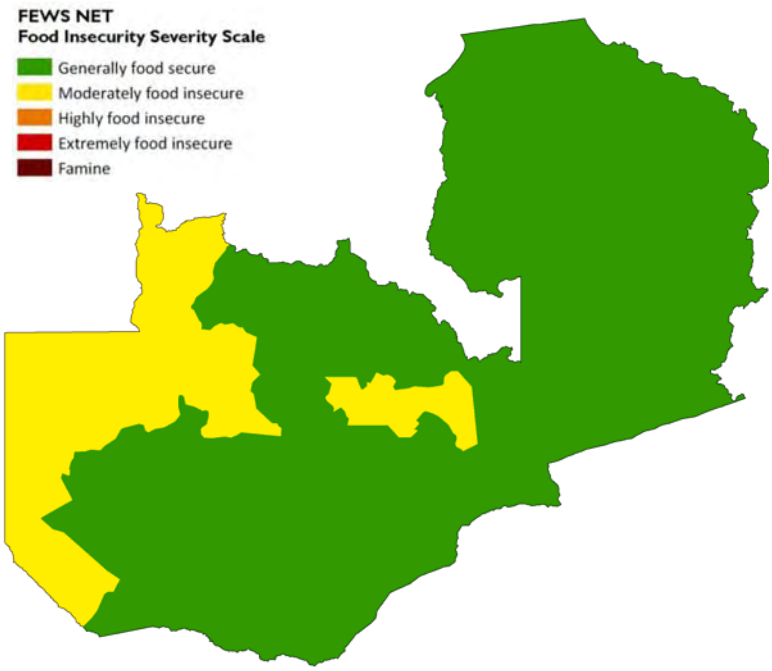
ZAMBIA Food Security Outlook — April to September 2009

- Food security is improving as seasonal harvests increase food availability, except for those areas affected by floods in western Zambia. While maize prices remain high, demand for less refined maize meal (roller meal) has decreased as new harvests continue. Decreased demand for this product will reduce roller meal prices, which will have a positive effect on staple food access for poor urban households.

- Maize prices are unseasonably high for April, due largely to industry demand for maize from commercial farms' early harvests. Maize prices are expected to start falling and consumer staple food access is expected to improve by the end of May, when maize from small scale farmers arrives on the market. Given expectations for an overall above-normal main harvest, food security is expected to continue to improve between May and September in areas not impacted by floods.

Figure 1. Current estimated food security conditions, April 2009

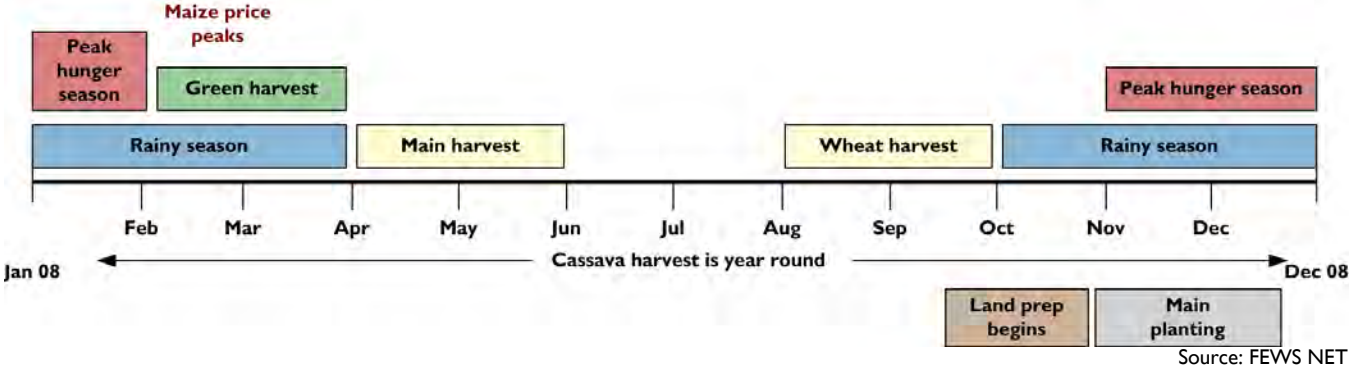


For more information on FEWS NET's Food Insecurity Severity Scale, please see: www.fews.net/FoodInsecurityScale

Source: FEWS NET and VAC

- Food insecurity is expected to increase in the next six months in flood-affected areas, especially in western Zambia and localized part of Central and Eastern provinces. It is likely that apart from the estimated 33,914 households in need of immediate food assistance, additional populations will become moderately food insecure as early as August as a result of partial crop losses. Such losses are likely to cause the lean period to arrive one or two months earlier than normal this marketing season, particularly for severely flood-affected households in western Zambia.

Seasonal calendar and critical events



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Current food security conditions

Food security is improving in all areas not affected by flooding, as household access to seasonal foods such as squash, pumpkins, and sweet potatoes increases from new harvests. These new harvests are reducing market dependence on maize, especially in rural areas where many households depend on their own sources of food during the harvesting period. However, food insecurity is expected to increase in localized areas of the country, particularly in western Zambia, where excessive rains in the first two dekads of March caused extensive flooding. Areas most affected by above-normal rains are in Northwestern and Western provinces, along the upper Zambezi Basin. Other affected areas include localized parts of Central, Eastern, and Northern provinces.

The Vulnerability Assessment Committee's (VAC) rapid flood assessment in late March estimated that 102,469 households were affected by floods in ways ranging from: loss of lives and crops and collapse of poorly constructed houses to household and livestock displacement and reduced access to schools and health centers, as well as increased risk of water borne disease outbreaks. An estimated 203,483 people (33,914 households) in nine districts have had their livelihoods significantly disrupted and need immediate food assistance. An estimated 1,695 MT of relief food will be required to supplement the reduced amounts of food available to affected households for April and May. The continuation of relief assistance in these districts and any additional assistance needs in other districts will be revisited during an in-depth assessment to be conducted after flood water recedes in May.

Commercial maize prices remain unseasonably high due in part to decreased market supplies in the past few months following reduced harvests from the 2007/08 production season. While the Government of Zambia (GOZ) has continued subsidizing the sale of maize meal to millers (albeit at a 10 percent reduction in subsidy), and market supplies of maize are improving as early harvests become increasingly available, the cost of early maize is higher than normal – about the same as prevailing maize prices from the past few months (USD 385-390/MT), as overall demand for maize (including industrial demand for brewing, livestock feed production, etc.) is high. In April, the GOZ, through the Food Reserve Agency, was only meeting 50 percent of millers' maize needs. The balance was met by purchases of expensive commercial maize from the market. This demand, coupled with reduced access to Government subsidized maize and the GOZ's reduction of maize meal subsidies for millers from 50 percent to 40 percent, has partially contributed to maintaining high maize meal prices. However, the fact that maize meal prices increased in March, before the GOZ reduced subsidies, suggests that consumers have not fully benefited from the costly maize subsidy initiative that began in December.

Normally, maize prices start falling in April. However, given current maize prices, it is unlikely that they will start falling until late May, when maize from small scale farmers becomes available. High maize meal prices disadvantage consumers, especially low income groups who have difficulties accessing adequate amounts of maize meal. This is particularly true for urban consumers who are highly dependent on the market. However, the increased variety of seasonal foods is reducing demand for roller meal, and prices for this commodity should start to fall soon, to the advantage of low income consumers.

Most-likely food security scenario (April-September 2009)

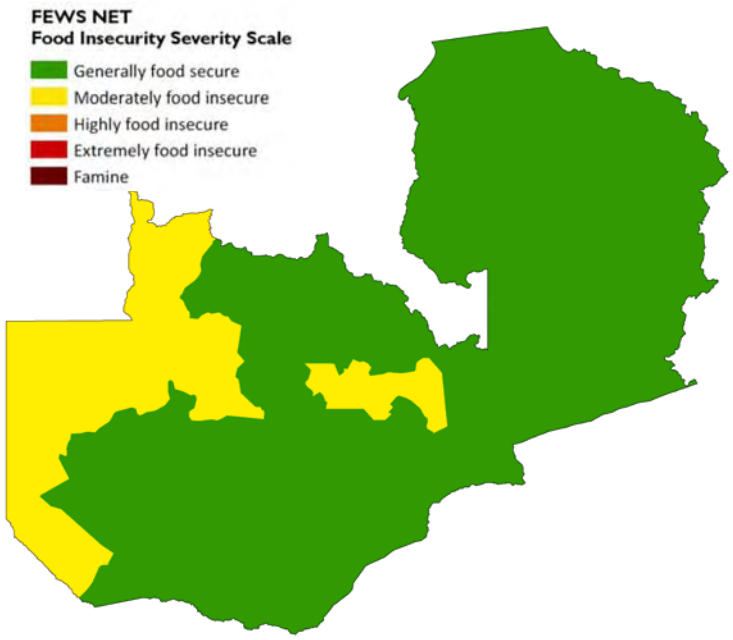
Generally, food security in areas not affected by flooding will continue improving between April and September, given the main harvesting period in May and the resultant increase food supplies on the market. In rural areas, most households will become more dependent on their own production, while poorer households will sell their labor in exchange for food at more favorable terms. An above-normal harvest is expected despite localized flooding, as most flooding occurred in relatively low-producing parts of the country. With the above-normal harvest, staple food prices are expected to fall significantly by June, and the urban poor will benefit from relatively low prices for roller meal by May. With reduced demand for this commodity, which is mostly consumed by low income households, and its short shelf life, millers will be forced to reduce their prices. Reduced demand stems from the fact that there are a variety of other foods currently available for consumers, and increasing supplies of competitively priced maize (though still with a relatively high moisture content) arriving on the market. The price of breakfast meal (a more processed and expensive type of maize), while still high, is also expected to fall significantly by June. Maize and maize meal prices will continue falling until July, and thereafter are expected to remain relatively stable until October, when notable increases are likely to begin following seasonal trends. However, should the harvest be exceptionally large, maize prices will likely remain relatively low and stable until the end of year.

In Southern Province, most districts are expected to have average to above-average production this season, an improvement over last season, when flooding led to maize harvests that were 50 percent lower than the previous season and 40 percent lower than the five-year average. Although the extreme south of the province (Gwembe Valley Livelihood Zone) was impacted by an extended dry spell in February, most crops recovered with widespread rainfall in March. As such, general food security is anticipated in much of Southern Province during the outlook period (Figures 2, 3).

Excessive rains in Eastern Province until March resulted in flooding in parts of the Luangwa Valley area. As most of the high producing districts of the province (Chipata, Chadiza, Katete, and Petauke) are on relatively higher land, adverse impact on crops due to excessive rains will not be significant, and overall crop output for the province is likely to be above normal. However, districts in low-lying areas such as Mambwe were negatively impacted by the excessive rains, and food security in these areas is expected to deteriorate by September (Figure 3), at least two months earlier than normal. Although Mambwe District is a chronically low-producing area, households here do, to a certain extent, depend on their own harvest in the early part of the marketing season, and flooding in these areas is expected to complicate their food access.

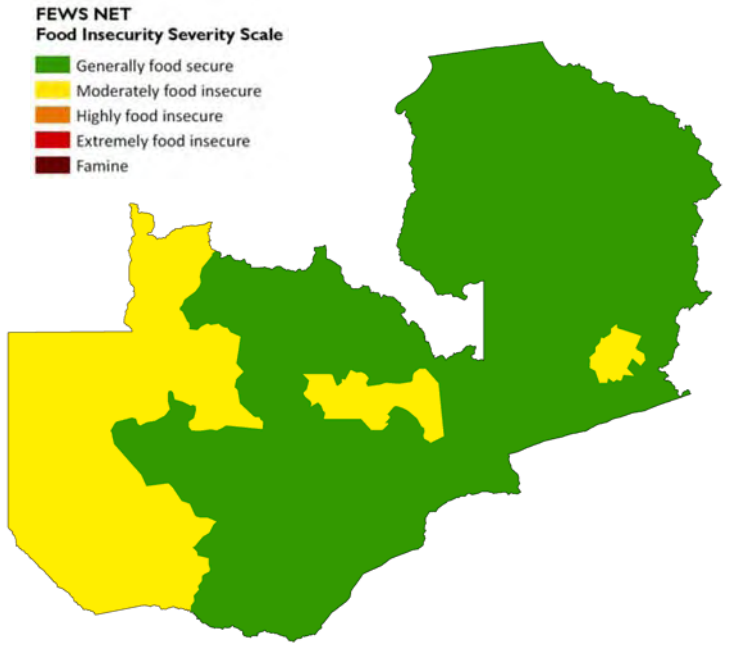
In central parts of the country, including parts of Kapiri Mposhi District which also experienced localized flooding, moderate food insecurity is expected as early as April for an estimated 4,132 households. Additional households may become vulnerable to food insecurity by August, as part of their harvest has been lost, likely resulting in an earlier than normal start of the lean period.

Figure 2. Most-likely food security scenario, April - June 2009



Source: FEWS NET Zambia and VAC

Figure 3. Most-likely food security scenario, July-September 2009



Source: FEWS NET Zambia

In western parts of the country (Western and Northwestern provinces, including part of the west bank and the Zambezi flood plains), excessive rains and downstream runoff from Angola led to flooding and displacement, and moderate food insecurity is expected to become evident in April. Although flooding occurs annually in the flood plains of Western Province, this year's floods were unusually severe. The most affected populations – those living in low-lying areas near the Zambezi River who were displaced and/or whose livelihoods were seriously disrupted – are in immediate need of food, water, and shelter assistance. The GOZ is providing some assistance to these populations, and analysis is underway to determine what, if any, needs remain.

Initial VAC assessments indicate that 11,822 households in Western Province and 17,959 households in Northwestern Province are in need of immediate food assistance. It is highly likely that this population will require additional assistance through September. It is also likely that additional households in these areas will become moderately food insecure by

September, partly due to crop losses. It is, however, difficult to estimate the additional population that will become vulnerable to food insecurity in the absence of an in-depth vulnerability assessment and crop estimate data. This in-depth assessment will be conducted after flood waters recede in May. In flood-affected areas, livestock have been moved upland, where they are confined to limited grazing areas that increase their risk of livestock diseases such as foot and mouth.

In Western and Northwestern provinces, off-season production is common, and lowland households often plant a second crop in July/August for harvest in December. With excessive flooding, increased moisture is available over larger areas for growing a second crop when flood waters recede. Inputs for off-season cropping have been requested as part of the assistance package for flood-affected populations. Therefore, flooding will likely bring some positive impacts, including increased availability of off-season foods during the peak lean period (December-February). As flood waters recede in May and June, small fish (kakeya) will remain in the flood plains, where they are easily caught by poorer households and exchanged for grain. With the abnormally severe flooding, increased catches of kakeya are likely in the May/June period, allowing a temporary food security cushion for poorer households as they return to the plains.

In all flood-affected areas, impacts on infrastructure have been significant, but to varying degrees. Damage to infrastructure includes roads, bridges/culverts, and some schools. This has resulted in limited access to some services such as education and health centers in areas including Shang'ombo District of Western Province.

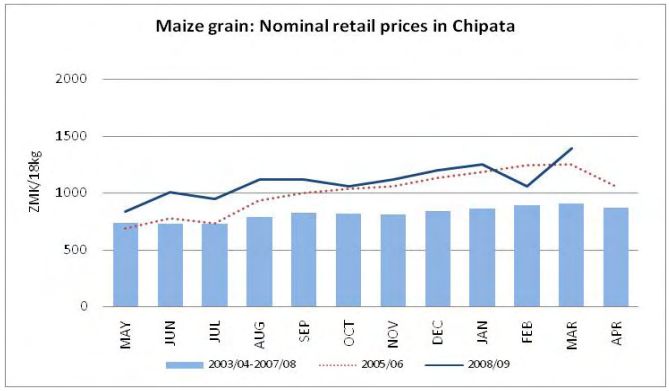
Table 1: Events which could affect the food security outlook

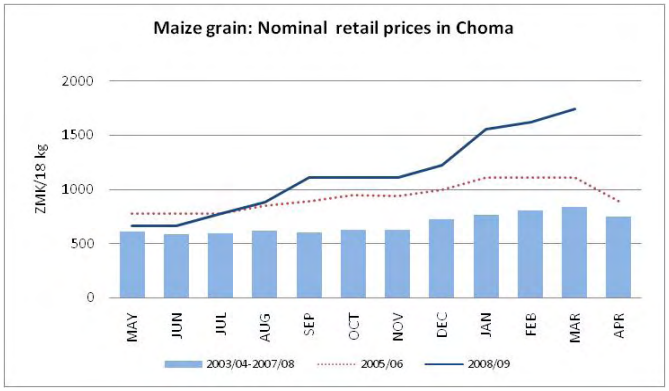
Geographic Focus Area	Possible events in the next 6 months that would change the most likely scenario in this area	Impacts on food security conditions	Likelihood of occurrence *	Key variables to monitor
Western Province	• Significant increase in fish (kakeya) catches as flood waters recede • Normal to above-normal staple food harvest • Early recession of flood water • Increased livestock prices	• Improve food access for poor households who barter kakeya for cereal; temporary reductions in poor households' dependence on GOZ assistance • Increase food supply and reduce food prices • Enable affected population to plant second crop earlier than usual and harvest before December • Increased income from livestock sales improve food access/terms of	• Likely • Unlikely • Unlikely • Unlikely	• Fish catches • Crop output, staple food prices • Rate of flood water recession • Livestock prices
North western province	• Normal to above-normal production • Increased livestock prices	• Increase food supply and reduce food prices • Increase income from livestock sales, improving food access from the market/improved terms of trade	• Unlikely • Unlikely	• Crop output, staple food prices, livestock prices
Luangwa Valley (Mambwe)	• Early recession of flood water	• Enable early planting of second crop, facilitating harvests before December	• Unlikely	• Rate of flood water recession
Central Province (Kapiri Mposhi flood area)	• Normal to above-normal staple food production	• Increase food supply and reduce food prices	• Unlikely	• Crop condition, crop output

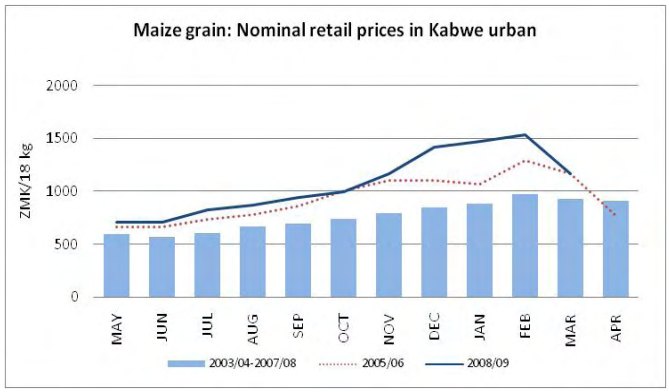
* Probability levels	Description
Likely	Likely to occur in the time period under current conditions
Unlikely	Could occur in the time period if conditions changed moderately
Very unlikely	Could occur in the time period if conditions changed significantly

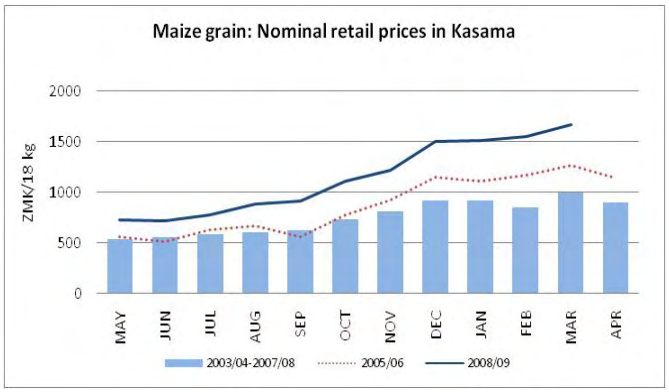
Monthly prices are supplied by the Central Statistics Office (CSO) in Zambia.

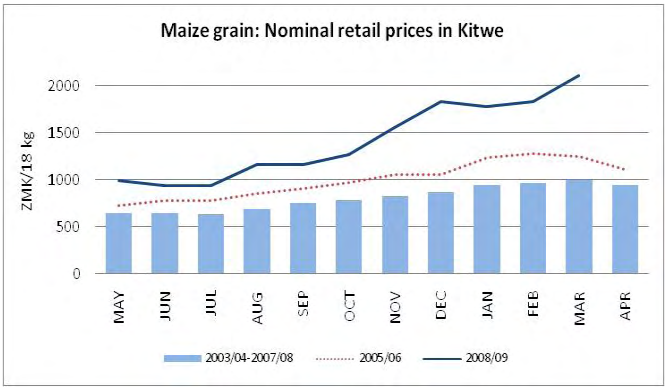
Maize grain and maize meal are the most important food commodities and indicators of food security in Zambia. All of the markets represented — with the exception of Kitwe — are in provincial centers and thus provide a geographic representation. Chipata and Choma are both areas of high maize production, while Mansa and Mongu are indicative of low production areas. Kabwe, Kitwe, and Lusaka are all urban areas where demand for these commodities is high. Solwezi is a new mining town with an increasing demand for food commodities.










Maize grain: Nominal retail prices in Kitwe
ZMK/18 kg
2000
1500
1000
500
0
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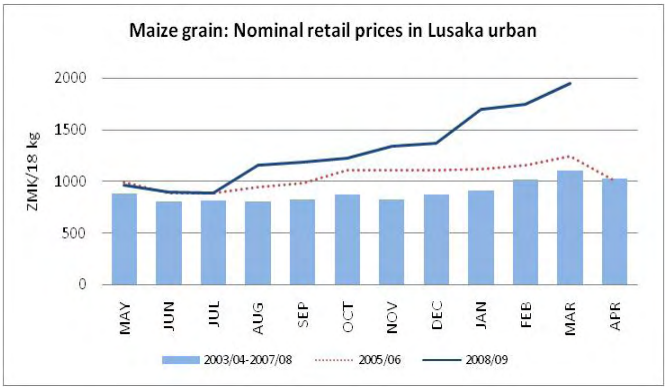
2003/04-2007/08
2005/06
2008/09


Maize grain: Nominal retail prices in Lusaka urban
ZMK/18 kg
2000
1500
1000
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2003/04-2007/08
2005/06
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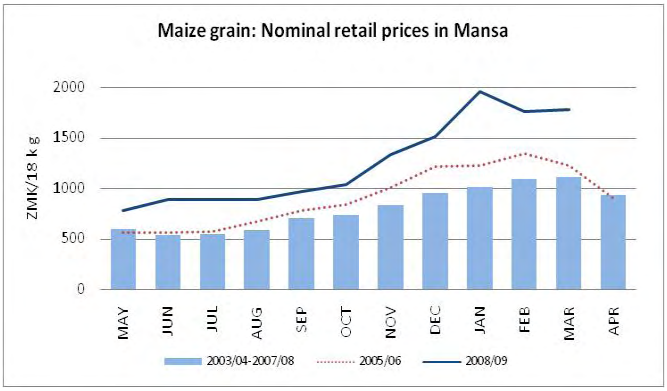
Maize grain: Nominal retail prices in Mansa
ZMK/18 k g
2000
1500
1000
500
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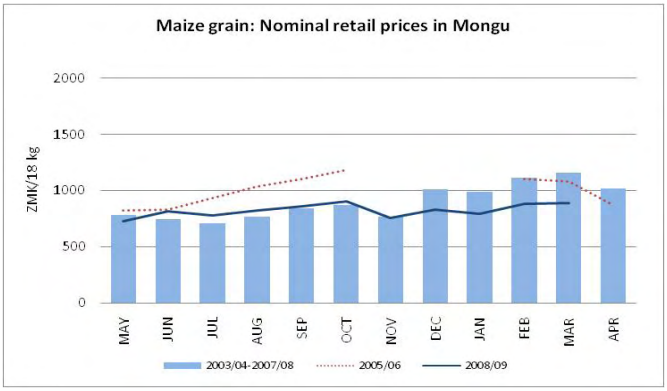
MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR
2003/04-2007/08
2005/06
2008/09


Maize grain: Nominal retail prices in Mongu
ZMK/18 kg
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1500
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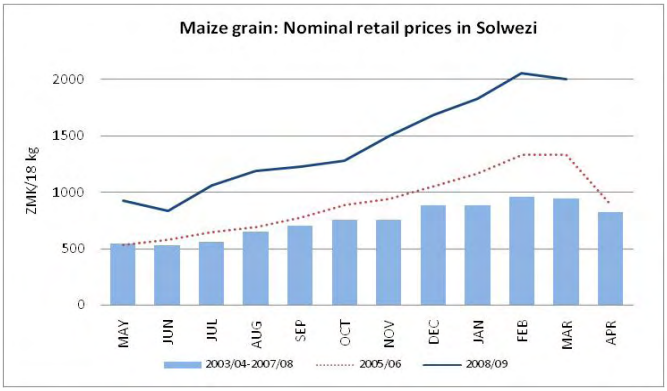
Maize grain: Nominal retail prices in Solwezi
ZMK/18 kg
2000
1500
1000
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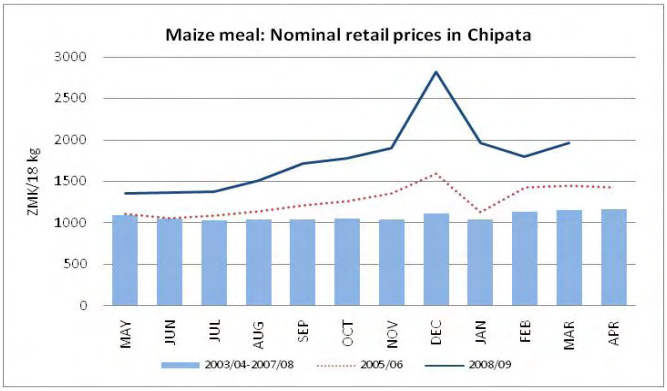
2003/04-2007/08
2005/06
2008/09


Maize meal: Nominal retail prices in Chipata
ZMK/18 kg
3000
2500
2000
1500
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2003/04-2007/08
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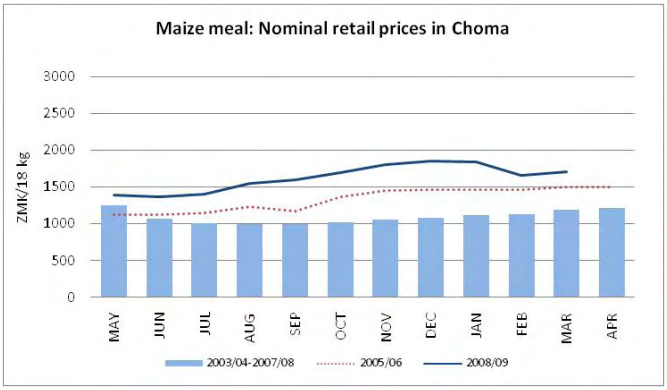
Maize meal: Nominal retail prices in Choma
ZMK/18 kg
3000
2500
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2005/06
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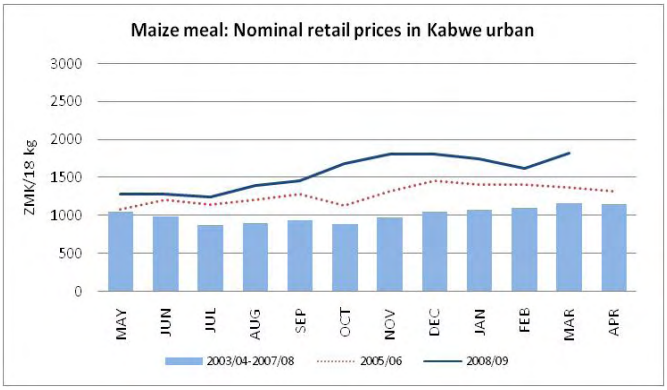
Maize meal: Nominal retail prices in Kabwe urban
ZMK/18 kg
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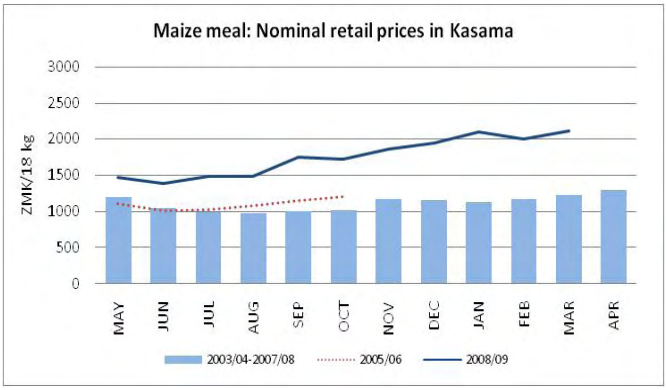
Maize meal: Nominal retail prices in Kasama
ZMK/18 kg
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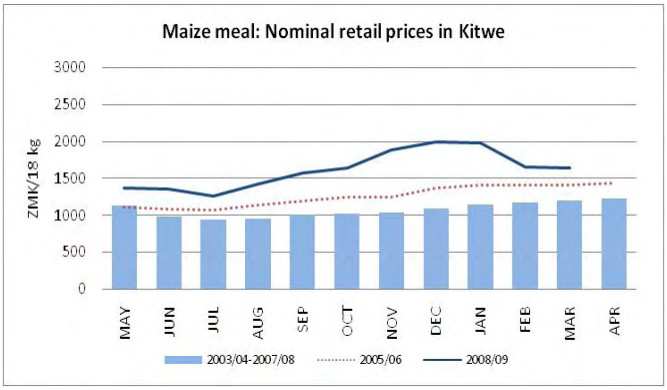
Maize meal: Nominal retail prices in Kitwe
ZMK/18 kg
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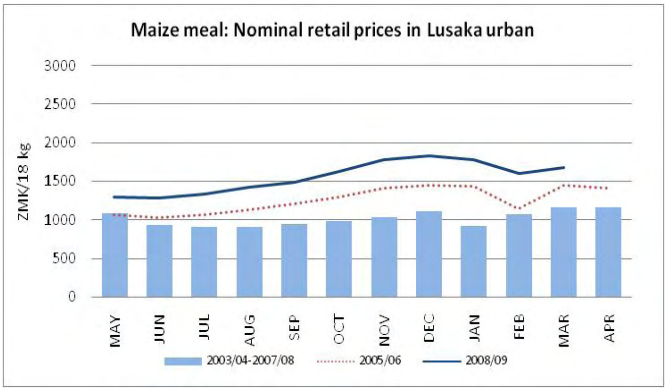
Maize meal: Nominal retail prices in Lusaka urban
ZMK/18 kg
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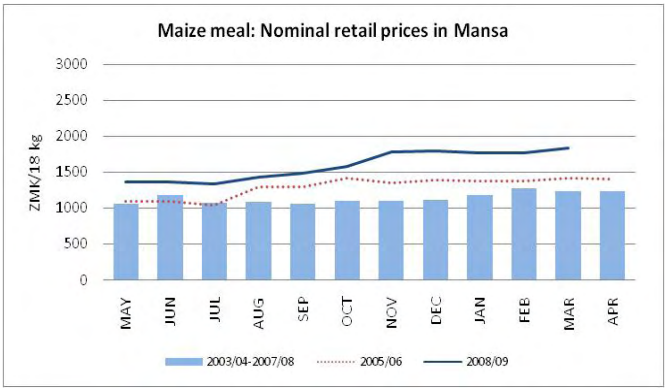
Maize meal: Nominal retail prices in Mansa
ZMK/18 kg
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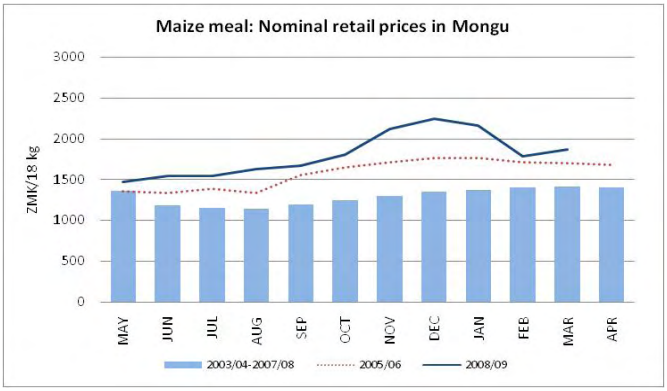
Maize meal: Nominal retail prices in Mongu
ZMK/18 kg
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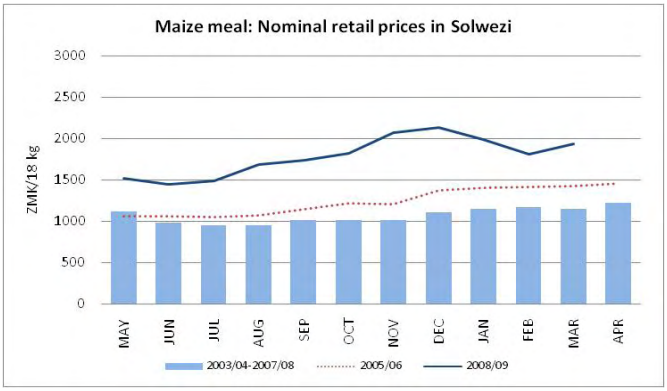
Maize meal: Nominal retail prices in Solwezi
ZMK/18 kg
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2003/04-2007/08
2005/06
2008/09