

## SOUTHERN AFRICA Food Security Outlook Update

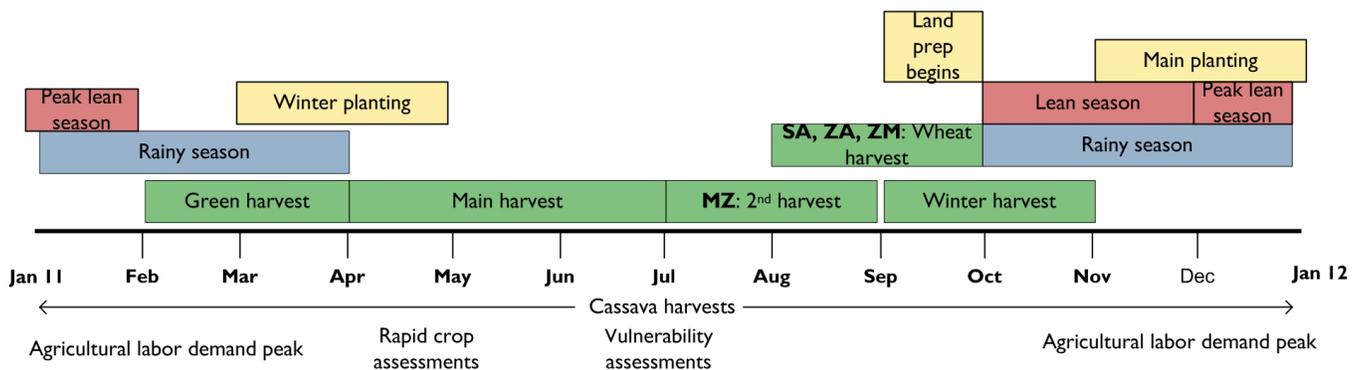
June 2011

### Consecutive years of good harvests make for favorable regional food security

#### Key Messages

- Favorable food security conditions exist across the region with most staple foods being readily available and accessible from both own production and local markets. These conditions are expected to prevail through the outlook period and beyond, especially in areas where crop production has been good due to a favorable agricultural production season.
- Local markets remain adequately stocked with staple foods from current harvests and last year's carry-over stocks that are still being off-loaded onto the markets to create space for the new harvest. This has resulted in an adequate and stable supply of staple foods and significant price reductions. This drop in food prices has largely benefitted market-dependent households that faced above-normal prices during the lean season that ended in February/March.
- The most likely regional food security outlook, which projects satisfactory conditions through September 2011 as a result of average to above-average cereal harvests across the region, remains valid. Food security conditions continue to improve in most areas as households benefit from recent harvests and declining food prices. These conditions are expected to remain stable until the start of the lean season (October/November).

#### Seasonal calendar and critical events timeline



#### Updated Food Security outlook through September 2011

Favourable food security conditions exist across the region with most staple foods being readily available and accessible from both own production and local markets. These conditions are expected to prevail throughout the outlook period and well into the lean season especially in areas where crop production has been good due to favourable crop growing conditions. Most households, including the very poor and poor, will have adequate access to food until the start of the lean season in October/November when typical methods of supplementing seasonal household food shortfalls will be used. For most of the region, there are no indications that food would be scarce in the markets and prices are expected to follow

*This report provides an update to the May 2011 FEWS NET Food Security Outlook report which estimated food security conditions in Southern Africa through September 2011. The next Outlook report will be released in August and will cover the July through December 2011 period.*

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normal trends. However, localized pockets of Stressed (IPC Phase 2) food insecurity conditions are expected in parts of the region that were negatively impacted by weather-related shocks that impacted crop production (Figures 1 and 2). These areas include northern, north-eastern, and central areas of Tanzania (poor *vuli* harvests and poor performance of *msimu* rains); arid and semi-arid areas of central and southern Mozambique; western and southern districts of Zimbabwe; and extreme southern and western parts of Zambia. Humanitarian food assistance will be required for the very poor and poor households residing in these areas as early as July/August until the next harvest. Adequate resources need to be allocated to prevent further deterioration of food access, particularly during the lean season before seasonal foods become available.

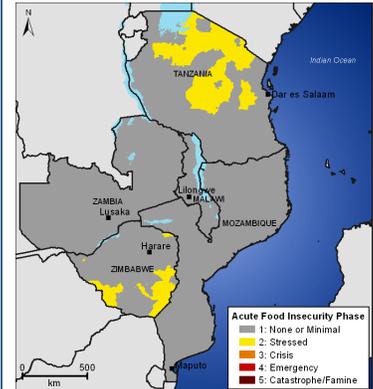
Although crop production estimates are yet to be officially released in a number of countries, available preliminary data from the Southern African Development Community (SADC) National Early Warning Units (NEWUs) confirms above-average production in South Africa, Malawi, and Zambia; average production in Mozambique; and slightly increased harvests compared to last year in Zimbabwe and Swaziland. Elsewhere harvests are estimated to be the same or slightly below average mainly as a result of poor crop growing conditions related to dry spells and flooding.

Available data indicates that only the structurally grain deficit countries of Botswana, Lesotho, Namibia, and Swaziland (BLNS) and Zimbabwe will face domestic food consumption deficits this year (Figure 3). In Zimbabwe, crop production figures released by the Ministry of Agriculture after the second-round assessment, indicate a slightly improved harvest over last year, which still leaves a national staple cereal deficit of about 25 percent that needs to be covered through commercial and humanitarian food imports. Despite adequate regional and national availability of staple cereals (see Table 1), the challenge through the year will be that of food redistribution, both regionally and nationally, from surplus to deficit areas and the ability of national governments to purchase/import sufficient grain. The main concern is in Zimbabwe which is still emerging from a deep economic crisis.

Surplus-producing countries have enough exportable surpluses to cover the region's import requirements. Malawi and Zambia however might once again face a major challenge in securing external markets to export their surplus maize to - given the export problems faced and a lack of competitiveness vis-a-vis South Africa.

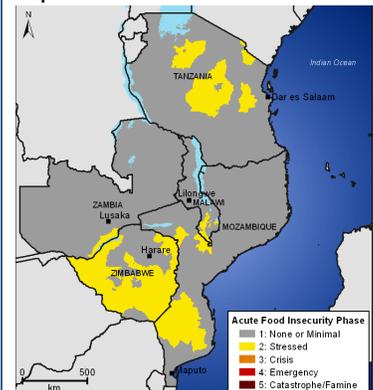
Currently most local markets are adequately stocked with cereals from both current harvests and stocks carried over from last year which traders are now off-loading onto the markets to create space for the new harvest. This has resulted in an adequate and stable supply of staple foods on the markets leading to significant price reductions. This drop in food prices has largely benefitted market-dependent households that have been facing above-normal prices in the recently ended lean season. However, price increases have been noted in some markets in Tanzania mainly as a result of the poor rainfall seasons (*vuli*, *msimu*, and *masika* rains) and in South Africa where the spot price of maize on the South Africa Futures Exchange (SAFEX) has continued to rise steeply despite the huge carryover stocks from the bumper harvests of the last two years. The May spot prices were above both last year and the five-year average. These increases could

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



Source: FEWS NET

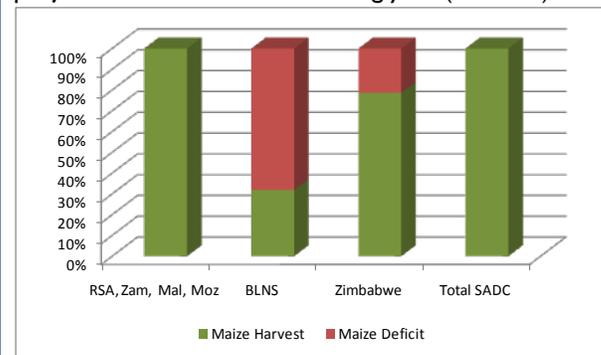
Figure 2. Most likely food security outcomes, July-September 2011



Source: FEWS NET

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

Figure 3. Preliminary domestic deficit/surplus projections for 2011/12 marketing year ('000 MT)



Source: SADC National Early Warning Unit and Central Statistics Office

be a result of trader reactions to global price trends which have continued to rise due to speculations on lower global supplies in the 2011/12 marketing year. Elsewhere, staple food prices are expected to continue to decline until the end of the harvest period (July/August) when prices should stabilize before rising again as the lean season approaches. This drop in food prices is typical for this time of the year when markets are usually well stocked with food from current harvests. Thereafter, prices should stabilize until the start of the lean season, which in many areas is not expected to be severe given that last year's and this year's harvests have been generally above the five-year average.

**Table 1.** Domestic balance for maize: preliminary 2011/12 projections compared to 2010/11 marketing year ('000 MT)

MAIZE	Current: 2011/12 Year			Last: 2010/11 Year		
	South Africa	Other SADC*	Total SADC	South Africa	Other SADC*	Total SADC
Opening stocks	2,545	1,386	3,931	2,131	836	2,967
Gross Production	11,490	16,519	28,009	13,421	15,768	29,189
<b>Availability</b>	<b>14,035</b>	<b>17,905</b>	<b>31,940</b>	<b>15,552</b>	<b>16,604</b>	<b>32,156</b>
Gross requirements	10,752	14,579	25,331	10,862	14,333	25,195
Desired stock	1,107	587	1,694	1,100	547	1,647
<b>Demand</b>	<b>11,859</b>	<b>15,166</b>	<b>27,025</b>	<b>11,962</b>	<b>14,881</b>	<b>26,843</b>
Deficit/Surplus	2,176	2739	4,915	3,590	1,724	5,314
Deficit/Surplus**	2,992	3,326	6,318	4,690	2,271	6,961

Excludes DRC and Madagascar. \* Excluding South Africa. \*\* Deficit/surplus without stock replenishment

Source: SADC National Early Warning Unit and FEWS NET

Food security conditions over the outlook period in areas classified as Stressed (IPC Phase 2) are expected to remain of concern. While conditions are expected to deteriorate as the outlook period progresses, in the affected areas of northern and north-eastern Tanzania, conditions will improve as the *msimu* and *masika* harvests become available in the July through September period. Elsewhere, given the reduced harvests, market-dependent households in the worst affected areas (such as southern Zimbabwe) are already relying on distant markets to access food. In these areas the lean season is likely to set in earlier than normal, hence, the need for humanitarian food assistance for vulnerable households. The ongoing annual vulnerability and food security assessments will provide more detailed information around June/July and will assist decision makers in determining the level of support required over the entire 2011/12 consumption period.