

ZAMBIA Food Security Outlook Update

May 2011

Another surplus maize harvest attained

Key Messages

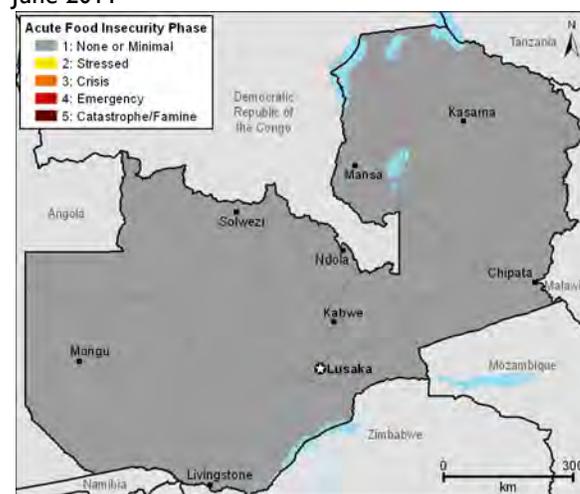
- The overall food security situation has improved with the availability of the new harvest from the 2010/11 surplus production. This production follows the two previous surplus production years of 2008/09 and 2009/10. Despite the extended dry spell experienced at the critical stage of flowering and fruiting in the southern half of the country and despite expectations of slightly reduced output, estimated maize output has surpassed that of the previous season.
- After relative stability, maize prices have started falling in response to the increase in household food availability from the 2010/11 harvest. Maize prices are expected to reduce further during the first part of the outlook period to the benefit of consumers.
- The food security situation in most parts of the country is generally expected to remain good throughout the outlook period as it is supported by surplus production for the third consecutive season. Even in the Gwembe Valley region (an area of low rainfall) where production was expected to substantially drop due to the impact of extended dryness, the output has increased. Only localized minimal acute food insecurity is expected, even in this region, during the outlook period.

Updated food security outlook through September 2011

The availability of the new harvest has continued to greatly improve the food security situation in different parts of the country. Contrary to expectations of a reduced harvest when compared to the 2009/10 production, the official maize production figures released by the Ministry of Agriculture indicates a slight increase from 2.79 million metric tons (MT) in the 2009/10 season to an estimated 3.02 million MT in the 2010/11 season, signifying an eight percent increase and a level well above the five-year average (Figure 3). During the recently ended production season, extended dryness was experienced in two thirds of the country in the middle of the growing season, which is a critical stage of development (flowering and early fruit formation) when moisture is needed most. The negative impact was expected to be high in the typically dry areas, which are traditionally low producing, including the Gwembe and Luangwa Valleys as well as the

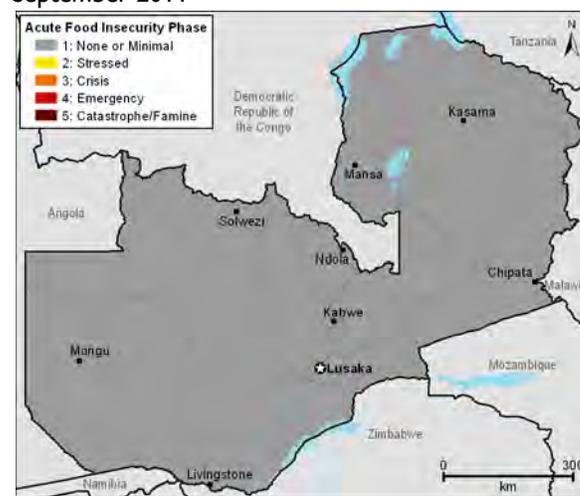
This report provides an update to the April 2011 FEWS NET Food Security Outlook report which estimated food security outcomes in Zambia from April through September 2011.

Figure 1. Most likely food security outcomes, May-June 2011



Source: FEWS NET/ZVAC

Figure 2. Most likely food security outcomes, July-September 2011



Source: FEWS NET/ZVAC

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

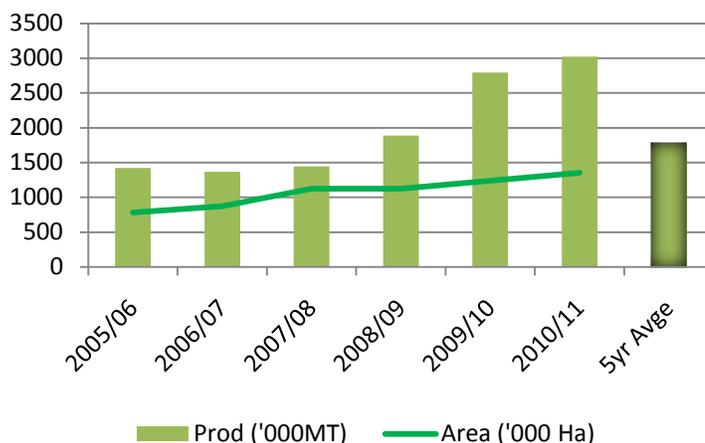
extreme parts of southern Zambia. Of these, the Gwembe Valley, which comprises three districts (Siavonga, Sinazongwe, and Gwembe), was expected to be hardest hit by the extended dry spell and as a result, the crop output was expected to significantly drop. In other areas, the increase in maize production, despite the impact of the dry spell, is partly being attributed to an increase in the area planted for maize when compared to the previous season. In addition, it may also imply that the impact of the dry spell on the crop may have actually been lower than expected.

In the Gwembe Valley, the livelihoods are made up of typically small-scale subsistence agriculture and livestock rearing. Some sorghum, a relatively drought-tolerant crop, was impacted by the dry spell, meaning that maize and other non-drought-tolerant crops were much more impacted, which would have led to significant crop losses for upland crops. In addition, some of the crops planted in the lowlands along the Zambezi River were lost due to flooding and therefore the loss was expected to be twofold. However, there was a significant increase in the area planted for maize due to an assurance by government of available markets. Based on the crop estimate data from the Ministry of Agriculture, maize production in the district of Gwembe increased by 42 percent, while that in Siavonga doubled, and production in Sinazongwe remained stable with respect to the previous season. Most households are currently depending on their harvests, which are estimated to run out by August as is normal for the area for poorer households (estimated

at 65 percent of the population using district wealth rankings), while for the better-off households, own stocks can last up to December. The better-off and middle-income wealth groups also earn income from the sale of livestock, livestock products, and cotton. In a normal year, the poorer households would typically meet their food needs mostly through the sale of labor and the limited consumption of wild foods. Currently, there are no increased livestock sales among the better-off households suggesting that the food security situation in the area is stable. Some poorer households in this area are expected to be faced with chronic seasonal food insecurity by the end of August as in other years, while acute food insecurity during the outlook period will be minimal.

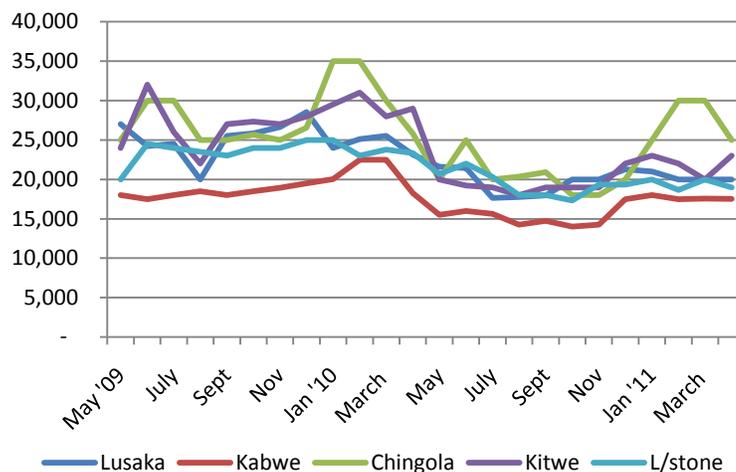
Even without this unprecedented increase, surplus production of maize was expected, though not to this level. The official crop estimate figures were released in late May. The month of May marks the beginning of the 2011/12 marketing season and the end of the 2010/11 production season. Considering the surplus production this year and the expected large carryover from previous seasons (no less than 300,000 MT), the country will once again have a large supply of maize. Other commodities whose production increased include soybeans, given that a number of commercial farmers increased soybean production while cutting back on maize, whose price was less attractive at the time of planting. On the other hand, small-scale farmers diverted part of their land for cash crops such as soybeans and cotton, among others, to maize.

Figure 3. Maize production trend 2005/06 to 2010/11



Source: Ministry of Agriculture

Figure 4. Nominal maize retail price trends in selected urban districts (ZMK/18Kg)



Source: FEWS NET/ZVAC

In line with the increased food supply, most rural households are depending mostly on their own harvests at this time of the year which is reducing the demand on the market and pushing prices down. Currently, even in the low-producing areas, many households are relying on the harvests. Because of the good harvests in most areas, the employment opportunities for poorer households are good as better-off households have more food to use as payment and to sell. The availability of a wider variety of foods at this time of the year allows for the reduction in the reliance on maize and maize meal. Traditionally low-producing districts, such as Luangwa district in Lusaka province, have continued to report an improved food security situation as the main harvest has become available and the maize price trend is generally reflecting stable, and even reducing, prices (Figure 4).

The Food Reserve Agency (FRA) has continued to be active on the market through the sale of maize to consumers, traders, and millers. The price for millers has been pegged at ZMK 40,000 per bag, in line with a directive from the Government of Zambia (GoZ). In the month of March, the GoZ directed the FRA to reduce maize prices for sale to millers from the prevailing market price of ZMK 50,000 per 50kg bag in an effort to reduce the maize meal prices to below-market levels. Consequently, maize meal prices have dropped unseasonably early to the advantage of market-dependent urban consumers.

Between July and September, most parts of the country will continue to have stable food security conditions as there will be a good in-country supply of food, while stocks at the household level for most rural households will still be adequately available judging by the good surplus harvest. In the Gwembe Valley area, which was the main area of concern, most poor households will be depending on the market by August/September as is normal. The better-off and middle-income wealth groups are expected to sell livestock (mostly chickens and goats initially) and livestock products when in need of more income as their stocks deplete in December/January and they depend on the market to meet their staple food needs. These households, which make up about 35 to 40 percent of the households in the Gwembe Valley livelihood zone, should be able to manage accessing food without external assistance during the outlook period and therefore are likely to remain generally food secure. This situation will be supported by the fact that staple food prices are not expected to sharply increase, but will remain within average to below-average levels as there will be an adequate supply of staple foods from outside of the area. In addition, the FRA storage sheds in the area have maize available for sale and will continue to do so through the outlook period. The poor households, which make up the majority of the farming households, are expected to remain mostly food secure through applying their normal coping strategies which include the sale of labor and the consumption and sale of wild foods. Acute food insecurity will remain minimal during the outlook period. Ongoing developmental activities by non-governmental organizations (NGOs) will continue benefiting poorer households during this period.

Seasonal calendar and critical events timeline

