

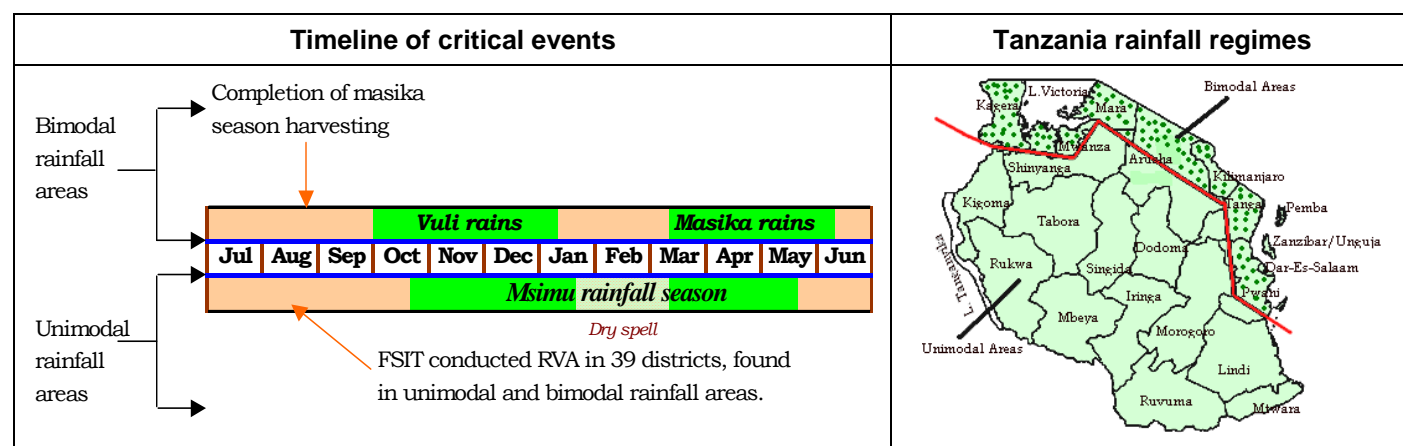
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SUMMARY AND IMPLICATIONS

The 2004/05 annual harvest is nearly complete across most of the country, and maize prices have begun to decline as crops supplies increase. Exceptions are found in Lake Victoria Basin (Mwanza and Shinyanga Regions), where maize prices rose. Despite the high grain prices in these two regions, overall food security remained satisfactory. Elsewhere, prices are lower than they have been at this time for the past two years. Pasture availability is diminishing in most locations as the dry season progresses. However, livestock are still healthy and at normal productivity throughout the country. Due to satisfactory availability of staples at reasonable prices, animal sales are low and consequently their prices are high and stable.

SEASONAL CALENDAR



CURRENT HAZARDS

- Although grain prices have stabilized or declined on most markets, they remain worryingly high in the regions of Shinyanga, Mwanza, Mara, Mtwara, Lindi and Kilimanjaro.
- Vegetation conditions have continued to deteriorate in pastoral and some agro-pastoral areas. Sustained surveillance is necessary until the start of rainy seasons (*vuli* in bimodal areas and *msimu* in unimodal areas) in September/October.

FOOD SECURITY SUMMARY

The national food security situation is satisfactory. For non-pastoral and market dependent households, food availability and access have improved following the harvest and increased deliveries to markets, which has eased the pressure on staple food prices. Satisfactory pastoral food security is attributed to good livestock health and high prices. Pastoralists' terms of trade have improved and they are able to meet their cereal requirements by selling fewer animals. For example, preliminary August RVA analysis reveals that an average cow in July was worth the equivalent of 800 kg of maize, up from only 720 kg in July 2004.

Although the overall national food security is satisfactory, the Food Security Information Team (FSIT), through a Rapid Vulnerability Assessment (RVA) it conducted this month, has confirmed the presence of food insecurity in almost all of the 39 districts it assessed. This multi-agency forum (network) is still analyzing the data and writing the report. FSIT has, however, already attributed the prevailing food insecurity to various causes, including crop failure during the 2004/05 production year and the lack of alternative sources of income to households who depend on crop sales. Additionally, prices for some cash crops have declined. Cotton was selling in the Lake Victoria Basin for over TShs 200 per kg last year, and prices this year vary between TShs 150-180 per kg. It is most likely that food insecure households will require food and non-food (mainly seed) interventions to protect their livelihoods and help them engage fully in production in the following agricultural season. Both the short (*vuli*) rains and seasonal (*msimu*) rains are expected to begin around October.

RAINFALL AND VEGETATION CONDITIONS

Climate conditions in August were normal: dry in most parts of the country with drizzles falling along the Lake Victoria Basin and parts of Dar es Salaam and Coast Regions during the first two dekads. These rains were slightly above normal in parts of Mara Region in the Lake Victoria Basin (Figure 1). These rains help to soften soils in parts of the Lake Victoria Basin and signify the beginning of land preparation for the short (*vuli*) rains crop. The rains also contribute to maintaining livestock health and productivity because they rejuvenate pasture and recharge water sources. Normally the *vuli* rains in bimodal rainfall areas start towards the end of September, while the *msimu* rains in unimodal rainfall areas begin in October. A four month lead climate probability forecast by the National Oceanic and Aerospace Administration (NOAA) shows that from October to December 2005, rainfall is expected to be normal except in small parts of Mbeya and Rukwa regions near Lake Rukwa, where rainfall is expected to be below normal. The performance of rains during this period is important, particularly for bimodal rainfall areas, where harvests contribute nearly a third to local annual food crop production. The rains are important for the unimodal rainfall areas as they dictate the state of crops before the onset of a dry spell between January and February, which can be detrimental to late planted crops or those that experienced poor growth in their early months.

Vegetation continued to dry up as expected. Compared to the long-term average for the second dekad of August, conditions this month were worse to much worse in the pastoral districts of Ngorongoro, Monduli, Kiteto and Simanjiro in Arusha and Manyara (northern) regions, according to the Normalized Difference Vegetation Index (NDVI). Other areas with worse to much worse vegetation conditions were in Kilimanjaro and Tanga (north), Morogoro (east), Iringa (south) and Kagera (Figure 2). Though there have been no reports of adverse effects of this dryness on livelihoods, close monitoring of the situation and livelihoods will continue.

Figure 1: Current rainfall estimates vs. long term average, August 11-20

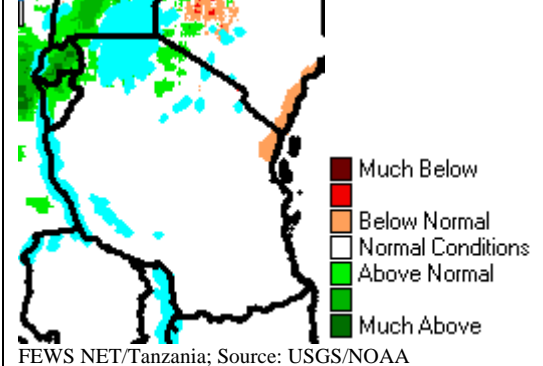
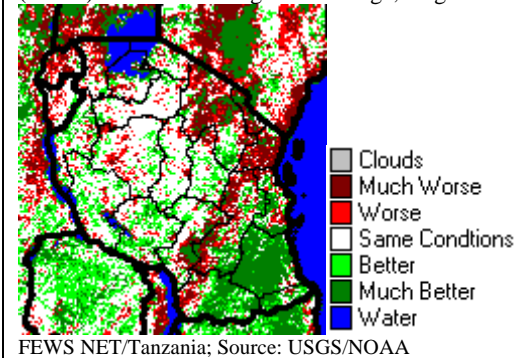


Figure 2: Normalized Difference Vegetation Index (NDVI): Current vs. long term average, August 11-20



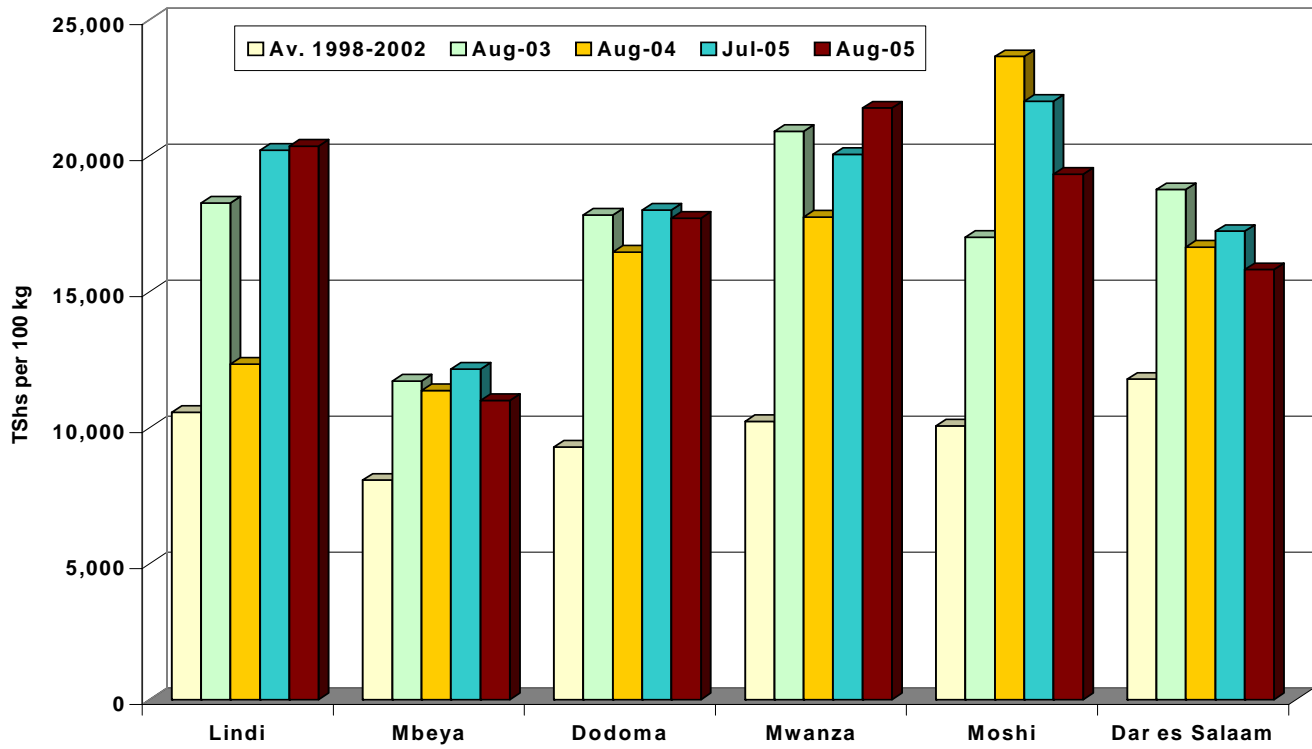
MARKET ANALYSIS

Average wholesale maize prices fell on most markets in August. Major price drops were recorded in all four regions in the northern highlands (Tanga, Moshi, Arusha and Manyara), Mbeya and Dar es Salaam (Figure 3). The maize price drop in the northern highlands is attributed to this year's *vuli* crop harvest, even though it was below average. The same reason accounts for price decline in Mbeya Region, where, unlike in the northern highlands, production was above average due to good rainfall and increased fertilizer use. Much more fertilizer was used in 2004/05 than in the previous years because government extended its subsidy from only meeting part of the transport costs to paying a proportion of the fertilizer costs, particularly high analysis types such as UREA, DAP and NPK. Mbeya is among the major regions recording high use of fertilizers in Tanzania. The Ministry of Agriculture and Food Security (MAFS) also reported that this year, the areas of land cultivated with maize increased in various regions including Mbeya. Traders attribute maize price drops in Dar es Salaam to increased deliveries from up country, following completion of harvesting and drying.

Major maize price hikes in August were recorded in the regions of Mwanza and Shinyanga only, both in the Lake Victoria Basin. These price increases are multifaceted: whereas in Mwanza the estimated amount of maize produced in the 2004/05 season (216,790 MT) was nearly the same as in the previous year (214,110 MT), production in Shinyanga dropped significantly from 142,000 MT to 89,000 MT. Some maize is possibly coming down to Shinyanga from Mwanza, increasing pressure in the latter region. Furthermore, transport costs from surplus areas to these regions are increasing alongside an increase in fuel prices, particularly diesel. The situation is aggravated by consumption habits whereby, apart from locations where cassava and sorghum are important staples, most of the persons in Shinyanga and Mwanza maintain high affinity for maize consumption. Particularly, the middle income and better off households can afford the rising maize prices, because they are currently fetching good income from livestock sales. Currently, livestock conditions in these predominantly agro-pastoral regions are good.

Nominally, maize prices were also high in Mtwara and Lind (South Coast) during August. Maize production in these regions is normally low, and is supplemented with supplies from the southern highlands, which are brought in at high transport costs.

Figure 3: Maize average wholesale prices on selected markets



Sources: Source: Ministry of Cooperatives and Marketing