ZAMBIA Food Security Outlook Update — March 2012

Maize prices remain stable during the typical period of peak prices

Key Messages

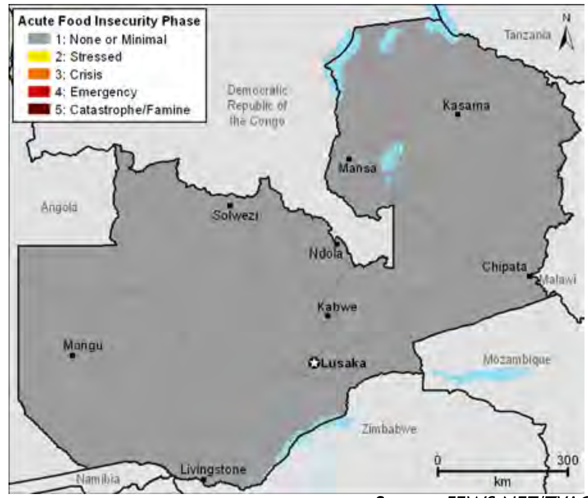
- Food security remains stable in most parts of the country, with minimal acute food insecurity (IPC Phase 1) in all regions. This is expected to continue throughout the Outlook period.

- At the seasonal peak price period of February/March, maize prices have remained stable. The continued sale of maize at fixed prices by the Food Reserve Agency and the good market supply is supporting the stable prices. Increasing green harvest will soon reduce market demand as household food stocks increase especially in the rural areas. This should result in further maize price reductions by May.

- Households affected by flash floods in Mambwe district have been relocated upland and the situation is currently under control. They are being encouraged to permanently relocate as this problem is seasonal.

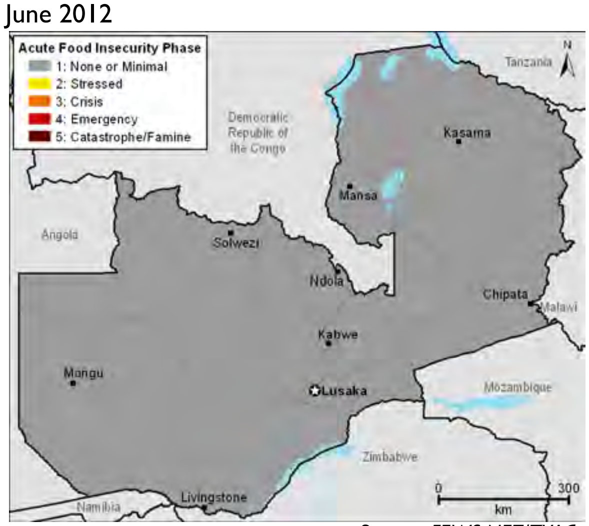
- The erratic rainfall experienced in parts of the Southern Africa region may provide the needed opportunity for maize export for Zambia. However, effective and timely export plans are needed.

Figure 1. Most likely food security outcomes, March 2012



Source: *FEWS NET/ZVAC*

Figure 2. Most likely food security outcomes, April - June 2012



Source: *FEWS NET/ZVAC*

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

Updated food security outlook through June 2012

Food security remains stable in most parts of the country, with minimal acute food insecurity (IPC Phase 1) in all regions. This is due, in part, to the country's large stocks of staple food and the availability of green maize harvests on local markets and at the household level. Other seasonal crops such as fresh groundnuts, mushrooms, green maize, and squash are also increasing household food access, especially in rural areas, and reducing the demand for staple cereals on the market.

Thus far, 2011/12 seasonal rainfall (Nov-Apr) in Zambia has been normal in most parts of the country. In the country's southern half, rainfall has been erratic since the start of the season though crops benefited from widespread heavy rainfall in mid-February which mitigated the effects of an extended dry spell. In early March, below-average but widespread rainfall has been received across the country (Figures 3 and 4). For the northern half of the country, this signified a substantial reduction in rainfall compared to the third dekad of February, but was a remarkable improvement for the southern half. Despite the light rainfall, satellite-derived crop models suggest that

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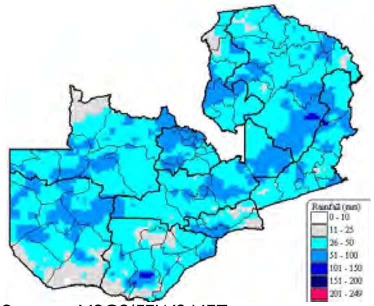
moisture requirements for the maize crop were largely met, with only small parts of the southeast showing effects of low moisture on crops (Figure 5). The early March rains have also helped improve the Soil Water Index in the southeast, areas which had consistently been showing signs of moisture stress (Figure 6).

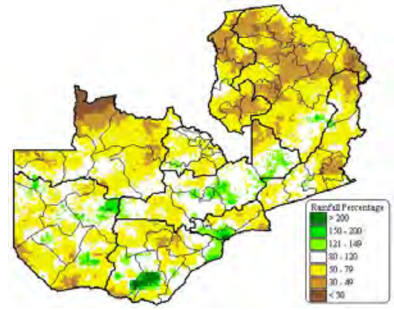
Field reports indicate that the crops are generally in good condition despite the unusual pattern of rainfall over recent months. With the erratic pattern of rains in southern Zambia, crop yields are expected to decline compared to the previous season in affected areas such as Mazabuka, Monze, Choma, Kazungula, Luangwa, Chongwe, and Sesheke districts. In the northern parts of the country, floods were reported in localized areas of Mambwe (Eastern Province) and Kaputa (Northern Province) districts which will affect crop yield. In Mambwe district, households residing along river banks who were affected by floods have been relocated upland and are being encouraged to permanently settle there. The Regional Disaster Management Office in collaboration with the District Disaster Management Committee has assisted affected families with tents and one off food rations. The situation is currently under control. The extent of yield reduction as a result of flash floods/dry spells is yet to be established as the crop forecast exercise is currently underway. Crops are generally in the grain-filling to maturity stage,

Figure 3. Total rainfall received March 1-10 2012



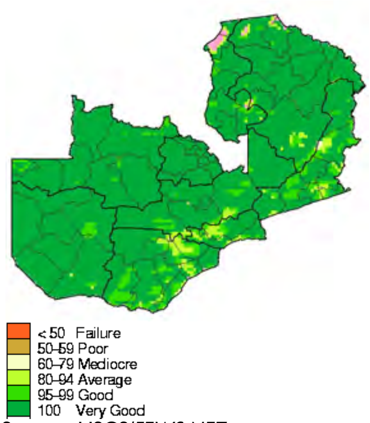
Source: USGS/*FEWS NET*

Figure 4. Rainfall percentage of average March 1-10 2012



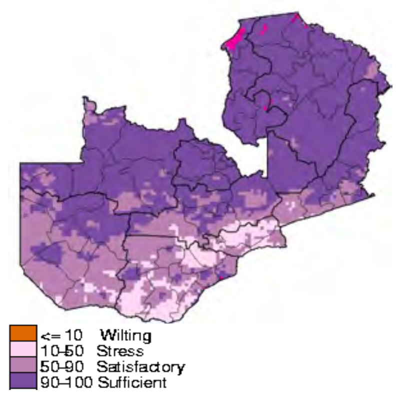
Source: USGS/*FEWS NET*

Figure 5. Maize Water Requirement Satisfaction Index as of March 10



Source: USGS/*FEWS NET*

Figure 6. Maize Soil Water Index, as of March 10



Source: USGS/*FEWS NET*

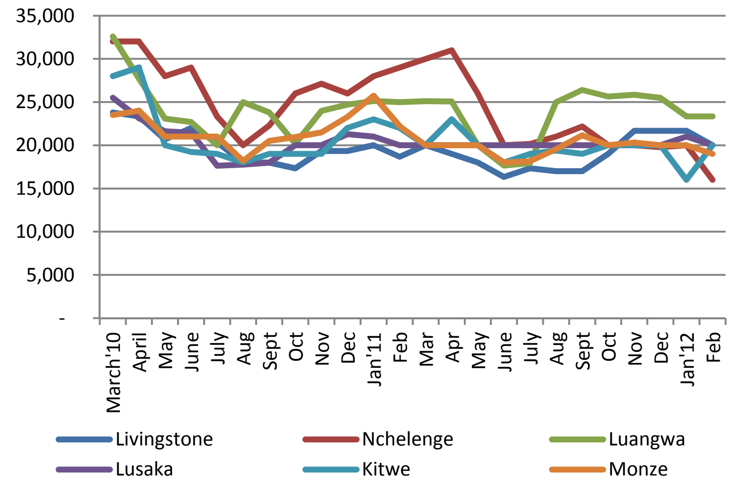
During the remaining months of the crop productions season (March and April) crop condition are projected to remain good in the northern half of the country and good to moderate in the south. Given late planting in parts of the Southern Province due to a late onset of rains, adequate moisture is still needed to ensure full maturity of the late planted crops. The end of March generally marks the end of the rainy season in the extreme southern areas of Zambia and good rainfall during the remainder of the month will allow these crops to reach full maturity.

Overall, a relatively good output of maize is still expected, though it will likely be substantially below that of the previous season, mostly due to erratic rainfall in the southern half of the country, but also due to reduced production by commercial farmers. The Zambia National Farmers Union has estimated a reduction in maize production by commercial farmers of up to 80 percent. According to the Ministry of Agriculture estimates, the commercial farmers' contribution to the 2010/11 bumper maize harvest of 3 million metric tons was only 8 percent. Commercial farmers have planted more land to soybeans this year due to high soybean prices (US$560/MT to US$600/MT). As a result of this shift, soybean production is likely to substantially increase with respect to the previous production season.

For the third consecutive season, Zambia is expected to have significant exportable maize surplus. With the erratic rainfall experienced in many parts of the Southern Africa Region, particularly southern Zimbabwe, southern Mozambique and the maize belt of South Africa, there may be an opportunity for regional exports provided Zambia puts in place timely and effective export plans.

Because local markets remain well supplied with staple food, maize grain prices remained relatively low and stable with very few markets registering increases even though prices typically peak at this time of year. Maize prices have largely remained below last season's levels (Figure 7) and the five-year average and market dependent households continue benefitting from this price stability. Continued market participation of the Food Reserve Agency (FRA) through selling of maize to millers and rural communities is also supporting stable prices. As the seasonal foods become increasingly available at household level and the main harvest gets underway in May, maize prices are expected to fall further, provided the FRA withdraws from the market. Market dependent households will continue benefiting from reduced staple prices up to the end of the outlook period in June.

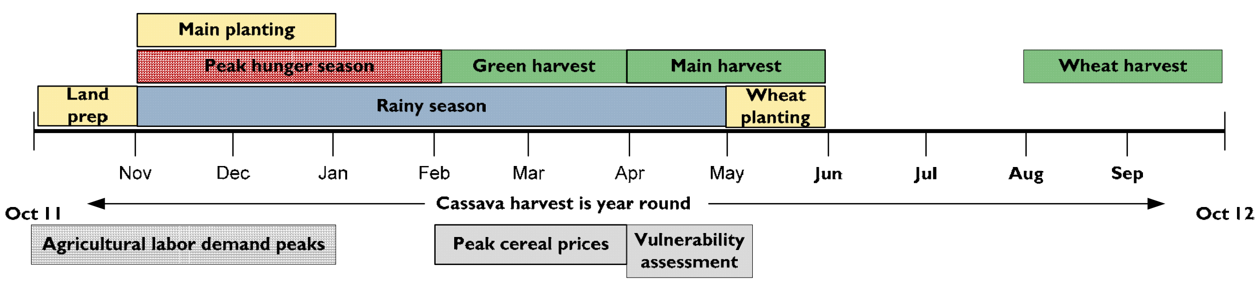
Figure 7. Nominal retail prices of maize for selected districts



Source: *Central Statistics Office*

Since markets are expected to remain well supplied, harvest prospects are good, and labor demand is expected to remain strong as the harvest gets underway (providing casual work for poorer households) the food security situation is expected to remain favorable, with minimal acute food insecurity (IPC Phase 1) through the end of the outlook period.

Seasonal calendar and critical events timeline



Source: *FEWS NET*