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FEWS NET FAMINE EARLY WARNING SYSTEMS NETWORK

ZIMBABWE Food Security Outlook Update November 2011

Most households reliant on the market for food

Key Messages

- Availability of basic food stuffs, including staple cereals, are generally stable throughout the country, but the general cost of living continue to increase at a pace faster than increases in incomes for most rural and urban households.

- Planned food assistance programmes for the 2011/12 consumption year are facing resource challenges and might not adequately support the food insecure population.

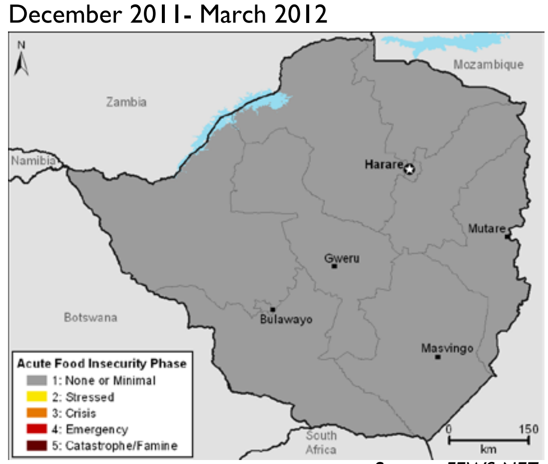
- Agricultural inputs (seeds, fertilizers fuel and chemicals) are readily available on the market, but most farmers' continue to face serious financial constraints. Agricultural inputs support programmes by Government, donors, and other entities will address part of this problem.

- Effective rains for the 2011/12 rainfall season are expected from mid-November to early December for most parts of the country and the forecast for the November to January period by the SADC Climate Monitoring Centre points to increase chances for normal to above normal rainfall.

Figure 1. Current food security outcomes, November 2011

Source: *FEWS NET*

Figure 2. Most likely food security outcomes, December 2011- March 2012



Source: *FEWS NET*

For more information on the IPC Acute Food Insecurity Reference Table, please see: www.fews.net/FoodInsecurityScale

Updated food security outlook through March 2012

At the national level the food security situation is generally stable. ZimVac estimated about 9.6 percent of the population will have insufficient food entitlements from October to December 2011. That estimate is expected to increase to 11.5 percent of the population during the January—March 2012 period. This situation indicates an improved food security situation compared to last year and the average situation for the recent past five year. The country's food security situation from November through to March 2012 is classified as being in the IPC Phase 1; having no or minimal acute food insecurity (Figures 1 & 2).

The highest prevalence of food insecure households was estimated to be in poorer parts of the rural and the urban areas of the country. These areas make up the traditionally food insecure areas of Zimbabwe. As discussed in the last month's FEWS NET outlook report, the following three livelihood zones (LZs) remain the areas of most concern for food insecurity as they are likely to have the highest levels of acute food insecurity:

This report provides an update to the October 2011 FEWS NET Food Security Outlook report which estimated food security conditions in Zimbabwe through March 2012. The next Outlook report will be released in January 2012 and will cover the January through June 2012 period.

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- **Masvingo Manicaland Middle veldt Smallholder** - (covering southern parts of Zaka, southern Bikita, southern Chivi, southern Gutu, southern Buhera, southern Mutare, northern part of Chipinge, Western part of Chimanimani, Chirumhanzu, southern parts of Shurugwi and northern part of Zvishavane.
- Livelihood Zones of **Cereal and Low Cotton Communal**- (covering Kariba district, northern part of Gokwe North and Southern parts of Hurungwe district); and
- **Agrofisheries**- (covering northern parts of Hwange, Binga and Kariba districts), (Figure 3).

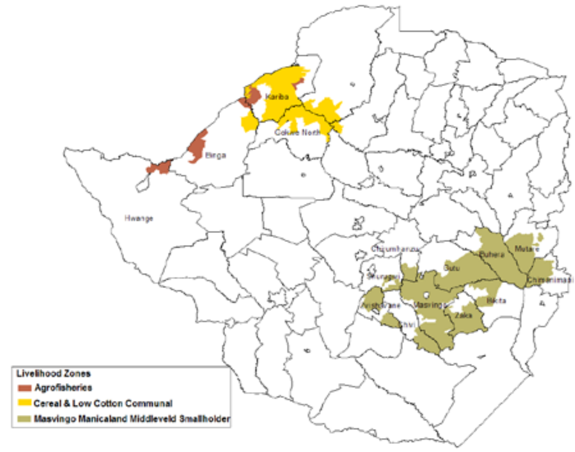
A significant proportion of households in these zones are likely to experiencing acute/transitory food insecurity due to poor harvest from the last summer season as well as limited alternative sources of food and incomes in these areas.

The World Food Programme (WFP) with its implementing partners through the Seasonal Targeted Assistance programme (STA) have plans to provide food assistance to about 854,000 people in 34 of the most food insecure districts from November to December. The food aid programme is planned to cover more than 80 percent of the ZimVac estimated 1.026 million food insecure rural people during the peak lean season. While adequate supplies of cooking oil and pulses have been secured, the cereals pipeline is projected to experience some challenges. At the beginning of November 2011 the cereal shortfall for the season was estimated at 38,000 MT . Recent additional support by USAID to WFP will reduce the cereals shortfall substantially. The government of Zimbabwe managed to resource its strategic grain reserves from local purchases from last summer season's harvest. This could be drawn down to address the estimated cereal shortfall provided a viable working arrangement between the Government and WFP is worked out.

Stable Food availability

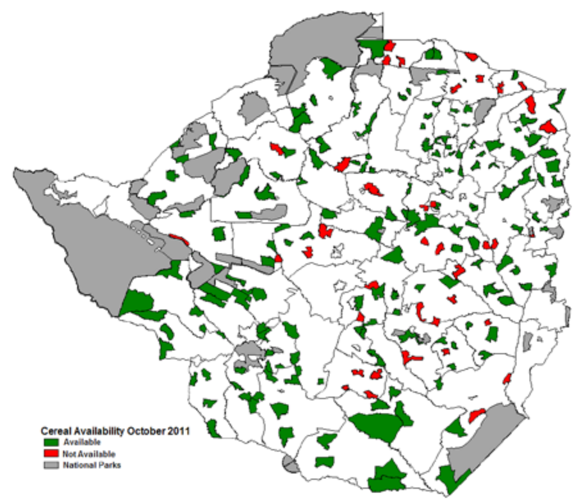
Market monitoring in both urban and rural areas have shown stable availability of basic food stuffs, including staples cereals, in markets throughout the country. According to the Agriculture and Food Security Monitoring System (AFSMS), in October 2011, 84 percent of the 198 wards that are monitored reported that staple cereals were available in the market, (Figure 4). The remaining 12 percent indicated that there were no cereal available in these areas at the time of monitoring in early October, but these wards were adjacent to wards that report maize to be available. For households who are purchasing grain in the areas of

Figure 3. Areas of Concern



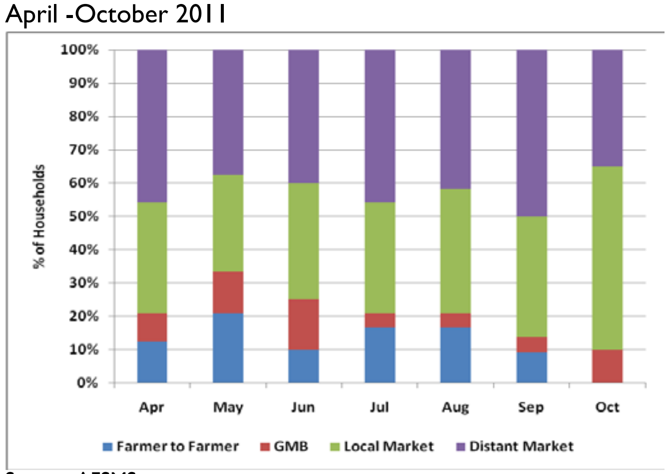
Source: *ZimVac*

Figure 4. Cereal Availability in AFSMS monitored wards _October 2011



Source: AFSMS

Figure 5 . Market Sources of Grain in Areas of Concern April -October 2011



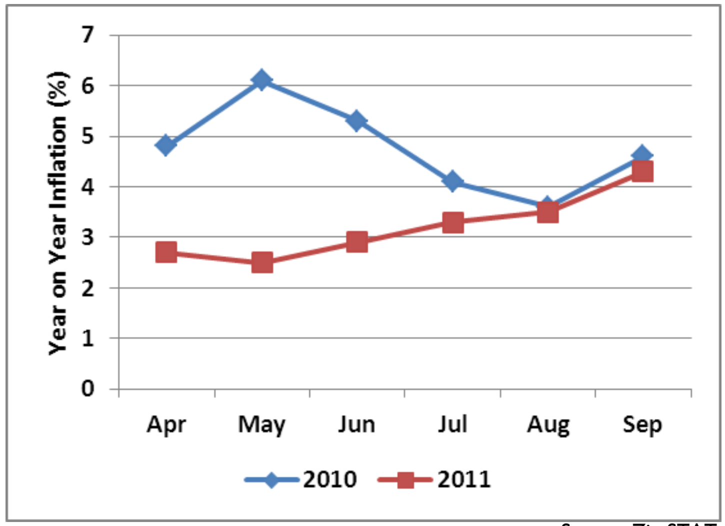
Source: AFSMS

concern, the local market is currently the major source although farmer to farmer purchases have become less common (Figure 5). Furthermore, availability of basic food commodities in most medium to large markets throughout the country remained stable. The re-introduction of import duty on cooking and maize meal has so far not reduced availability of the affected basic commodities on the market.

Increasing Cost of Living

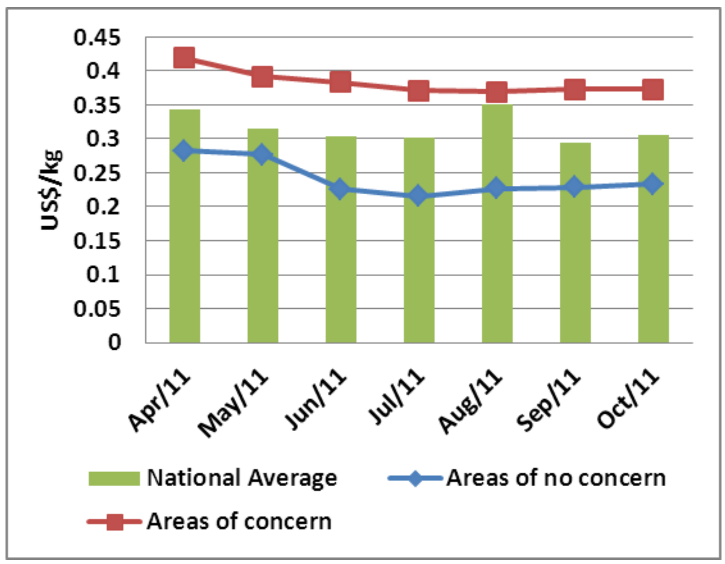
The year-on-year rate of inflation for September 2011, as measured by the Zimbabwe Statistics Agency (ZimSTAT), gained 0.8 percentage points on the August rate to 4.3 percent (Figure 6). It has been on an upward trend since June, although the levels compare favorably to the same time last year. Increases in prices for electricity, food, and transport mostly contributed to the rising inflation. These increases are primarily, attributed to speculative tendencies by retailers as they anticipate customers to get annual bonuses which are normally paid in November and December. Despite these inflation performance, Ministry of Finance still maintains its inflation rate of 4.5 percent by end of the year. Alternative inflation forecasts by the World Bank and the African Development Bank put the year-end year-on-year inflation forecast at around 5 percent.

Figure 6. Trends in Annual Rates of Inflation: Apr – Sept 2011



Source: ZimSTAT

Figure 7. Average maize grain prices, April 2011-October 2011



Source: AFSMS

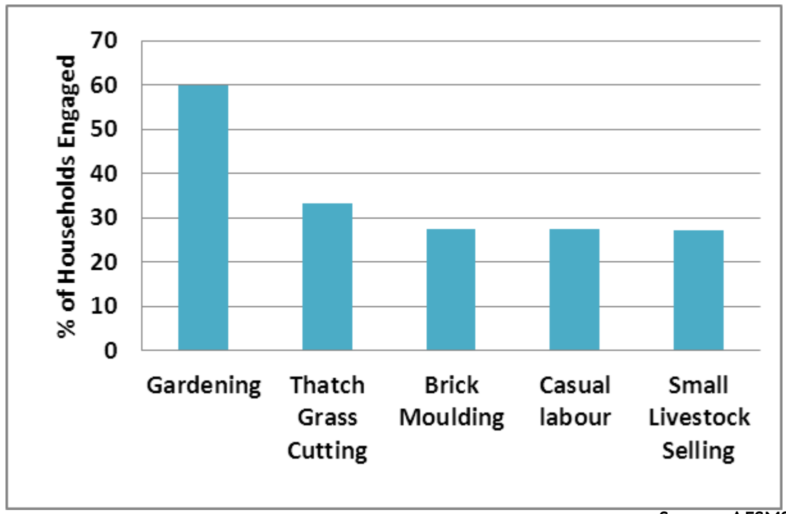
The cost of living of a low income urban household, as measured by the Consumer Council of Zimbabwe (CCZ), has also been on a marginal upward trend since August 2011. The October 2011 value of the CCZ basket was 10 percent higher than it was the same time last year. The food and non-food components increased by 15 and 8 percent, respectively. However, incomes in major employment sectors, which include commercial, agriculture, transport, and mining have not changed since April 2011 and have remained below the CCZ budget for a low income household. Actually this gap has been marginally widening since April, with the incomes ranging between 36 and 50 percent below the CCZ total basket cost in October 2011.

In October 2011, cereal prices at Mbare market in Harare, which generally represents prices at other urban market across the country, were higher than the same time last year despite being stable since April. Increases in cooking oil prices have been the highest among all the food commodities monitored. The re-introduction of import duty on maize meal and cooking oil contributed to the increase in the prices of cooking oil by about 25 percent between July and November 2011. Imported cooking oil continues to compete with local products that have failed to claim the whole domestic market. Average maize grain price in October were around US$ 0.29/kg while maize flour was about US$0.44/kg. As normal, maize grain prices are expected to go up this time of the season as household-held stocks continue to decreases.

Most cereal-deficit wards monitored by the AFSMS continue to recorded average maize grain prices above the national average price. The **Cereal and Low Cotton Communal** livelihood zone is, however, an exception as it has consistently recorded maize prices comparable to those in the grain surplus areas, which are below the national average (Figure 7). In October, maize grain prices in the **Masvingo Manicaland Middle veldt Smallholder** livelihood zone was 21 percent higher than the same time last year and recorded the highest maize grain prices of US$0.40/kg. Maize grain prices in the traditionally cereal surplus areas has been consistently stable since the harvest started in April 2011 bur remain higher than last year. In October 2011, these wards had an average maize grain price of US$0.23/kg.

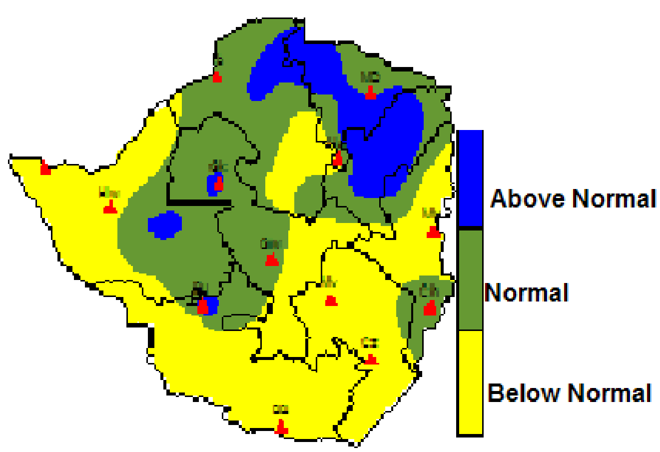
Households in the areas of concern engage in various income generating activities to raise enough income to meet their basic food and non-food needs. According to AFSMS in October the majority of households (60 percent) in the areas of concern engaged in gardening, followed by thatch grass cutting (33 percent) while some engaged in brick molding, casual labor and small livestock selling (27 percent) as the main income generating activities (Figure 8). However, actual income levels generated from these activities remain low and ranged from a minimum of US$5 to a maximum of US$60 per month. In October, brick molding fetched the highest monthly income of US$60 amongst the most prevalent income generating activities. It is likely that most households, especially those with able bodied members, will engage in more than one income generating activity and realize more income. As preparations for the 2011/12 agricultural season intensify, on farm casual labor opportunities are likely to increase even though incomes generated from this source are most likely to remain low. Livestock to cereals terms of trade in the **Cereal and Low Cotton Communal** were marginally unfavorable. An average sized ox could buy about 885kgs of maize grain in this zone yet the same animal could fetch more than a tonne in other zones. It is expected that livestock to cereals terms of trade will continue to deteriorate in these areas during the outlook period as traders try to cash in on the cereal gap which normally exists then.

Figure 8. Most Prevalent Income Generating Activities in Areas of Concern-October 2011



Source: AFSMS

Figure 9. Percentage of normal rainfall from 01-10-11 to 02-11-11



Source: Meteorological Services Department:

Summer Season progress

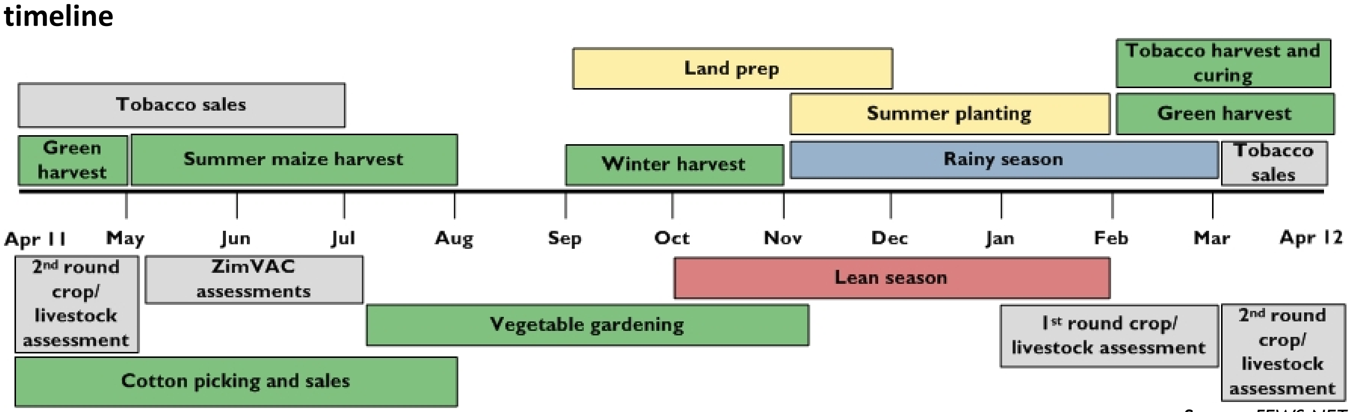
As the start to the 2011/12 summer cropping season draws near, availability of such critical inputs as seeds, fertilizers, fuel, pesticides and herbicides is generally stable. These inputs are selling at price levels similar to those that prevailed same time last year. However, many farmers have low purchasing power due to low incomes from last season's earnings and limited availability of credit facilities for farming. The Grain Marketing Board's late payment for grain deliveries by farmers last season exacerbated this financial problem. From late October the GMB was encouraging farmers to pick up some maize seed and fertilizers in-lieu of the cash GMB owed to them. While this addresses part of the farmers' access to inputs challenges, it was not received well by some farmers who viewed GMB as taking away their rights to make their own decisions.

Agricultural inputs support programmes by Government, Donor and other entities, currently underway, will alleviate the inputs access problem. The planned Government and Donor agricultural inputs support programmes for 2011/12 summer season is targeting to assist about 500, 000 farmers. By end of October close to 221,500 households had received agricultural inputs, whilst 302,000 households are expected to receive training and market linkages support. In addition to these agricultural support programmes farmers are also benefitting from individual and corporate programmes which are distributing agricultural inputs. A number of other input support programmes with special target groups and geographic areas are being announced through various public media.

The Zimbabwe Meteorological Services forecasted that the whole country has increased chances of experiencing normal to below-normal rainfall during the first half of the 2011/12 summer season (October-December) and increased chances of normal to above-normal rainfall in the last half (January-March). The SADC Climate Prediction Centre has presented an updated forecast for November to January, which indicates increased chances of normal to above-normal rainfall.

Last ten days of October 2011 were characterised by very hot weather conditions, and it was marked the hottest October over the last 40 years. In the same period most parts of the country received light to moderate thundershowers and in some parts accompanied with hail. While these rains were below normal for October, they created good condition for land preparation and rejuvenation of the veldt. Many farmers took advantage of the rains and prepared their lands. According to AFSMS monitoring in October about 70 percent of the monitored wards were still preparing land and the remaining 30 percent had not started land preparation, this situation is comparable with last year same time. The rains are likely to improve the veldt conditions that have deteriorated to mostly poor conditions in the monitored wards.

Seasonal calendar and critical events timeline



Source: *FEWS NET*