

EAST AFRICA

Assumptions for Quarterly Food Security Analysis

October 2013

ABOUT THIS REPORT

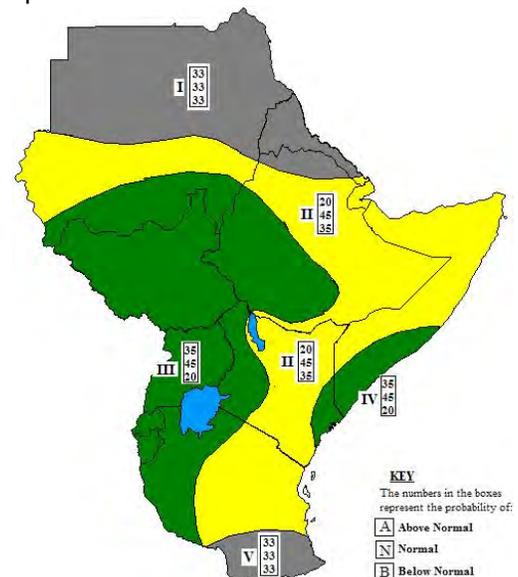
To project food security outcomes, FEWS NET uses scenario development. Commonly used by planners and researchers to forecast likely events, this methodology takes a set of informed assumptions about the future and compares their possible effects. Scenario development cannot predict exact outcomes but it structures the analysis and helps minimize uncertainty. This report, developed by FEWS NET analysts based on current evidence, outlines assumptions at the regional level. Analysts also develop assumptions at the country level, which are specific to that country and likely to be more detailed. Together, the regional and national assumptions are the foundation for the integrated analysis reported in FEWS NET's Food Security Outlooks and Outlook Updates. Learn more about FEWS NET and scenario development at www.fews.net.

FEWS NET's Food Security Outlook reports for October 2013 to March 2014 are based on the following regional assumptions:

SEASONAL PERFORMANCE

- In the eastern Horn of Africa, the **October to December Deyr/Hageya/Vuli/short rains** are expected to start late by up to two weeks and to have poor spatial and temporal distribution, especially in October and November. Overall, total rainfall over the course of the season is likely to be average to below average (Figure 1). However, due to uneven distribution, there is a very high likelihood of some areas receiving near average rainfall, especially in **southern Ethiopia**, though even in these areas, the rains may be unevenly distributed over time and space.
- The **October to December second season/season A/Vuli/short rains** in the western parts of East Africa including the **bimodal areas of western Tanzania** and most **bimodal areas in Uganda, Burundi, and Rwanda**, the rains are expected to have a near normal onset in September and October, and rainfall totals are expected to be average to above average over the course of the season. Spatial and temporal distribution is expected to be along near normal patterns in these areas.
- Warmer-than-normal **land surface temperatures** of up to two degrees Celsius higher than the climatology are expected in northern East Africa, especially in **Sudan, South Sudan, and Gambella Region and southern Southern Nations, Nationalities, and Peoples' Region (SNNPR) in Ethiopia** from October to December during the dry season.

Figure I. Regional seasonal rainfall forecast for September to December 2013



Source: [IGAD Climate Prediction and Applications Center \(ICPAC\)](http://www.igad-climate.org/)

REGIONAL TRADE AND PRICE DYNAMICS

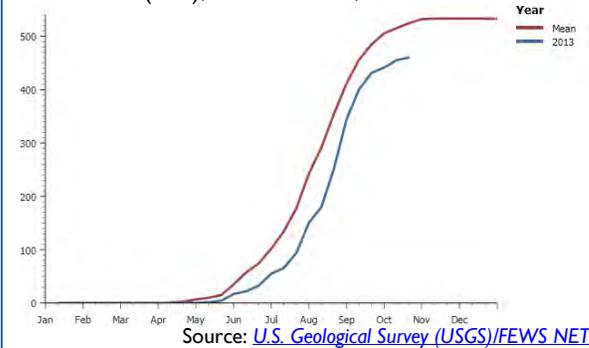
Ethiopia, Somalia, and Djibouti

- Following the expected near average *Meher* harvest in **eastern Ethiopia** from October to December, a seasonal decline in sorghum prices is expected from October to January in **Djibouti** and **northern and central Somalia** where imports are primarily sourced from eastern Ethiopia.
- With the Hajj in October, **livestock prices** in **southern and southeastern pastoral areas of Ethiopia, Djibouti, and Somalia** are expected to increase seasonally in October due to the seasonal increase export demand from the Middle East. Prices are expected to decline afterwards as export demand lessens, following normal seasonal patterns.

Sudan and South Sudan

- Following a very late start of the rainy season as late as 40 days late and in July in some areas of **eastern Sudan** (Figure 2), lower yielding varieties were planted, and planted area was drastically reduced from last year. Overall, rainfall deficits remained at the end of the season in September. Despite expected poor performance of **sorghum** in the surplus-producing areas of eastern Sudan, and a likely decline in national sorghum harvest by 15 to 20 percent from 2012/2013 production, **informal and formal cross-border trade between Sudan and South Sudan** will likely continue, but it will continue to be limited and erratic. This is despite the recent improvements in the atmosphere of the continued peace talks between the two countries. Hence, **Uganda** is expected to remain the main source market for imported staple food commodities in **South Sudan**, including red sorghum, millet, and maize, much like it has been for much of the past two years.
- Oil exports from South Sudan through Sudan** will likely continue because revenues from oil exports are a primary source of government revenue and foreign currency in South Sudan and pipeline fees similarly are a primary source of government revenue and foreign currency in Sudan.
- Despite some foreign currency earnings from oil exports, in both Sudan and South Sudan changes in **other economic indicators** are expected to be more lagged and gradual. For example, decreasing rates of consumer price inflation, increases in the level of formal employment, and stabilization of exchange rates between the domestic currencies (SDG and SSP) and major international currencies such as the U.S. dollar (USD) are expected to be slow. Therefore, both **cereal and non-cereal commodity prices** will likely remain high in both countries when compared to their respective five-year average prices. The prices of **sorghum, millet, and maize** will likely increase by between three and 15 percent from their current levels through March 2014 in both Sudan and South Sudan. However, a short seasonal decline in prices is expected in the main sorghum surplus-producing areas in January during the harvest.
- In **Sudan**, the partial reduction of fuel price subsidies in the last week of September raised **fuel prices** by 70 percent within a week. This adjustment to fuel prices is likely to increase transport cost by 30 to 50 percent by December, which will cause staple food prices to increase at the same time over the coming months. Increasing prices in Sudan will also influence increases in prices in **South Sudan**, which still imports some sorghum, wheat flour, and sugar from Sudan through both formal and informal trade.

Figure 2. Cumulative rainfall estimate (RFE2) in millimeters (mm), Gadarif State, Sudan



Uganda, Kenya, South Sudan, and Rwanda

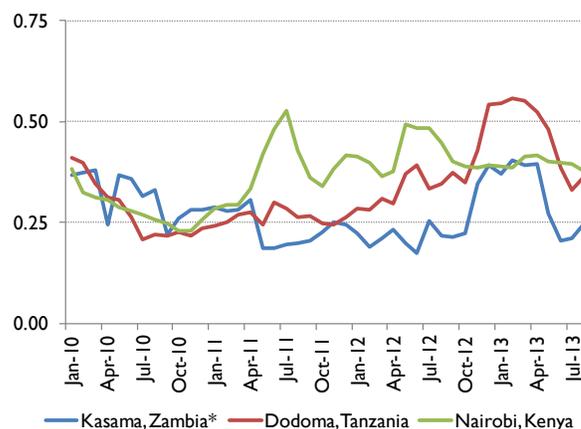
- Uganda's June to August harvest of maize and beans** was below average. Consequently, exports to **Kenya, South Sudan, and Rwanda** have been less than usual, a trend that is likely to continue until the next harvest in Uganda starts in late November and runs through January, likely returning export levels to closer to usual.
- Harvesting is ongoing in parts of **Kenya**. However, in the southwestern markets, wholesale **maize and bean prices** will likely decline gradually as opposed to a typical, seasonal, steep decline. This is because of less seasonal supply coming from **Uganda** than usual, which typically complements the fresh supplies from the August to September harvest locally and from other areas before most of the harvest from the grain basket in the northern Rift Valley enters the market in November and December.
- In **Rwanda**, the **price of beans** increased unseasonably in August across most markets due to the below average June to July harvest. Bean prices will likely continue to increase steeply across most markets from October until the next harvest starts in December due to reduced imports from Uganda and the below average domestic production.
- In **South Sudan**, **maize and bean prices** will likely decline gradually as opposed to a seasonal steep decline, especially in the southern markets including Juba from October through March 2014. This is attributed to declining seasonal supplies from **Uganda** that complements fresh supply from the October to February harvest across the country, which is expected to be near average in terms of volume.

- **Imported commodity prices** including **rice, wheat, and sugar** will likely decline in **Kenya, Rwanda, and Uganda** with the inauguration of the **East African Community (EAC) Common Market's single customs window** in October/November 2013. This means that transaction costs will be reduced as customs clearances will be done online and imports will be monitored electronically, which will minimize road blocks, time waiting at border crossings, associated informal taxes, and other non-tariff barriers to trade.

Tanzania, Kenya, Rwanda, and Southern Africa

- Seasonal supplies of **maize from Tanzania** will flow at mostly normal volumes to southeastern and coastal areas of **Kenya** and to **Rwanda**, resulting in stable prices between October and December. Maize prices in these areas will then gradually decline as local supplies come into these markets after local harvests start in late December/January.
- Relatively higher **maize prices** in East Africa (Figure 3) will likely continue to attract maize exports from **Zambia** via **Tanzania**.

Figure 3. Wholesale maize prices in U.S. dollars (USD) per kilogram (kg), January 2010 to August 2013



*Zambia prices are retail for one kilogram. Tanzania prices are for 100 kg bags, and Kenya prices are for 90 kg bags.

Sources: [Central Statistics Office of Zambia](#), [Ministry of Industry and Trade of Tanzania](#), [Ministry of Agriculture of Kenya](#)

CROSS-BORDER CONFLICT AND DISPLACEMENT

- The **referendum on the status of Abyei**, originally expected in October, is not expected to take place between now and March. Many people who left Abyei because of conflict will continue to return, often in part in preparation for the referendum. Approximately 80,000 had returned since July 2011 as of September 2013.
- The current level of **sporadic conflict** between the two countries is expected to continue during the scenario period. No widespread conflict or large-scale displacement or refugee flows are anticipated. This is due to the following:
 - **Oil exports** from South Sudan through Sudan are expected to continue from October to March.
 - **Livestock migration** from Sudan to South Sudan, which primarily occurs in December/January, is also expected to remain similar to that of 2012. Some migration was possible last year informally, primarily facilitated through personal relationships in the affected areas.
 - **Seasonal labor migration** during the harvest from October to December is expected from border areas of South Sudan to Sudan. Labor migration is, however, not expected in Blue Nile and South Kordofan around the areas controlled by the Sudan People's Liberation Movement-North (SPLM-N).