



EXECUTIVE SUMMARY

The Southern Africa region will continue to face critical food shortages during the 2004/05 consumption period. This report covers the results of a series of food crop supply and vulnerability assessments conducted in most member states, particularly those that have been hard hit by adverse crop growing conditions. FAO/WFP Crop and Food Supply Assessment Missions (CFSAM) have concluded in Lesotho, Malawi, Mozambique, Swaziland and Zimbabwe - five of the most affected countries in the region, as well as in Angola, which is emerging from a complex emergency.

The assessments show that while improvements in agricultural production in Angola and Mozambique were noted, Lesotho, Malawi, Swaziland and Zimbabwe will experience higher production deficits than those faced last year. When estimates from the six CFSAM missions are incorporated in the regional analysis, a much larger cereal shortfall emerges than had been anticipated. Whereas in June, an overall cereal production shortfall of 2.79 million MT (with stock replenishment) was projected, the analysis now indicates a shortfall of 3.25 million MT. At the regional level, current cereal import projections, if achieved, are sufficient to cover the assessed gap. A critical potential uncovered gap is assessed only for Zimbabwe.

The number of food insecure people requiring emergency assistance over the 2004/05 consumption period in the five countries covered under the current WFP EMOP is estimated at 5.078 million, down from 6.498 million last year. In Angola, the number has dropped from 1.40 million last year to 717,000.

Crop assessments completed in six most affected countries

Results of the April/May 2004 FAO/WFP CFSAM missions to the SADC countries which have faced adverse crop growing conditions for the last three to four consecutive crop growing seasons indicate that cereal deficits remain critical in Lesotho, Swaziland and Zimbabwe. In Malawi, supply shortages were assessed for maize and wheat, with the maize shortfall confined to the southern province that was worst affected by an erratic rainy season. Cassava and sweet potato production are estimated to have increased (by 13 percent and 4 percent, respectively), and will contribute significantly to lowering the projected shortfall. Food crop production in Mozambique on the other hand is assessed to have improved this year, especially in the southern region. Domestic cereal availability (opening stocks *plus* production) is sufficient to meet requirements, even taking into account estimated maize exports of 170,000 MT.

In Zimbabwe, where the CFSAM was curtailed after only 12 days in-country, the mission estimates a total cereal harvest of only 950,000 MT (within a 10 percent range). This estimate - which is similar to last year's level - is one of the lowest proffered by various organisations. Nonetheless, the mission estimates of the commercial maize import capability are quite high - at 620,000 MT (400,000 MT *plus* 220,000 MT already contracted), and if achieved will lower the projected gap substantially. The government's decision to scale back general free food distributions means that only a small proportion of the uncovered gap can be filled through emergency food aid; therefore, food access remains a grave concern in both rural and urban areas of Zimbabwe.

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In Angola, preliminary indications (the CFSAM is expected to be officially released in August 2004) are that food crop production has increased this year, despite the flooding that washed away many crops in Huambo Province and other areas. Indications are that maize production is well above last year's level, largely because of the good harvest in Huila Province. Cassava production is assessed to have increased significantly as well, and its availability is expected to greatly reduce the assessed domestic food gap. While production recovery is notable, pockets of food insecurity still persist over some areas of the Planalto region, in particular Huambo province. A recent joint WFP/VAM assessment concluded that some 334,000 Angolans are currently food insecure, while 717,000 are highly vulnerable and likely to require food assistance from October 2004 until the next harvest.

TABLE 1: 2004/05 Food Aid Requirements and Estimated numbers of Food Insecure compared to 2003/04

Country	2003/04 Marketing year				2004/05 Marketing year ⁴	
	Assessed Food Aid Requirements ¹	Assessed # of the Food Insecure ²	Actual Food Aid deliveries ³	Actual # of Bene-ficiaries	Assessed Number of Food Insecure	Assessed Food Aid Requirements
Lesotho	32,900	375,000	19,000	426,000	948,300	43,000
Malawi	31,000	677,000	53,000	468,000	1,340,000	56,000
Mozambique	144,000	856,000	83,000	587,000	187,000	49,000
Swaziland	24,000	207,000	15,000	188,000	262,000	28,300
Zambia	37,300	430,000	47,000	405,000	No data	No data
Zimbabwe	610,000	4,002,000	266,000	4,424,000	2,341,000 ⁵	177,700
Total⁶	879,200	6,547,000	483,000	6,498,000	5,078,000	354,000
Angola ⁷	219,000	1,400,000	151,000	No data	717,000	No data

Notes:

1/ Assessed food aid requirements sourced from the FAO/WFP CFSAM reports of 2003. 2/ Numbers of food insecure sourced from WFP EMOP 10290.0 document. 3/ Actual cereal distributions and actual number of beneficiaries sourced from WFP (ODJ).

4/ Assessments of import requirements, commercial imports, food aid needs and numbers of the food insecure sourced from the July 2004 FAO/WFP CFSAM reports. 5/ Numbers from VAC rural assessment only. 6/ Total calculated for the six countries covered under WFP EMOP 10290. 7/ Sourced from the June 2003 FAO/WFP CFSAM report and the FAO/GIEWS Africa Report, June 2004.

Table 1 above depicts the food aid requirement and the numbers of the food insecure in the affected countries as assessed by the national VACs and FAO/WFP for the 2004/05 consumption period and compared to 2003/04. Although there are no data from Zambia, the total number of the food insecure (requiring emergency assistance for varying months over the consumption period) has decreased in the six countries covered under the WFP 2003/04 Regional EMOP. Consequently, total assessed food assistance has dropped to 354, 000 MT (from an actual 483,000 MT distributed last year). Whereas 6.498 million people received food aid in 2003/04, the number decreases by about 22 percent to 5.078 million for the 2004/05 consumption period. This figure does not include urban areas in Zimbabwe, where the Zimbabwe VAC late last year assessed about 2.5 million people to be vulnerable.

High Level of Cereal Imports Required

Estimated cereal availability in the SADC region falls far short of requirements in most countries. Current food availability assessments as well as estimates derived by the FAO/WFP CFSAMs in several SADC member States indicate large cereal import requirements for the region (Table 2 and 3). According to these assessments, 3.32 million MT of cereals must be imported into the region during the current marketing year in order to meet consumption requirements. This figure shows a 20 percent increase over last year's regional shortfall of 2.70 million MT; and assumes a full replenishment of strategic grain reserves. However, the shortfall is still well below the 5.24 million MT level reached in 2002/03, when many member States faced critical food shortages. [It is worth noting that the shortfall decreases considerably from 3.25 million MT – when using the Zimbabwe estimates derived through the WRSI model].

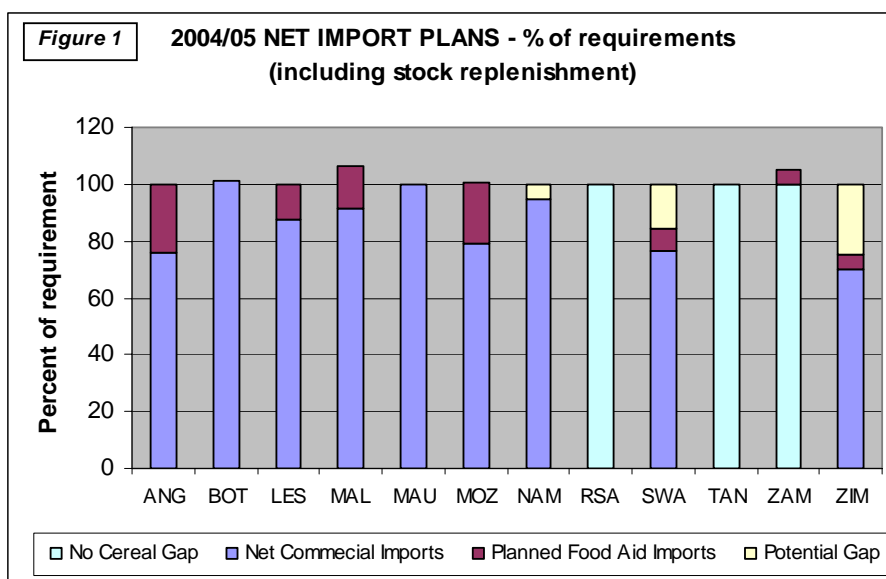
Some of this cereal shortfall will be filled through substitution of other non-cereal food crops such as cassava, sweet potato, bananas and other commodities. In many countries (such as Angola, Malawi, Mozambique, Tanzania and Zambia), cross substitution plays a very important role in filling the cereal gap. However, estimation methods (both for availability and cereal equivalents) in most countries currently do not enable an accurate estimation of the proportion of consumption requirements that come from these non-cereal crops. In these calculations, cross substitution has only been incorporated for Malawi and Tanzania.

Figure 1 (and annex 1) show, the mix of commercial and food aid imports, by country, needed to fill the cereal gap. Planned commercial imports are based on historical trends of each country's import capability and, where possible, informal cross border food imports have been estimated. Figures represented for the SADC countries where CFSAMs were fielded are based on the mission reports. The graph shows that except for South Africa, Tanzania and Zambia, all countries will have to commercially import substantial amounts of cereals to cover assessed gaps. It will be very important to monitor import progress (formal and informal) to assess whether the food gaps are being adequately covered as the year progresses. Zimbabwe is the only country in which a potentially large cereal gap may remain uncovered.

TABLE 2: Estimated 2004/05 Cereal Import Requirements for SADC Countries

	Deficit/Surplus** ('000MT)		
	Marketing Year		
	2002/03	2003/04	2004/05
Angola*	-725	-709	-820
Botswana	-290	-281	-281
Lesotho*	-338	-321	-349
Malawi*	-485	-94	-384
Mauritius	-203	-203	-203
Mozambique*	-542	-654	-610
Namibia	-155	-140	-150
South Africa	531	1534	697
Swaziland*	-111	-128	-127
Tanzania	-423	-264	68
Zambia*	-626	-66	196
Zimbabwe*	-1869	-1287	-1290
SADC	-5236	-2702	-3254

Source: SADC FANR and SADC National Early Warning Units
 * Data sourced from FAO/WFP CFSAM Mission reports – 2002, 2003, and 2004. ** Deficit/Surplus calculated with stock replenishment



Individual country analyses show that South Africa (which this year has produced over 47 percent of the region's grain) will be able to meet current levels of planned cereal exports, as well as adequately replenish its pipeline stock requirement. However, despite the latest upward revision in the sixth maize harvest estimate (from 8.14 million MT to 8.284 million MT), current estimates from the Statistics Directorate of the National Department of Agriculture (NDA) now suggest a reduced exportable maize surplus due to an upward revision of gross requirement estimates. While earlier estimates suggested a surplus of some 2 million MT, the figure is now assessed at around 1.33 million MT. Nonetheless, with planned maize exports of 900,000 MT and imports of yellow maize of 341,000 MT, the country projects a year end maize surplus of 770,000 MT over and above pipeline stock requirements.

National VAC assessments provide input into the CFSAM

Reports of the vulnerability assessments conducted in April and May 2004 in Lesotho, Malawi, Mozambique, Swaziland and Zimbabwe have been finalized and disseminated in all countries except Zimbabwe. The VAC assessments were coordinated by the SADC Regional VAC, which through donor funding has been able to support assessments in affected countries since 2002. The 2004 assessments were planned to link into the FAO/WFP CFSAMs and the results have been integrated into the final CFSAM reports. The numbers of the food insecure identified in the CFSAM mission reports correspond with the numbers assessed by the NVACs.

The 2004 assessments have placed more emphasis on an in-depth understanding of household level vulnerability to food insecurity and have broadened their focus to include not only the food gap, but also to analyze the underlying vulnerability factors such as HIV/AIDS, recognized as one of the causes of food insecurity in the region. In addition, most NVACs have made further progress in establishing VA monitoring systems and moving towards more holistic analysis of vulnerability, looking beyond food aid as the only intervention, and providing a basis for response planners to consider other interventions such as market based solutions. The analyses suggest cash transfers can provide additional benefits stimulating a multiplier effect within very poor communities in affected areas.

A regional synthesis of national VAC results serves to confirm earlier findings of the of food insecurity and vulnerability trends in the region. However, these trends have continued their downward spiral almost unabated in most countries since the last round of VAC assessments in April and May 2003. The results highlight the complex nature and mutual reinforcement between the underlying key factors in household vulnerability. These include:

- **Increasing levels of poverty and chronic food insecurity:** Very low levels of incomes and the steady erosion of assets impact negatively on households' ability to recover lost assets, thus reducing their capacity to mitigate against current and future shocks. Low income levels are assessed to result from chronic poverty (Malawi), depressed employment opportunities (Lesotho and Swaziland), low cash crop and livestock price levels, and a general economic slow-down (Zimbabwe).
- **Increasing negative impacts of the HIV and AIDS pandemic on food security:** Increasing illness and death of household members (HIV and AIDS related) continues to have a significant negative impact on household incomes. There is evidence that rising levels of infections are leading to a downward spiral of lower productivity, unsustainable selling of vital assets such as livestock and lower income levels as people leave off-farm employment either to take care of the sick or because of their own illness. There is clear evidence of growing numbers of orphans and chronically vulnerable households due to the effects of HIV and AIDS.
- **Agricultural recovery prospects remain poor:** Trends in cereal production (acreage and yields) continue to decline, and the inability to access affordable agricultural inputs (as a result of poverty) is cited as major constraint. The effects of the multi-year droughts that have occurred in the five countries have contributed significantly to agricultural recovery which has worsened food insecurity. Lack of diversification in livelihood and cropping patterns is also assessed to impact negatively on agricultural productivity. Production shortfalls have led to a steady increase in food prices, forcing households to intensify their already stretched coping strategies.
- **Lack of access to basic services weakens household resilience:** Availability and/or affordability of basic services (health, education, water, etc.) remain a major constraint for the majority of the rural poor. The rise in HIV and AIDS infections has also led to a decline in governments' ability to deliver basic health services. Poor infrastructure and the attendant lack of easy access to markets (food and inputs) is also cited as a serious constraint to ensuring food security.

The NVACs have offered a number of recommendations through which governments and humanitarian agencies can address this crisis at the national level. These recommendations address chronic vulnerability through both emergency and long-term intervention programmes. The ongoing establishment of VA monitoring systems in these countries will provide regular and much needed information that will help frame and evaluate response and contingency planning decisions.

Humanitarian Agency strategies to address the crisis

The CFSAM and VAC assessment findings reveal areas of need across sectors in each of the affected countries. These findings are corroborated by observations made during the recent mission led by James Morris, the UN Secretary-General's Special Envoy for Humanitarian Needs in Southern Africa, which noted that the Southern Africa crisis is caused by the confluence of HIV, food insecurity, burden on public administration and services and, most critically, the drain on human resources. UN agencies within the Regional Interagency Coordination and Support Office (RIACSO) which spearheaded the regional response to the Southern Africa crisis in 2002/03 have adopted a strategy that addresses these needs at the country level through the UN country teams, which are already geared up to tackle the "triple threat" of food insecurity, HIV/AIDS and weakened capacity for governance. The strategy recognizes the need to address emergency and long-term needs simultaneously.

WFP is addressing food aid needs identified in Lesotho, Malawi, Mozambique, Swaziland and Zimbabwe (as well as in Zambia, where pockets of food insecurity remain despite the good harvest projected at national level) through the current EMOP, which has been extended to December, and through the Regional Protracted Relief and Recovery Operation that is scheduled to start in January 2005. The extended EMOP is still under funded, and faces serious pipeline shortfalls of cereals that will affect distributions around September or October in all countries except Zimbabwe.

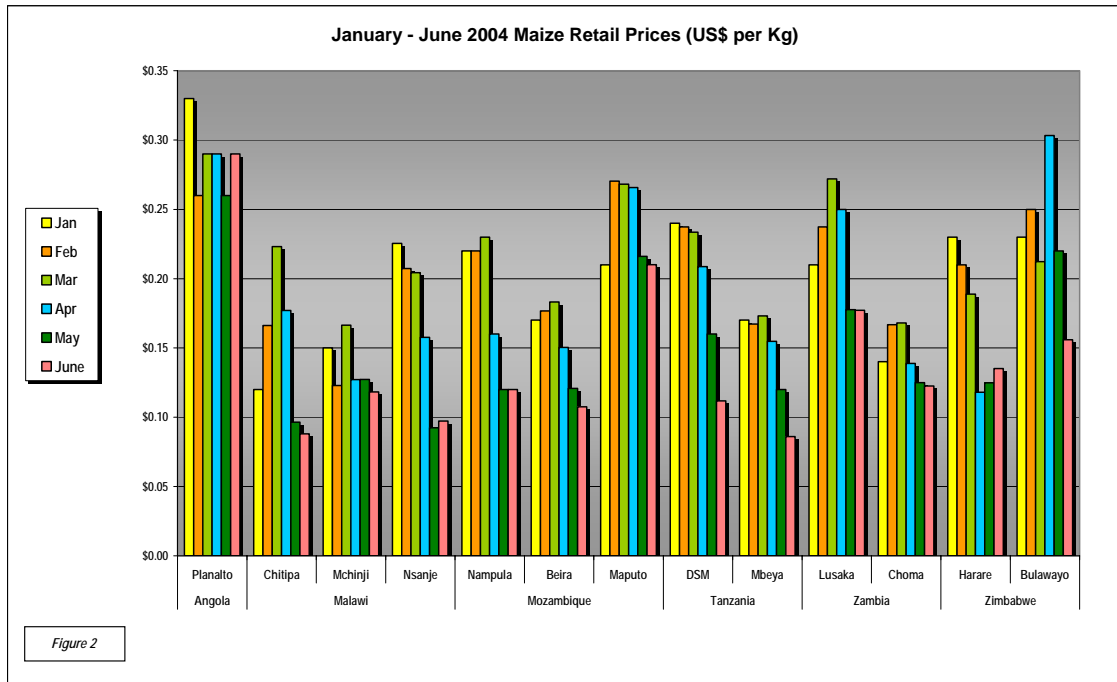
Addressing the large food access problem of the vulnerable in Zimbabwe poses a serious challenge as the government has indicated that it does not require emergency food aid assistance. WFP has since scaled down operations there and will target assistance to vulnerable groups with special needs. The CFSAM macro level estimates indicate that of the estimated cereal shortfall of some 1.29 million MT, about 325,000 MT would have to be met through international assistance or remain uncovered. Preliminary results from the VAC show that up to 2.3 million rural people will need food assistance estimated at 177,000 MT of cereal between July 2004 and March 2005, while an urban VAC assessment conducted in late 2003 indicates that 2.5 million people in urban areas are food insecure.

Other humanitarian agencies such as World Vision International (WVI) and OXFAM have also presented their regional strategies to address the continuing crisis in all affected countries. WVI will focus on assisting communities to prepare integrated disaster management plans outlining community resilience programmes that combine development and relief. The OXFAM strategy focuses on protecting livelihoods through the implementation of productive safety nets and improving long-term food security and resilience using a rights-based approach.

Regional price movements and trade flows

The maize harvest season begins in earnest around May/June in most countries of the SADC region. This period is normally characterized by sharp decreases in retail maize prices as supplies become plentiful both at the household level and in the retail markets. Available data from selected countries shows that in most of the markets monitored, prices appear to have peaked in March and started declining from April into May (see Figure 2). In June, market prices in Malawi (North and Central), Mozambique, Tanzania, Zambia and Zimbabwe (Bulawayo) continued to decline as the harvest reached its peak levels in these countries. The lowest June prices (US\$0.09/kg) were recorded in southern Tanzania (where the peak harvest normally occurs in July), and in northern Malawi (Chitipa). Notable exceptions to this normal seasonal price trend are the Planalto region in Angola, where the average price for white maize appears to be fluctuating monthly, reflecting the different

harvest prospects and inter-provincial trade flows, and in Harare, where prices appear to have been increasing since April.



Trade flows of staple foods (informal cross border trade) are currently being monitored at selected border crossing points between Malawi, Mozambique, Zambia, DRC, Tanzania and Zimbabwe through a monitoring system that is being set up by FEWS NET and WFP. The system is tracking cross border trade in maize, beans and rice, and this activity will continue throughout the trading period until the next harvest period. This activity began in mid-June with hiring and training of border monitors at selected border crossing points. The data received so far shows that there is considerable trade in all three food commodities, with largest volumes recorded for maize moving from Zambia into Zimbabwe, and from Mozambique into Malawi. Once the system is fully operational, the data will be analyzed and made available for future needs assessments and calculations of food gaps and import requirements.

ANNEX 1: 2004/05 PROJECTED REGIONAL CEREAL BALANCE as at 30 July 2004 ('000 MT)
(Maize, Wheat, Rice, Sorghum and Millets)

	Ang*	Bot	Les*	Mal*	Mau	Moz*	Nam	RSA	Swa*	Tan	Zam	Zim*	SADC
Opening stocks	35	55	43	10	4	191	33	2855	19	336	10	105	3695
Gross Production	713	34	49	1813	2	1946	135	10650	64	4928	1560	951	22846
Total Availability	748	89	92	1823	6	2137	168	13505	83	5264	1570	1056	26541
Gross requirements	1557	324	413	2268	199	2588	268	11241	199	5046	1353	2197	27653
Carryover stock	11	47	28	62	10	159	50	1567	10	150	20	150	2264
Cross Substitution ¹	0	0	0	-123	0	0	0	0	0	-809	0	0	-932
Total Demand	1568	370	441	2207	209	2747	318	12808	210	4387	1373	2347	28985
Deficit/Surplus	-820	-281	-349	-384	-203	-610	-150	697	-127	68	196	-1290	-3254
Deficit/Surplus ²	-809	-235	-321	-322	-193	-451	-100	2264	-117	218	217	-1140	-989
Commercial Imports	620	297	305	352	203	652	142	1091	100	0	44	905	4711
Food Aid imports	200	0	44	56	0	133	0	0	10	0	10	60	513
Exports	0	-12	0	0	0	-170	0	-1105	-3	0	-250	0	-1540
Planned Net Imports	820	285	349	408	203	615	142	-14	107	0	-196	965	3683
Uncovered cereal gap/ surplus ³	0	4	0	0	0	5	-8	683	-20	68	0	-325	406

Source: SADC FANR and National Early Warning Units. *Data sourced from FAO/WFP CFSAM July 2004 reports and FAO/GIEWS Africa Report, June 2004. ¹Cross substitution with non cereal food. ²Deficit/ surplus calculated without stock replenishment. ³Uncovered cereal gap/ surplus calculated with stock replenishment.