

DJIBOUTI Food Security Outlook

February to July 2007

Executive summary

- Good seasonal rains from October to December 2006 have improved livestock conditions in many areas, and the production of milk, butter and livestock is satisfactory in all areas except the Northwest. Poor urban households are resorting to negative coping strategies to meet minimum food needs, given the increasing cost of the minimum expenditure basket.
- If the *Sougoum/Diraa* rains from March to May are good, livestock conditions will continue to improve, but between 27,000 and 35,000 chronically food insecure pastoralists will continue to require food assistance through July. In urban areas, high staple food prices will restrict food access and increase household food insecurity.
- In the worst-case scenario, a combination of the failure of the March to May rains, even higher staple food prices and the spread of Rift Valley Fever (RVF) could push rural and urban populations into a severe food security crisis. Up to 70,000 pastoralists and 10,000 urban households could require food assistance in this scenario.

Current food security situation

Good rains from October to December 2006 have improved good browse and pasture availability in the coastal grazing areas. Water sources (catchments and wells) have been replenished, decreasing the distance people are required to fetch water in the coastal belt. Livestock productivity is satisfactory, and livestock terms of trade currently favor pastoralists, except in the northwest pastoral livelihood zone where animal conditions are not good enough for sale due to the dry season that is normal at this time of year. In inland areas, animals are showing signs of stress due to the normal dry season from October to February. The potential spread of RVF into Djibouti from other parts of the region remains a threat to pastoralist livelihoods, but no livestock diseases have been reported so far.

As a result, food security conditions are currently stable, although many households are moderately food insecure. In the Roadside sub zone of the Southeast Pastoral Zone, milk production and sales

Figure 1. Current estimated food security conditions (February 2007)

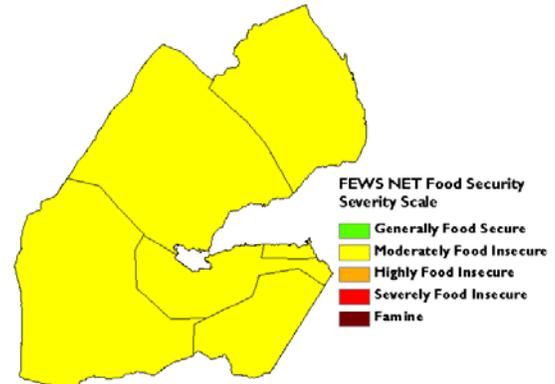


Figure 2. Most-likely scenario: Estimated food security conditions (July 2007)

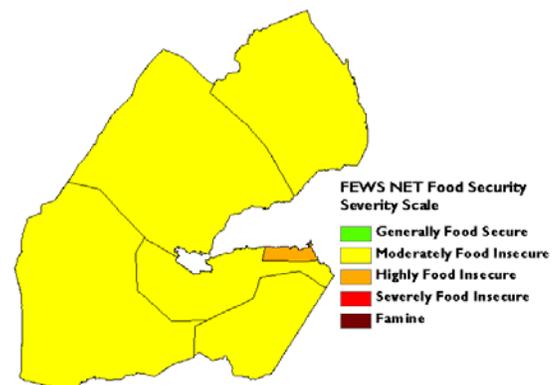
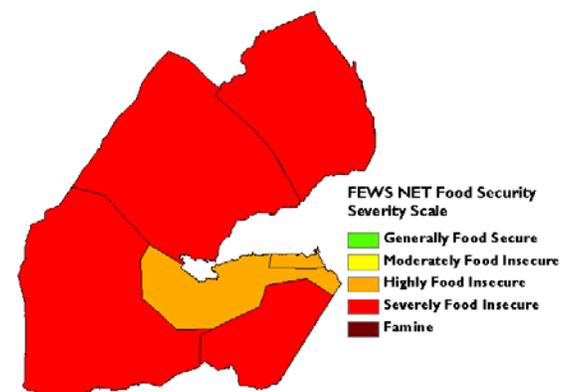


Figure 3. Worst-case scenario: Estimated food security conditions (July 2007)



(the main source of pastoralists' income) are at their peak. In the Southeast-border sub zone, pastoralist income is sufficient to cover daily household needs, as levels of charcoal production, the main source of income in this zone, have expanded to meet the growing demand in urban areas. Households in the Central pastoral zone are receiving reduced family remittances (the main source of income in the zone), influenced by the high cost of the minimum expenditure basket (including staple foods and other essential non-food items) in urban areas. However, the decrease in remittances is currently compensated by increased income from good livestock terms of trade. The Northwest pastoral zone is highly dependant on livestock for income and food, and the current dry season and resultant livestock conditions are creating household food deficits of 20 percent.

Poor urban households are unable to cover their minimum food needs given the current staple food prices, and are opting to reduce expenditures related to health, water and schools, which will negatively impact their livelihood as they search for alternative income opportunities. The upward trend of the urban expenditure basket will decrease the level of family assistance and remittances to rural areas, as the urban households' purchasing power is minimized. Sixty percent of the total urban population is moderately food insecure, of which ten percent are extremely food insecure and live in a state of extreme poverty and marginalization.

Preliminary results of a nutrition survey (the Multiple Indicator Cluster Survey, 2006) indicate that malnutrition rates of children under five were very high at the time of the survey – 20.4 percent GAM and 7.1 percent SAM. The survey was conducted in July/August of 2006, at the peak of the hunger season in a drought year, and child malnutrition has likely improved since the survey. However, chronic high levels of malnutrition persist in Djibouti.

A total of 47,000 poor pastoralists affected by drought in 2006 living throughout the country are currently receiving full-ration food aid under a WFP Emergency Program that is expected to end during March. An estimated 27,000 to 35,000 chronically food insecure pastoralists will require continued food aid assistance.

Most-likely food security scenario

The onset and performance of the coming *Sougoum/Diraa* seasonal rains from March to May will be the main determinant of food security in inland areas from February to July, and the rains are expected to be normal or above-normal. Good *Sougoum/Diraa* rains will improve browse and pasture, especially in inland pastoral livelihood zones. Water availability will improve as well, particularly in remote areas that depend on surface water. In this scenario, RVF does not spread into Djibouti, and the trade and export of livestock continues. As a result, the production and sale of milk and livestock are expected to improve, and livestock are expected to migrate back to their normal grazing lands, which will reduce the burden on overgrazed coastal areas.

Staple food prices are expected to remain high during the projected period. This will have a negative impact on the food security of both urban and rural populations, as even rural households purchase 65 to 75 percent of their food. Livestock prices are expected to remain normal, with significant number of animals sold. Casual labor opportunities, which are the main source of income for poor urban households, will likely remain limited.

Chronic food insecurity and malnutrition are likely to persist, though improved animal product availability may help reduce malnutrition from its current level. A total of 27,000 to 35,000 chronically food insecure people in the Northwest and Southeast pastoral livelihood zones will require continued food aid, and the number and current capacity of feeding centers should be increased. All food aid needs to be properly targeted to the most food insecure households. In addition, better understanding the underlying causes of the high malnutrition rates is of paramount importance. An in-depth seasonal assessment in April will further clarify the food security situation in all livelihood zones.

Table I: Scenario indicators and triggers

Most likely food security scenario

- Good *Sougoum/Diraa* rains
- High cost of the expenditure basket
- Limited casual labor opportunities
- Rift Valley Fever contained

Worst case food security scenario

- Poor *Sougoum/Diraa* rains
- Market crisis, leading to high staple prices due to increase in international oil prices
- Increased unemployment rate
- Spread of Rift Valley Fever, with the livestock export ban reinstated as a result

Worst case food security scenario

In the worst-case scenario from February to July, the *Sougoum/Diraa* rains from March to May fail, leading to a shortage of natural resources (pasture, browse and water) and the subsequent deterioration of livestock conditions. Pastoralists who depend on their livestock in the Northwest and Southeast livelihood zones as well as in the Obock lowlands will be the most affected. The production of milk and butter will decline, leading to significant food deficits in most rural areas. Terms of trade for pastoralists will worsen, as livestock conditions deteriorate significantly. Poor pastoralists will opt to intensify alternate income-generating activities such as collecting fire wood, producing charcoal and selling salt, palm leaves and other goods. Consumer markets may become saturated as more and more families turn to these activities as a coping mechanism, resulting in depressed prices and incomes.

The spread of RVF to Djibouti could reduce livestock trade and possibly cause a reinstatement of the livestock export ban, restricting livestock sales to the Gulf States. The export ban would restrict a major source of income for pastoralists, severely affecting their livelihoods and food security, pushing pastoralists to extreme levels of food insecurity.

Higher staple food prices due to possible increases in international market prices (such as that of oil and cereals) could result in local market speculation by wholesale traders, aggravating the food security situation in both pastoral and urban areas. The price of the basket of goods for urban populations will increase significantly, particularly from June to August, resulting in poor dietary intake and increased rates of malnutrition from their current levels. Casual labor opportunities, particularly in the port and construction sectors, will decline in this scenario, reducing the income and purchasing power of poor households that depend on these activities.

The size of the population requiring emergency assistance in this scenario will increase significantly, depending on the severity level and combination of possible indicators/triggers, and decision makers need to engage in contingency planning to prepare for a potential crisis by the end of the rainy season in May. Between 47,000 and 70,000 pastoralists will require emergency assistance. De-stocking (selling of live animals before they die) and emergency food aid distribution should start by June. Supplementary and therapeutic feeding programs are possible responses to reduce malnutrition among children less than five years of age. Providing clean drinking water to both humans and livestock will be a high priority in pastoral livelihood zones, depending on surface water availability (particularly in the Northwest). In urban areas, the food security of 8,000 and 10,000 poor households will decrease from moderate to high levels of food insecurity. Although emergency interventions are very difficult to implement in urban areas, cash or ration coupon distribution could be a potential response option instead of food aid, as cash assistance will not negatively impact markets, supported by accurate and reliable studies to identify poor and vulnerable groups in urban areas. The number and capacity of urban therapeutic feed centers should also be increased.