

ETHIOPIA Food Security Alert

August 12, 2008

Extreme Food Insecurity Compounded by High Staple Food Prices

The results of the 2008 *belg* season needs assessment suggest that high and rising staple food prices are compounding already extreme levels of food insecurity. While the official estimate of people in need of emergency food assistance in June stood at 4.6 million people nationally, this number is expected to increase considerably in light of the assessment results. Specifically, in addition to the failure of the *belg* rains and subsequent loss of crops, livestock and livestock productivity, high and increasing prices for staple foods since January are contributing to high and extreme levels of food insecurity. Additional food and non-food assistance is needed through the end of the year to mitigate the immediate impact of the price increases, poor rains, and below-normal agricultural production.

Conducted from June 23 to July 24, 2008, the 2008 *belg/gu* season needs assessment provides an overview of needs in *belg*- and *meher*-dependant areas of the country, using Household Economy Analysis (HEA) as the analytical framework, save for Oromia, where the 'traditional' approach was used. The results of the analysis that covered Amhara, Tigray, Oromia and Southern Nations, Nationalities, and Peoples (SNNP) Regions reveal that food deficits are severely increasing with rapidly rising staple food prices, hindering food access in these areas. In June, staple prices in these regions were 240 to 390 percent higher than the same time last year. Based on discussions with farmers, traders, and Ministry of Agriculture and Rural Development experts at the *woreda* level, these prices are expected to continue to rise an average of 10 percent above June 2008 levels between now and the end of the year, given current conditions.

Increases in staple food prices are coming at a time of already high and extreme levels of food insecurity in these regions. At the same time, livestock prices and labor rates have increased only minimally, further reducing the overall purchasing power of poor and very poor households.

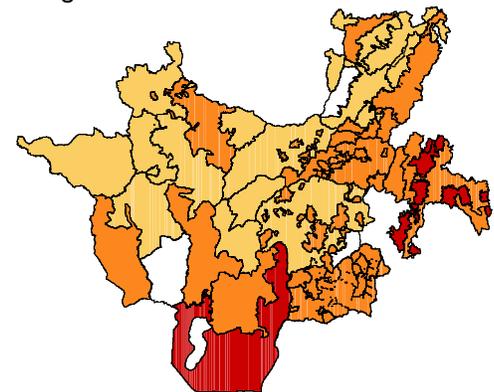
As evidenced in Figure 1, in a normal year, poor households in parts of SNNP and Amhara Regions depend on market purchases for over 50 percent of their kilocalorie needs. In a poor production season such as this, many of these households rely on the market to an even greater extent. However, given the significant increase in staple food prices and minimal to no increases in income, these households are not able to afford even their basic food needs, and are now faced with serious food deficits.

Given current and projected conditions, month-to-month expenditure/consumption deficits are cause for immediate attention. Poor households are not able to meet their kilocaloric needs from own production and other food and income

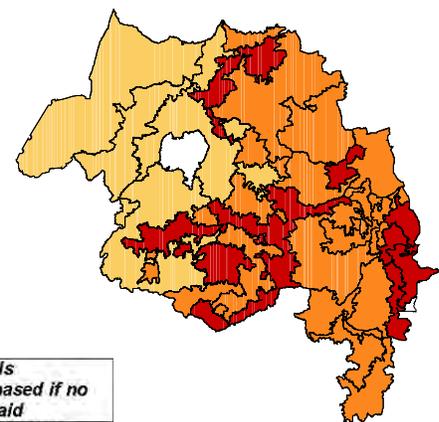
The Famine Early Warning Systems Network (FEWS NET) issues alerts to prompt decision-maker action to prevent or mitigate potential or actual food insecurity. The views expressed in this publication do not necessarily reflect the view of the United States Agency for International Development or the United States Government.

Figure 1. Household dependence on the market for food, poor households by livelihood zone and kilocalorie needs

SNNP Region



Amhara Region



Source: Ethiopia Disaster Prevention and Preparedness Agency Livelihoods Integration Unit

sources. In Damot Gale District in the Wolayita Maize and Root Crop (WMR) Livelihood Zone of SNNPR, for example, deficits from July until the beginning of the *meher* harvest in September/October 2008 are notably larger at projected 2008-2009 staple price levels than they would be at 2007 staple price levels (Figure 2). Moreover, deficits following the harvest will resume two months earlier, in April 2009. This represents a projected overall annual deficit of 47 percent, compared with the 27 percent deficit that would occur at 2007 price levels.

Figure 3 shows the impact of failed *belg* production, as well as rising prices, on emergency beneficiary numbers in Wolayita District, SNNPR. The 'base' in this graph represents total beneficiary numbers before the impact of the *belg* failure and this season's increase in staple food prices. In this example, high prices will increase the number of beneficiaries requiring emergency assistance by 15 percent through the end of the year.

Given these conditions, households, primarily from the poor and very poor wealth groups, will continue to face severe food deficits until the *meher* harvest begins in September/October. However, while the *meher* harvest normally covers food needs from October 2008 until March 2009 at normal production levels, initial forecasts for this year suggest a below normal harvest (90 percent of normal), thereby providing modest respite in terms of food availability. Moreover, even in *meher*-dependant areas, beneficiary numbers are rising due to the impacts of high food prices.

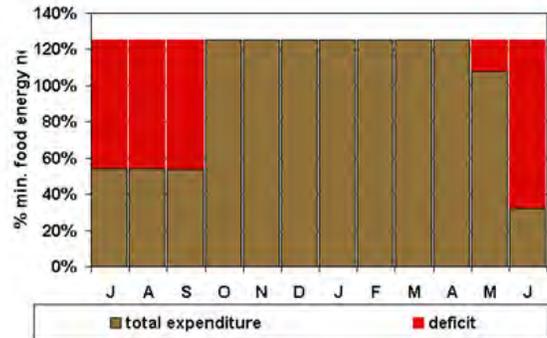
The mostly pastoral areas of Somali and Afar Regions are also severely affected by the high staple food prices, which have contributed to declining terms of trade. They have also been affected by the poor rains, which degraded pasture/browse and livestock conditions beginning in March. Households in Somali Region are facing some of the largest food deficits in the country, with staple food prices 400 to 522 percent higher than the reference year (2004/05) and rising still, with the potential to double by the end of the year. Assessment results for Somali and Afar Regions are expected to be released soon.

In terms of assistance, the current food aid pipeline faces current and projected shortfalls through the end of the year. There is currently a shortfall of 25 percent – or 147,000 MT – for emergency food assistance for the period June through November, and shortfalls will only worsen in the months ahead, with deficits of 100 percent for October and November. These needs, moreover, only cover the initial estimate of 4.6 million people, and exclude the additional needs from the *belg/gu* needs assessment results.

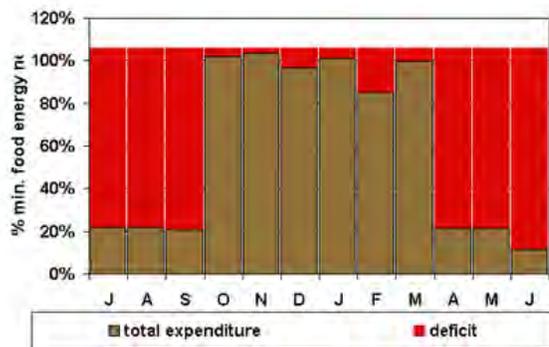
In addition to emergency food aid, there is also an urgent need to scale up ongoing nutrition interventions such as Outreach Therapeutic Programs in those areas currently facing high levels of acute malnutrition, including Amhara, Oromia, SNNP, Afar, and Somali Regions. Support to improve agricultural productivity during the coming *meher* season is also needed, as farmers are unable to buy needed inputs such as seed and fertilizer due to their high prices and the shift of household income to food purchases. Market stabilization programs are also needed in both urban and rural areas where food shortages in the market are being reported.

Figure 2. Comparison of seasonal expenditure / consumptions deficits (food and cash) for poor households in Damot Gale District, WMR Livelihood Zone, SNNPR to June 2003-July 2004 baseline

(a) At 2007 staple price levels

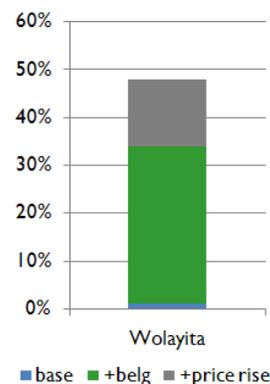


(b) At projected 2008-2009 staple price levels



Source: Ethiopia Disaster Prevention and Preparedness Agency Livelihoods Integration Unit

Figure 3. Percent of population facing an expenditure/consumption Deficit, and cause, in Wolayita, SNNPR, July-December 2008



Source: Ethiopia Disaster Prevention and Preparedness Agency Livelihoods Integration Unit