

## MALI Summary of Market and Food Security Situational Analysis

February 2012

### Key Messages

- Production and pasturage deficits and exceptionally high levels of local cereal prices mean that, despite normal operation of the markets, poor households are experiencing food insecurity Stress (IPC Phase 2) during the January-June 2012 period (Figures 1 and 2).
- Without any urgent action, some households will experience Phase 3: Crisis between July and September 2012, as prices reach their seasonal peak (Figure 3).
- The populations most affected by this significant drop in agro-pastoral production are poor households in the rain-fed millet- and sorghum-producing zones of the western Sahel, exposed zones in the Mopti and Gao region (livelihood zone 04 millet/transhumant pastoralism) and areas of the Interior Delta of Niger (zone 06 Lakes/Niger Delta and Agro-pastoral livestock herding) in the Mopti and Timbuktu regions.

### Market Context

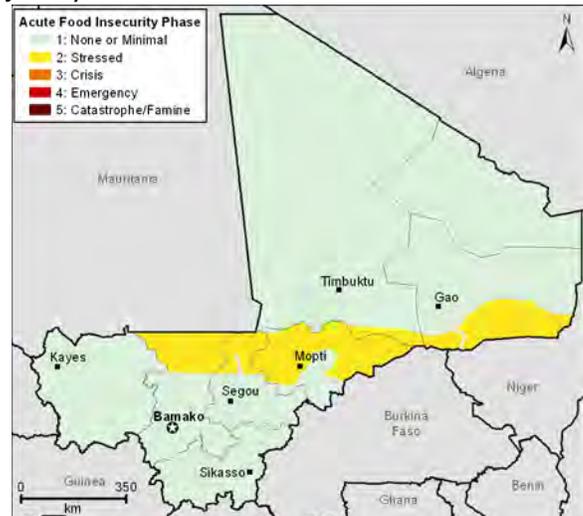
According to the Planning and Statistics Unit (*Cellule de planification et de statistiques*, CPS), total provisional cereal production estimates in Mali in 2011/12 were generally lower than last year, a record year, by approximately 25 percent. Production remained above the 2006-10 average. This is due mainly to poor rain distribution. Final cereal production estimates suggest a significant reduction from the provisional cereal production estimate.

Clearly below average cereal production is concentrated in the western Sahel of Mali (north of Kayes, Koulikoro and Ségou regions) and in the Interior Niger Delta of the Mopti region. Production is generally approximately 50 percent below the average, though locally as much as 80 percent below the average, especially in the western Sahel.

The provisional cereal assessment gives a net surplus of 752,000 tons, all cereals combined. Nevertheless, this assessment does not take into account animal cereal consumption, which will be significantly higher than average; in addition, it underestimates higher exports in 2011/12 to neighboring countries, such as Mauritania.

The average commercial imports made between 2005 and 2009 to Mali total 135,958 tons for rice, 107,202 tons for wheat and whole wheat-flour equivalent and 7,431 tons for dry cereals. To alleviate the rise in domestic cereal demand, imports planned in 2012 will be above this average. Since 2007/08, imports have provided sufficient supplies to the markets,

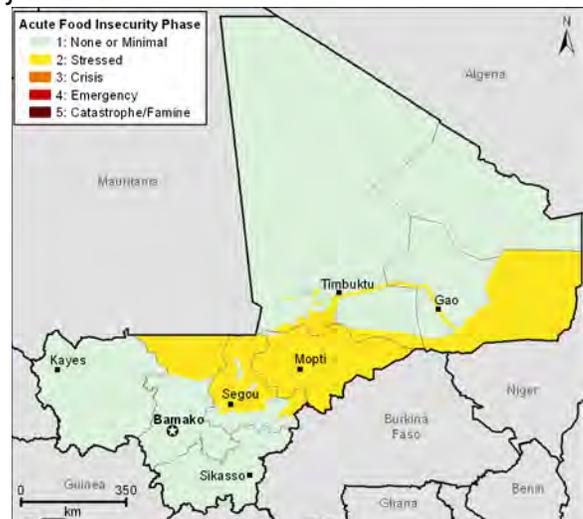
**Figure 1. Current Food Security Outcomes, January-March 2012.**



Source: FEWS NET

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

**Figure 2. Projected Food Security Outcomes, April-June 2012.**



Source: FEWS NET

especially of rice, the main substitute.

The average price of millet in January 2012 is between 50 and 80 percent higher than its relatively low level in January 2011 and the average for the last five years. Despite the general increase in the daily wage and income from other self-employment activities (heating wood, straw, etc.) of approximately 30 percent, this is not sufficient to be able to increase both the quantity demanded of preferred cereals or the principal substitute (imported rice) and to cope with high prices, especially during the lean season between July-September.

The uncertainty related to the progress of the last season forced producers in the center and south of the country to hold back reserves, including those carried over from record 2009/10 and 2010/11 seasons, despite very encouraging price levels in late 2011 and early 2012. The supply level on collection markets in this harvest period for certain cereals such as sorghum, millet and corn is similar to the level in 2004/2005.

Since the harvests have been placed on the market and to meet calls for bids for institutional purchases (which are close to 130 percent higher in 2012 than typical demand between 2005-2009), commercial demand is directed more than usual toward southern and central regions of Mali where marketable supplies are mobilized which resupply areas with a structural deficit and neighboring countries. Markets are properly meeting local demand.

Due to above-average import requirements in northwestern Mali and in Mauritania, we observe that merchants are resorting to sorghum from Burkina Faso and corn from Ivory Coast more than usual to meet the demand from institutional purchases and anticipated demand in the lean period.

Informal barriers to the trade of traditional cereals to deficit-producing areas of Mali and Mauritania are greater than usual (approximately double). Without preventing higher exports than usual, especially of sorghum, these informal obstacles are making the costs of cereals in areas with a deficit more expensive.

Household stocks in the most affected areas, which cover consumption needs for two or even three months in a normal year, are almost insignificant. Thus, in western Mali, especially in Kayes (zone 8), demand for community and household stocks was met by emigrants; this means that demand for local cereals is currently higher than the average with a below-average supply level.

#### *Livestock Markets*

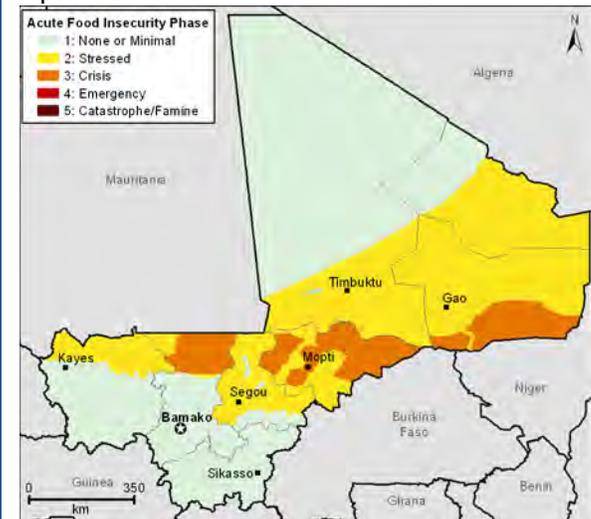
Livestock markets (cattle, sheep, goats) are well supplied. The supply of cattle is higher than last year. In the near future, animal body conditions will be affected by the lack of pastures and, consequently, prices will drop between April and June, which will affect the incomes of pastoralists who do not have enough animals to sell and will make their access to cereals more difficult than usual. Livestock feed is approximately 10 percent more expensive than last year. The major purchasers of livestock feed are especially the Mauritians.

Imported livestock, especially cattle, come essentially from Mauritania to meet a portion of local demand and to provide exports to Senegal and Ivory Coast. It is expected that, despite the problems of shepherds in areas affected by the rebellion in the northern parts of the country, this trend will continue.

For small animals, prices are stable. However, the supply will increase when animal body conditions will be poorest, which will cause a significant price drop between April-June. Cattle prices fluctuated between 180,000 XOF/head in January 2012 versus 200,000 XOF/head in January 2011.

#### *Responses*

**Figure 3. Projected Food Security Outcomes, July-September 2012.**



Source: FEWS NET

In November 2011, at the beginning of the marketing season, public cereal stocks (OPAM [Mali Agricultural Products Office]) totaled 45,337 tons. Facing reduced local supply, the Government is resupplying the market with OPAM reserves, exempting commercial imports [of cereals from taxes] and food assistance in millet, sorghum and rice (35,000 tons of rice donated by Brazil).

Mali has a food security program that all donors share and that is responsible for providing information and recommendations for action if necessary. On the recommendation of the SAP (Food Risk Early Warning System) National Group, the CSA (Food Security Commissariat) has a program to distribute almost 45,886 tons of cereals for free (of which 23,300 tons are available from the National Security Stock whose typical level is 35,000 tons) in the 104 towns classified as having “food difficulties” since December 2011. This action is complemented by subsidized cereal sales, the rebuilding of cereal banks, and actions (free distributions, subsidized sales) by NGOs, associations, and private organizations.

The populations most at risk of acute food insecurity are very poor and poor households who are both dependent on agricultural activities (facing a reduction of their own production and labor demand) and net consumers of cereals. They are concentrated in areas of rain-fed millet and sorghum cultivation in the western Sahel, exposed zones in the Mopti and Gao region (livelihood zone 04 millet/transhumant pastoralism), rice growing regions in the Mopti region Delta and, to a lesser extent, in the Niger river valley in some places in the Mopti, Gao and Timbuktu regions of zone 06 (Niger River Lake and Delta rice farming (agro-pastoral)).

To the west of zone 04, in the Kayes region, zone 08 (North-west remittances, sorghum, and transhumant livestock rearing) is a part of the western Sahel, the most affected by the drastic drop in self-production. However, emigration of labor and its social and economic organization constitute in normal times more than 80 percent of food sources and more than 70 percent of household income sources in this zone (*cercles* of Yelimané and Kayes) through financing of local production (labor and inputs), providing credit systems and community food banks. FEWS NET assumes that in a year with production as poor as this year's, income and food assistance from emigrants will be higher for all households and sufficient to meet minimum food requirements, including the poorest, through different socio-economic windfalls (assistance/gifts, alms, food and monetary credits).

In addition, zones 2 (Nomadic and transhumant pastoralism) and 3 (Fluvial rice and transhumant livestock rearing (agropastoral)) in the Gao and Timbuktu regions, though they have lower population densities, were also affected by drops in local production. In order to ensure their survival (food access), poor households will intensify displacement (seasonal work such as labor for transhumant pastoralists and opportunities for agricultural work and fishing around the river). FEWS NET suggests that the rise in income from labor, supplemented by increases in planned assistance will be able to maintain essential food access for the poor and save them from decapitalization of their livelihood.

Monitoring and regular updates of the food security outlooks are required for all of these zones.

#### **West of the Millet and Transhumant pastoralism zone (zone 4, north Koulikoro, Ségou, Mopti)**

This year, gross sorghum and millet production, the principal cereals consumed in the zone, was approximately 50 percent of the five-year average. Thus, the demand for cereals on the markets will be higher than average in 2011/12, approximately 15 percent for very poor and poor households and 30 percent for the total population and markets in the zone generally.

With respect to the high price levels of 60-80 percent above the five-year average and 2010-2011, this increase in the quantity demanded of cereals will mean that very poor and poor households would need to increase food expenditures by 80 percent to maintain their livelihoods [and food consumption] at the same levels as last year.

In Nara, imported rice is the principal substitute for sorghum or millet. The price increase of approximately 8 percent in January compared to 2011 is less than for the other cereals; availability is clearly better than the availability of other cereals. Substitution of sorghum for imported rice is already seen, because rice is the cereal most sold and it will be at the maximum as the peak of the lean period arrives. While awaiting the start of the agricultural season in July, income tied to seasonal agricultural labor activity in the *Office du Niger* and its surrounding areas will continue to drop or remain stable while the price of rice will remain in a normal upward seasonal trend.

Sending more laborers to migration remains the most widespread strategy. In households that do not have enough labor because the number of people in the household is low or the majority of members are working in local labor, they voluntarily limit the number of their meals to one or two a day in order to save. Internal solidarity systems (borrowing of cereals and other commodities) continue to operate with the same intensity, but the volumes are clearly even greater during the lean period, which coincides with the important religious events in the year.

Currently, as recommended by the SAP, the CSA's free food distributions, set to begin in March, will take place in the following *cercles* of zone 04: Niono (332 tons), Mopti (2036 tons), Djenné (3492 tons), Tenenkou (4913 tons) and Youvarou (205 tons). Sales of cereals at subsidized prices between March and July and of livestock feed before May are also scheduled in almost all of the *cercles* of zone 4. It is unlikely that the plan will be implemented as planned given the overly-optimistic quantities. Competition for government resources to respond to the rebellion and to the needs of the displaced will further justify improved targeting of needs and beneficiaries than identified in the initial plan. Community cereal banks will also be put into use in all emigrant villages as usual.

Especially with respect to sorghum, the supply increased momentarily and the price stabilized, or even dropped starting in January 2012. One explanatory factor is the withdrawal of Mauritanian buyers who met their needs and distributions of free millet/sorghum food assistance from PRODEZEM (Zébu Maure Development Project) and emigration in progress in some towns and villages in the circle.

Due to the absence of the CSA free food assistance program with cereal sales at moderate prices, poor households in zone 04 in the north of Koulikoro will experience Stress: IPC Phase 2 between January and June. For the most likely scenario, these populations will experience IPC Phase 3: Crisis levels of acute food insecurity between July and September. This will require targeted, emergency interventions by the State and partners to enable households to face agricultural work without irreversibly decapitalizing their livelihood.

### Critical information gaps

- Comparable nutritional data.
- Quantitative time series information on migration income and remittances.
- Given the price behavior anomalies this year, there is less confidence in the price projection based on historical trends than usual.
- Financing of assistance programs in order to be able to include them in analyses of results.
- Impacts of the rebellion market functioning and food and income sources of the local population.
- The actual number in populations in acute food insecurity who need urgent assistance to meet minimum food requirements is difficult to establish.