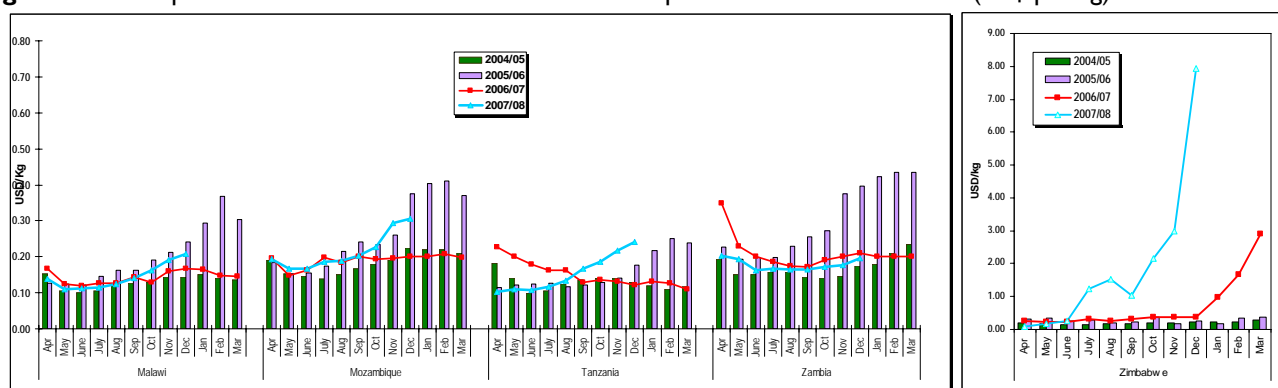
However, prices in most areas have increased more rapidly this year and, with the exception of Zambia, December prices are now significantly above their levels at the same time last year (Figure 4). In December, average retail prices in the monitored markets of Malawi (Chitipa, Mchinji and Nsaje) rose 9 percent over November prices; in Zambia (Lusaka and Choma), they rose 10 percent; while in Tanzania (Dar-es-Salaam and Mbeya), and prices went up 11 percent.

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

	Maize	Wheat	Rice	Sorghum /Millet	TOTAL Cereals
Deficit/Surplus	-1,370	-2,721	-840	-112	-5043
Planned Imports	2,884	2,440	539	86	5,948
Planned exports	1,585	123	20	32	1,760
Uncovered Gap/Surplus	-71	-404	-321	-59	-852
Imports Received	2,068	943	119	19	2,777
Exports shipped	945	109	20	0	990
Imports Progress (in %)	72	39	22	22	53
Exports Progress (in %)	60	89	100	0	61

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

Figure 4. Retail prices of white maize at selected markets – April 2004 – December 2007 (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 remained generally stable over this period, largely reflecting adequate national food availability. In some areas in the south, prices, though higher than at the same time last year, dropped between November and December and are now below the 5-year average. This is indicated by prices recorded in Chokwe where prices dropped from Mts 6.46/kg in November to Mts 6.37/kg. Although the drop is marginal, it is quite unusual for this time of the year in an area where production was below normal. Similarly, in the north (as represented by Nampula market), prices dropped between November and December (from Mts 8.36 to Mts 8.22/kg). In the south, this trend is partly due to the increasing consumption of rice (and the competitive price at which rice is now sold), as well as on-going food aid distributions, while in the north, it is mainly attributed to the surplus production in Malawi which has reduced demand. Marginal increases were recorded in the centre (Beira, 2 percent) and in Maputo (1 percent). Overall, the national average price (Maputo, Beira and Nampula markets) in US Dollar terms shows a 4 percent increase over the November average price level (Figure 4).

In Zimbabwe, maize prices continue to be driven by the critical scarcities and the internal distribution problems of available supplies by the Grain Marketing Board. The highest open market prices have been recorded in southern and western districts of the country, where production deficits were most severe. In December, maize prices in US dollar equivalents in the three monitored markets (Harare, Bulawayo, and Mutare) rose on average by 166 percent, (from US\$2.98/kg in September to US\$7.94/kg - using the official revised exchange rate of Z\$30,000 to US\$1). Prices in Bulawayo remain higher than those obtaining in Harare and Mutare, although the gap has narrowed since October – indicating increasing severity of the shortages across the country. December prices in Bulawayo were recorded at Zim\$285,714/kg compared to

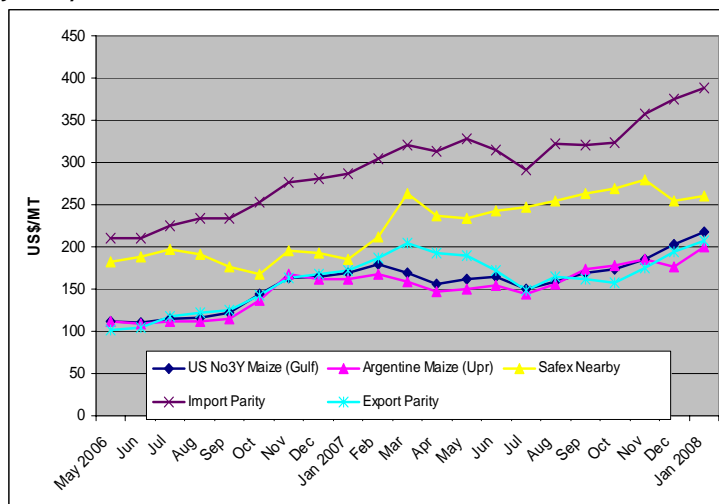
Zim\$257,143/kg in Harare and Zim\$171,429/kg in Mutare. Food prices are expected to escalate further as the hunger season peaks and available supplies remain insufficient to meet domestic demand, especially in urban areas where residents have not been targeted to receive the critical food aid to the same extent as in rural areas.

South Africa maize prices

Prices of maize on the South African Futures Exchange (SAFEX) continue to be volatile – responding to trends in international grain prices, local weather conditions and the strength of the local currency. The general trend however remains upwards, with maize prices (both yellow and white) rising steadily since the marketing year began in May. Nearby white maize prices rose 19 percent from an average of US\$236/MT in May to US\$280/MT in November, and then fell sharply (9 percent) to US\$254/MT in December. Yellow maize prices on the other hand rose more sharply (24 percent) between May and November from US\$240/MT to US\$298/MT and then dropped 8 percent to US\$273/MT in December. January 2008 prices (for both white and yellow maize) started off higher than those recorded in December, but they have been falling steadily, mainly in response to favorable local crop growing conditions. Yellow

maize prices have exceeded white maize prices since the 2007/08 marketing year began this May, and nearby prices on SAFEX have been closer to import parity as prices follow closely the trend in international grain prices (figure 5).

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

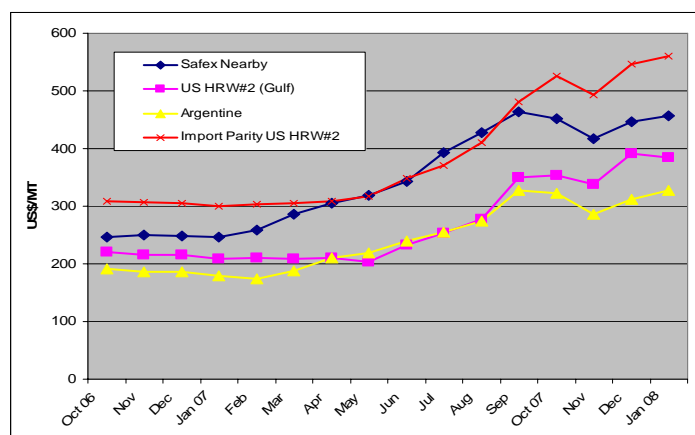


Data source: SAFEX and SAGIS

South Africa wheat prices

With global supplies of wheat remaining tight, local wheat prices on SAFEX have risen sharply in the course of this marketing year, resulting in increased bread prices, which is a main staple for many South African consumers. South Africa 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, which, like the maize prices, also respond to international trends as well as local demand/supply conditions (Figure 6). South Africa domestic requirements are estimated at 3.0 million MT. With last year’s production estimated at 1.72 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 – Jan 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.