



MOZAMBIQUE

Food Security Update

October 2006

ALERT STATUS:
NO ALERT
 WATCH
 WARNING
 EMERGENCY

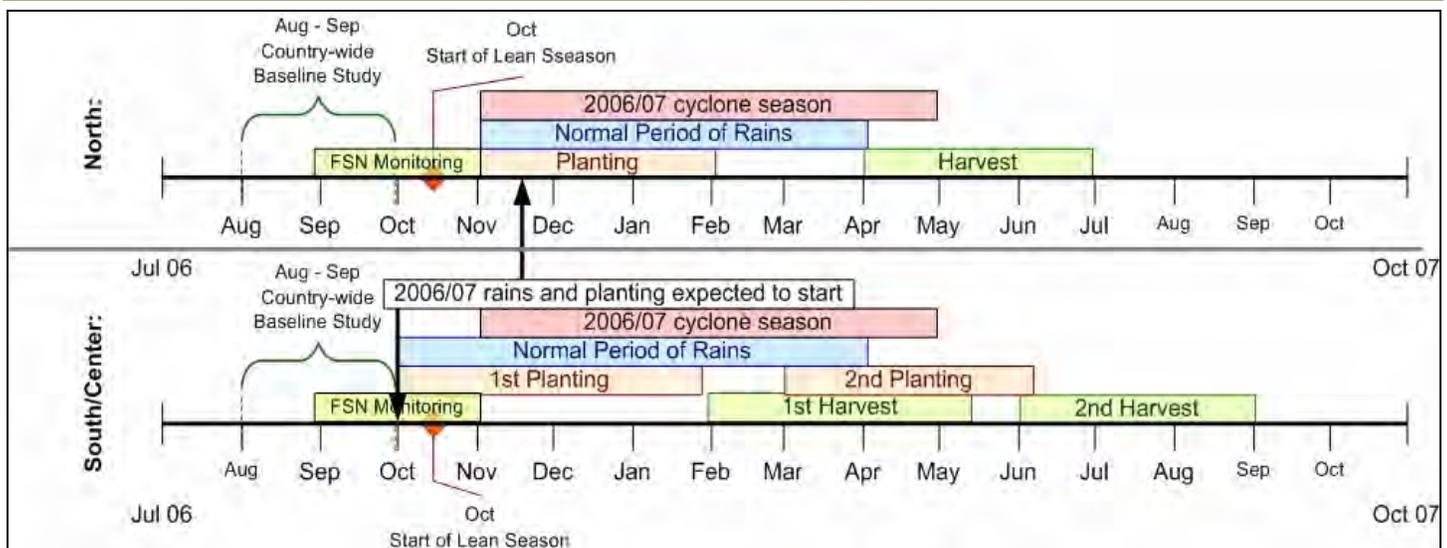
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Summary and implications

Generally, the food security outlook remains stable for a majority of the country, in contrast to the same period last year, when about 800,000 people, mostly in southern and central Mozambique, were extremely food insecure. Field information indicates that there are no major signs of emerging food insecurity, and little changes have occurred in the household food security status thus far since the harvest. August and September maize prices have remained well below the average (2001-05) and the prices last year, and most markets continue to be adequately supplied. Although the type of needs and the number of beneficiaries have not yet been identified by the SETSAN/Vulnerability Assessment Group (GAV), stakeholders recognize the need to mobilize resources to assist various households in need in the areas of localized food insecurity. Given the 2006/07 seasonal outlook, the National Directorate of Agrarian Services (DNSA) through its Crop and Early Warning Unit (DCAP) from Ministry of Agriculture (MINAG) released the agriculture outlook for the 2006/07 agriculture season as well as technical recommendations to help farmers to adopt adequate measures according to the expected seasonal agro-climatic conditions. FEWS NET and partners will closely monitor the rainy and cropping season, based especially on the remote sensing products and ground observations. The National Directorate of Water (DNA) is predicting low water flow into the Massingir dam based on the rainfall forecast for the Limpopo Basin catchments area in neighboring countries.

Seasonal calendar



Current hazard summary

- October marks the on-set of the hunger season, when food stocks run out and food prices generally tend to rise.

Food security summary

The food security outlook remains stable for a majority of the country this year, in contrast to last year, when at this time about 800,000 persons were extremely food insecure in the most of southern and central Mozambique, and some parts of the north. Last year's food insecurity was associated with high food prices, limited purchasing power, a lack of food reserves, and shortages of potable water for consumption. These indicators are less evident this year.

Despite this being only the first year of a relatively good harvest and the beginning of recovery from consecutive periods of poor rainfall, anecdotal field information indicates that there are no major signs of emerging food insecurity, and little changes have occurred in the household food security status thus far since the harvest. There is however the potential for localized food insecurity to emerge as the lean season begins in southern and central Mozambique. Most of these areas (e.g. northern Gaza Province, southern Tete and parts of Sofala) face structural problems that limit the ability of households to withstand the effects of crop production failure or shocks. In the northern region, the vulnerability to acute food insecurity is less marked because of good production and relatively stable food prices.

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Good forecast for agricultural season

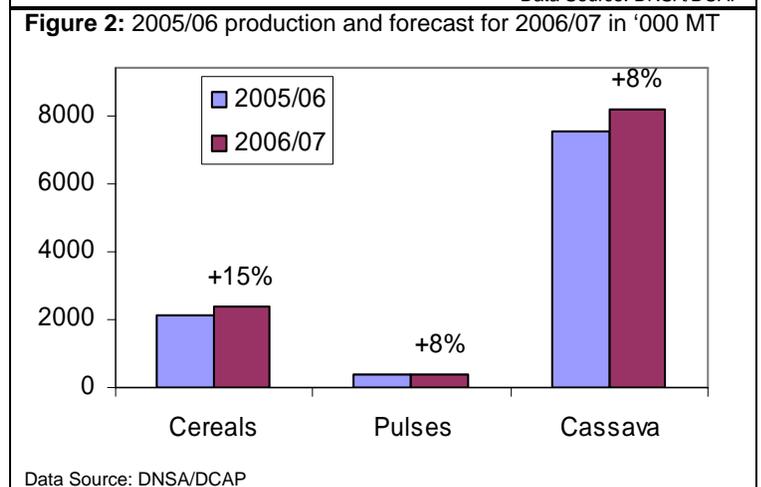
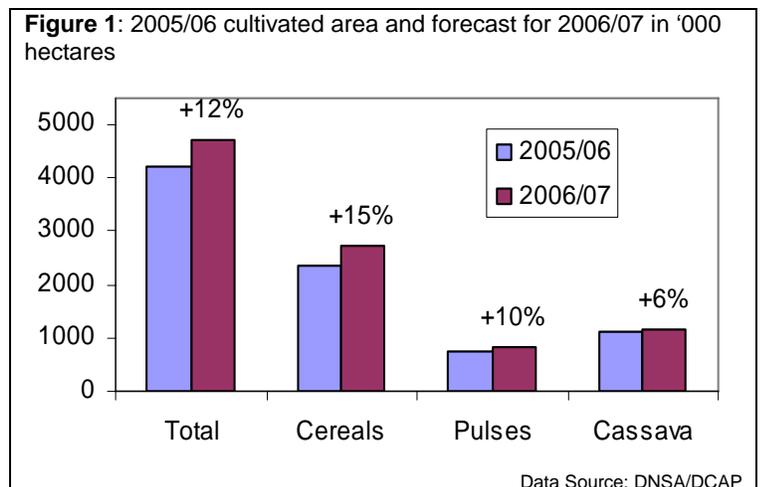
The National Directorate of Agrarian Services (DNSA) through its Crop and Early Warning Unit (DCAP) from Ministry of Agriculture (MINAG) has released the agriculture outlook for the 2006/07 agriculture season. In addition, the DNSA has provided technical recommendations to help farmers to adopt adequate measures according to the agro-climatic conditions expected this season. This agriculture outlook came out following the recently released rainy season outlook, which predicts a strong likelihood of receiving near normal to below normal rainfall in large part of the country during the October-December 2006 period and near normal to above-normal for the second half of the season (January-March 2007) in the whole country. Additional inputs for the analysis include the projected population statistics and agronomics indicators.

Figure 1 shows the total cultivated area in 2005/05 and the expected cultivated area in the 2006/07 agriculture season. MINAG/DNSA predicts a total increase of 12% in the total cultivated area if compared to the last season. The cultivated area for the cereals alone is expected to increase by 15%, from 2.3 million hectares to 2.7 million hectares, the cultivated area for the pulses will increase by 10% from 747,000 hectares to 820,000 hectares, and the area for cassava will increase by 6%.

Figure 2 shows the total production for cereals, pulses and cassava during the last season against the expected production in the 2006/07 agriculture season. The total production of cereals is expected to increase by 15% from 2.1 million MT to 2.4 million MT, while the production of pulses by 8% from 365,000 MT to 390,000 MT, and cassava by 8% from 7.6 million MT to 8.2 million MT.

The cereals are comprised of maize, sorghum, millet and rice, while pulses include beans and peanuts. In the cereals, maize is the most widely produced crop and its production is expected to reach 1.8 million MT, an increase of 15% from the previous season, followed by sorghum which may reach about 365,000 MT, an increase of 8%.

The largest increase, however, is expected to in the rice production, which may increase by 23% from the previous agriculture season to the 2006/07 season. This remarkable expected increase results from the promotional campaign from agriculture authorities to reactivate the cultivation of rice in some irrigated areas of Gaza and Zambézia provinces.



Technical recommendations

For the first half of the 2006/07 agriculture season (October-December 2006), the agriculture forecast for the southern region indicates low probabilities (less or equal to 30%) for the crops to meet their water requirements; for central Region the probabilities range from low (30-50%) to moderate (60-70%), and for the northern Region, the probabilities are low (30-50%), except in the coastal area of Cabo Delgado, where the forecast indicates very low probabilities for crops to meet their water requirements (less than 30%). In general, for the northern Region, the most productive region of the country, the water requirements are effectively covered during the second half of the season, since the rains become regular from December onwards.

For the second half of the season (January to March 2007), the agriculture forecast indicates for most of the country high to very high probabilities (70-100%) of crops satisfying their water requirements, except in parts of the south (Matutuine district in Maputo province) and the coastal districts of Cabo Delgado province, where the forecast indicate moderate probabilities.

Based on the forecast of near normal to above-normal rainfall during January-March 2007, there is some probability (35%) of excessive moisture for the crops in some unspecified locations. Regular monitoring of the rainfall performance will be crucial for detection of areas at risk. FEWS NET and partners will closely monitor the rainy season based especially on the remote sensing products, ground observations from the national climate observing network, field information and field trips whenever necessary.

Key recommendations for the farmers include the following:

South region:

- Farmers should sow during the normal planting period, using short cycle varieties.
- Special attention to possible pest outbreak like leaf miner worm and elegant grasshopper.
- Limit the overgrazing during the first half of the season.

Central region:

- Farmers should sow during the normal planting period.
- Special attention to migratory pests like red locust and army worm outbreak, especially in Sofala and Manica provinces.

North region:

- Farmers should proceed with normal planting period.
- Special attention to African "Mosaic" disease of cassava in the second half of the season (January-March 2007).
- Special attention should be paid to Niassa Province, where red locusts originate.

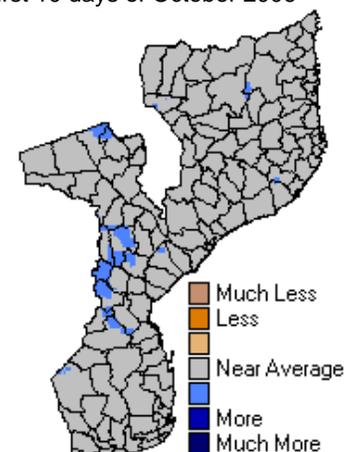
Water authorities ready for basins monitoring

The seasonal forecast is an important input for the water authorities to lay out their operational planning for the season. In fact, based on the SARCOF, the National Directorate of Water (DNA) has drawn some technical conclusions, from which the following are included:

- The storage level of the main basins are at satisfactory levels and capable to respond any operational demand (deficit or excessive water);
- In the Massingir dam, in south, there are indications that during the season the incoming water from outside borders will be relatively low, given that the rainfall forecast for those countries calls for normal to below-normal rains.
- The Licungo basin will require close monitoring during the whole rainy season, given that the area where it is located is susceptible to receive normal to above-normal rainfall during the whole season.

To date, the remote sensing analysis suggest near normal rainfall performance during the first ten-days of October 2006. As shown in Figure 3, the rainfall anomalies (difference between the actual ten-day total rainfall and the corresponding long-term average) range from near-normal (grey color) to slightly

Figure 3: Rainfall anomalies for the first 10 days of October 2006

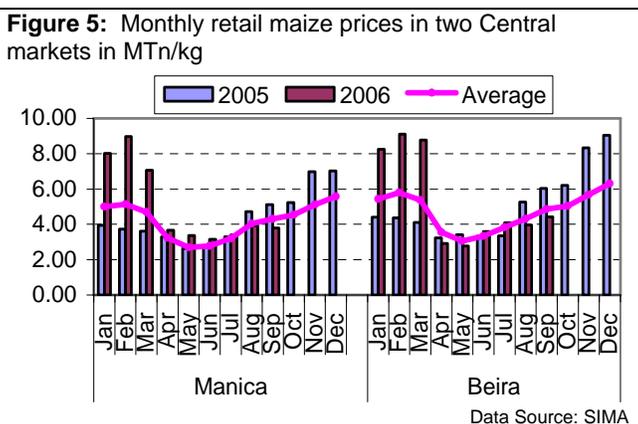
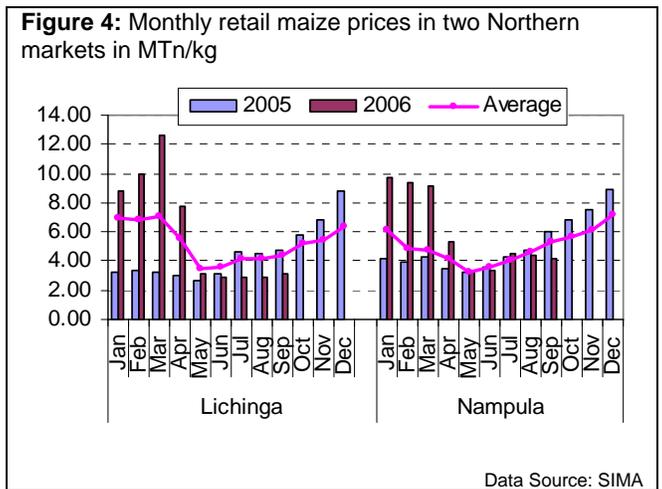


Source: USGS/FEWS NET

above-normal (blue color) in some portions of the country, including the central part of Maputo province and parts of Manica province. Nevertheless it is still early to draw any conclusions on agro-climatic trends and possible impacts in the household farming process.

Staple food prices consistently stable

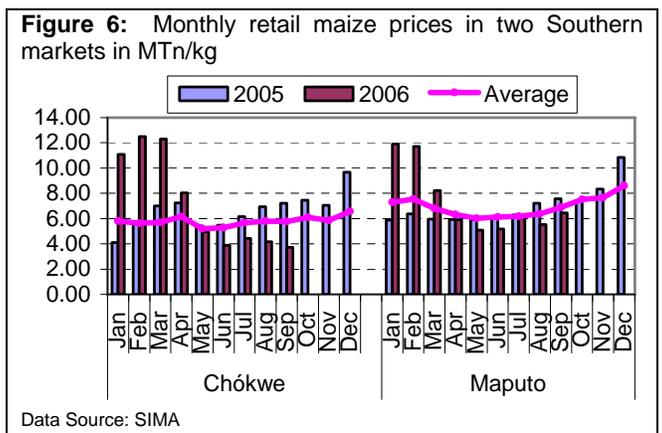
August and September maize prices have remained well below the average (2001-05) and prices last year in all markets monitored by the Agriculture Markets Information System (SIMA). As shown in the three graphs (Figures 4, 5 and 6), contrary to the expected rising trend from August to September, staple maize prices have fallen slightly in some markets such as Nampula in the north, Manica in the center and Chókwe in the south. The abnormally decreasing trend observed in the above illustrated markets and in various other markets in August and September, along with in the generally good stability in other markets reflects the satisfactory food supply that has characterized the current consumption year, thanks to the good production from the 2005/06 agriculture season. In general, since May, staple maize prices have been below the average line and last years prices, and in many cases the average monthly prices have been decreasing as already mentioned above. The last rainy and agricultural season has been considered as near normal to normal, and is therefore used as reference year for baseline study. Currently, SETSAN is carrying out a national baseline study already mentioned in previous reports.



While retail maize prices in September were well below average prices and last year's prices in all monitored markets, the average monthly maize price in Chókwe has been decreasing since July, following a small rise from June to July and then decreasing successively in August and September. During the last three months, average monthly maize prices in Chókwe were respectively 4.45MTn/kg in July, 4.18MTn/kg in August and 3.73MTn/kg in September. The decreasing trends in some markets, including Chókwe, are relatively insignificant and localized which so far may have no major impacts for small scale traders. As the season advances and approaching the peak period, maize prices are expected to rise consistently following the average line.

In general, maize prices are likely to start rising between now and when the next harvest begins, although they will be starting from a level below prices last year and the average price.

According to SIMA, if the agricultural forecast recently released by the Ministry of Agriculture (MINAG) through the National Directorate of Agrarian Services (DNSA), comes true as predicted, domestic markets may continue to be supplied by commodities of national origin. This may prevent any abnormal rise in staple food prices and therefore keep prices stable. However, for the northern region, including the Zambézia Province, prices may not depend only on local production but also on production trends in the neighboring countries, especially in Malawi, which represents an important market for the maize produced in that region. For the southern markets, SIMA prediction indicates that, similarly to the current consumption year, maize will continue to be brought in from the central region. During the last consumption year, South African maize has



supplied the southern markets of Maputo, Xai-Xai and Chókwe between December 2005 and February 2006 at higher rate than normally happens due to weak production during the 2004/05 agriculture season.

Concerning beans and peanuts, the central and northern regions may continue to supply the southern markets during greater part of the year, thus reducing the demand for imports from South Africa. According to SIMA, in the Maputo, Xai-Xai and Maxixe markets, the sales of imported beans from South Africa have been declining during the last years as domestically produced beans take a larger market share.

Trade in maize continues to be dominated by exports to Malawi. The dynamics of the trade by border point remain unchanged. The Muloza (Malawi) and Milanje (Mozambique) border remains the most significant in maize trade. Maize flowing from Milanje to Muloza accounted for 53% of the overall maize trade recorded in August. Retail prices along the Malawi/Mozambique border have on average declined by 27% from an average of 4.5 MTn/kg in August 2005 to an average of 3.2 MTn/kg by August 2006. The decline in prices is attributable to the above average seasons in Malawi and Mozambique. FEWS NET and partners will in the near future conduct a study around the border to better understand implications of the informal trade on household food security. The results of the study will inform decision making and policy formulation related to markets.