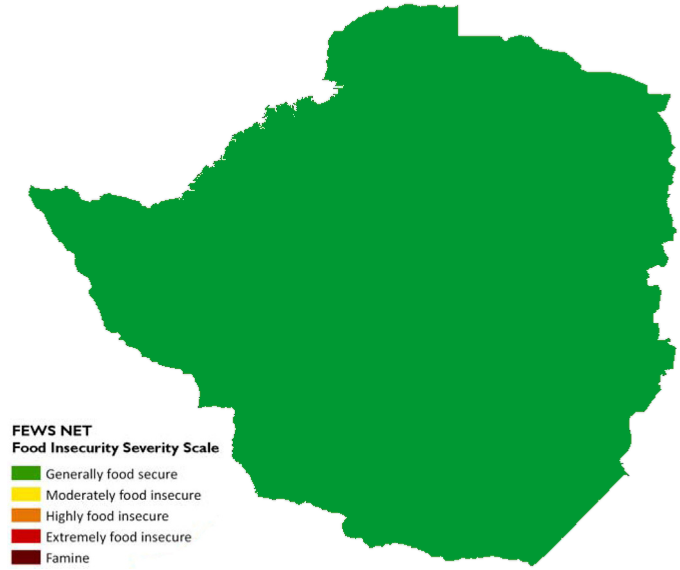
ZIMBABWE Food Security Outlook July-December 2009

- Generally, food security in Zimbabwe is expected to improve, given the 2008/09 harvests and the continued favorable regulations on the importation of basic commodities, which have resulted in increased availability of food in local markets.

- In April, the Ministry of Agriculture (MoA) estimated cereal production at 1,510,000 MT, and in May, the FAO/WFP Crop and Food Security Assessment Mission (CFSAM) estimated cereal production at 1,370,000 MT. Both indicate an improvement compared to last season's estimate of 560,000 MT and 690,000 MT provided by the MoA and the CFSAM, respectively.

- Since the adoption of the multiple currency system and introduction of the duty-free regulation on imported basic commodities, which had been extended to the end of the year, there has been a marked improvement in stocking levels in most shops, and prices have declined. Though prices have gone down, they have remained high for most poor urban households with limited purchasing power.

Figure 1. Estimated food security conditions, July 2009



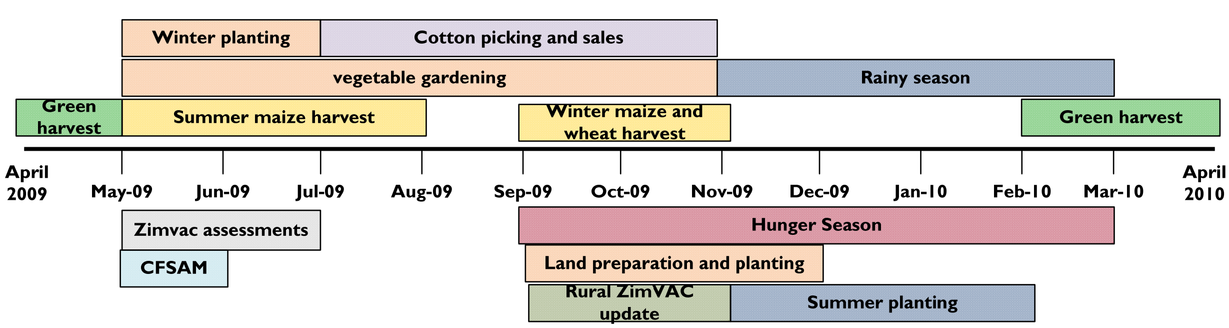
See www.fews.net/FoodInsecurityScale for more information on the FEWS NET food insecurity severity scale.

Source: FEWS NET

- Based on the ZimVAC urban assessment in January 2009 (adjusted for improvements in the last six months) and the May 2009 ZimVAC Rural assessments (Interim and Rural Household Food Security Survey), FEWS NET estimates that between 2.0 and 2.4 million people are likely to be food insecure during the peak hunger period in the 2009/10 consumption year.

- Livestock conditions remain fair to good across the country, with good grazing and adequate drinking water for animals. However drier parts of the country are likely to face water shortages after the winter (May-July). Dipping remains erratic in most areas, resulting in high incidences of tick-borne diseases.

Seasonal calendar and critical events timeline



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Current food security conditions

In April 2009, the Ministry of Agriculture (MOA) estimated cereal production to be 1,510,000 MT, and in May 2009, the FAO/WFP Crop and Food Security Assessment Mission (CFSAM) estimated cereal production of 1,370,000 MT (Table 1). Both estimates indicate an improvement compared to last season's estimates of 560,000 MT and 690,000 MT provided by the MoA and the CFSAM, respectively. This improvement was attributed to the good rainfall and distribution, though inputs were in short supply. The improvement was also confirmed by the Zimbabwe Vulnerability Assessment Committee (ZimVAC) interim assessment carried out in May 2009, which indicated significant improvements in household cereal harvests compared to last year.

Table 1. Cereal (maize, sorghum and millets) Production Balance, April 2009/March 2010

	CFSAM	MOA
Opening Stocks	11,000	11,000
Production	1,370,000	1,510,000
Human requirement	1,540,000	1,850,000
Livestock and other uses	331,000	350,000
Anticipated commercial imports	330,000	N/A
Initial Deficit	**(160,000)**	**(679,000)**

Source: *CFSAM & MoA*

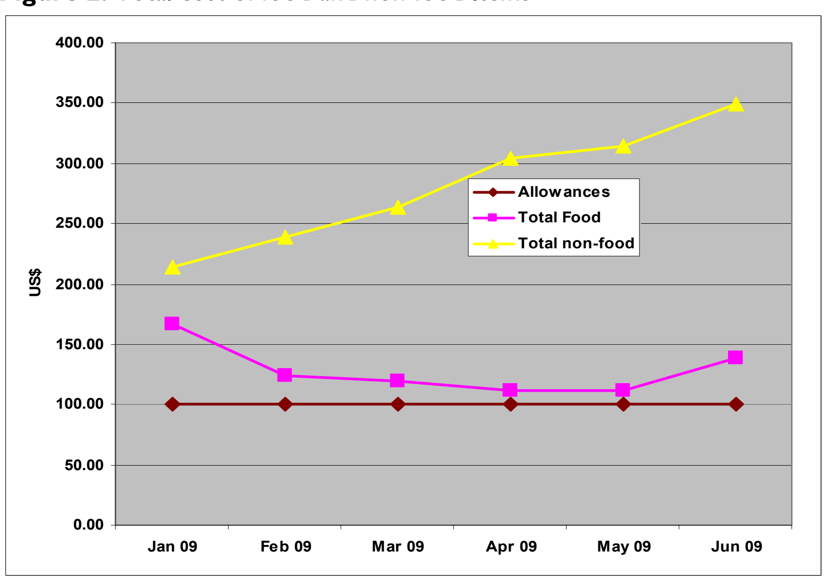
The ZimVAC Rural Household Food Security Survey projected in May 2009 that at the peak hunger period, about 1.4 million rural people will not be able to meet their cereal requirements during the 2009/10 consumption year. In January 2009, ZimVAC had estimated about 33 percent of the population in the medium to low-income section of urban areas to be food insecure. Since these areas are about 70-80 percent of the urban population and close to 60 percent grew maize, which contributes about four months of household requirements, the food insecure urban population could currently range between 500,000 and 900,000 people.

However, both estimates by CFSAM and MOA show that Zimbabwe will have a deficit of between 160,000 MT and 679,000 MT, which will need to be filled by imports. CFSAM estimated 2.8 million people to be food insecure during the 2009/10 consumption year in both urban and rural areas, of which, 2.2 million will be rural and 600 000 urban. The ZimVAC Rural Household Food Security Survey revised this rural population to 1.4 million in need of food assistance during the 2009/10 consumption year. Based on these figures, FEWS NET estimates that the population in need of food assistance is expected to be between 2.0 and 2.4 million.

Given better harvests in the 2008/09 agricultural season, currently, most households are still consuming food from their own production. As assessed by the Zimbabwe Vulnerability Committee (ZimVAC) household survey in April 2009, some households will require food assistance beginning of September 2009. National cereal availability has been complemented by continued private and individual food imports, which have improved supplies on the market. GOZ has extended the favorable import regulations through December 2009, meaning that more basic goods will be imported free of duty, thus improving supply on the market.

About 30 percent of Zimbabwe's population lives in urban areas, and about

Figure 2. Total cost of food and non-food Items



Source: *CCZ*

60 percent of these rely on urban agriculture for their food consumption. This season's improved harvests are likely to decrease their current food needs. However, all assessments (ZimVAC, CFSAM, and MOA) indicate that many households will face cereal deficits, especially between October 2009 and January 2010, as large cereal deficits are predicted.

Generally, livestock conditions remain fair to good across the country; grazing is good and drinking water for animals is adequate in most areas, though some areas in dry parts of the country, including Matebeleland provinces and northern districts of Mashonaland Central and East, are likely to face water shortages after the winter (May-July). Dipping remains erratic in most areas, resulting in high incidences of tick-borne diseases; however, some districts, including Seke district in Mashonaland province, have reported occasional dipping in July 2009. Given heavy destocking in most communal areas that faced food security problems during the last consumption year, when vulnerable households were exchanging their livestock for maize grain, most households now prefer cash sales to respond to their other incidentals. For those exchanging livestock for grain, the terms of trade are in favor of grain, with an average cattle equivalent to 700 kg. In normal years, an average beast would fetch as much as one ton of maize grain.

Zimbabwe's depressed economy continues to limit employment opportunities, and the majority of those employed earn relatively low wages, limiting their purchasing power for food and other basic commodities and services. However, in mid-July, the government announced the need to review civil servant salaries, but this was to be considered after providing revenue to other sectors first, including agriculture, such as the Grain Marketing Board (GMB). Currently, the Government of Zimbabwe (GOZ) remains one of the biggest employers, but is facing serious challenges in paying its employees due to its lack of revenue, limited access to credit, and years of cumulative economic decline. Since February 2009, the GOZ has resorted to giving an allowance of USD100/month to all its employees, regardless of grade. This is a stop-gap measure, as the allowance remains below the cost of a minimum food basket. In June, this allowance could only cover about 20 percent of the Consumer Council of Zimbabwe (CCZ) total cost of the family basket, estimated at USD 502.22 in June 2009 (Figure 2). If only considering the cost of food items, this allowance would cover 72 percent of the total food cost. However, it does not include important services, such as health, education, clothing, and housing.

Since the adoption of the multiple currency system and the introduction of duty-free regulation on imported basic commodities, which had been extended to the end of the year, there has been marked improvement in stocking levels in most shops and prices have declined. Between January and June 2009, some basic food items fell by between 30 and 60 percent, but prices still remain between three and six times higher than the five-year average for June (see annex). Between April and June 2009, maize grain price dropped by 31 percent and maize flour went down by 15 percent. This decline was attributed to both improved supply on the market and the good harvest. In the rural areas, grain prices are even lower than those in urban areas, with grain selling at 0.17USD/ kg on average, and between two times and three times less than urban prices.

Most-likely food security scenario, July- December 2009

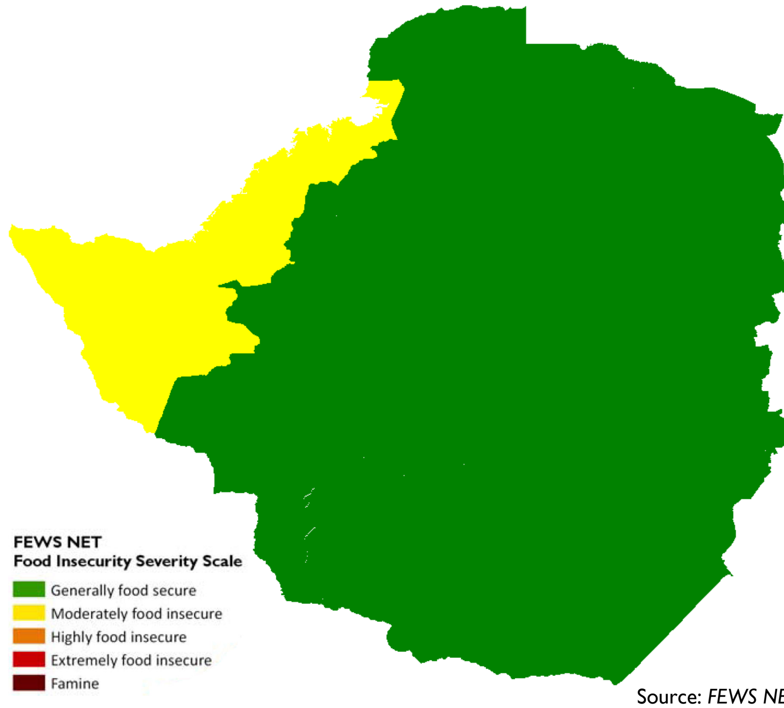
Generally, household crop production is a major source of food for over 80 percent of rural households and about 60 percent of urban households in the first four to six months of consumption years. Though the 2008/09 harvest showed some improvement, the contribution of own production was below normal and households were estimated by the ZimVAC interim assessment to have cereals that will cover them between four to six months (between July and September) of this consumption year. Most households entered into this 2009/10 consumption year with very low or no food stocks from last year, which means most households are likely to run out of their current stock early, since they do not have alternative sources to complement their stocks. Starting in September, most households will be running out of their own stocks and turning to the few alternative sources, which are most likely to be purchases and some small proportion from remittances. Food aid will be required by the vulnerable households without any means to access food.

The ZimVAC May 2009 household survey projected that at peak hunger period, about 1.4 million rural people will not be able to meet their cereal requirements during the 2009/10 consumption year. The proportion of food insecure people by district estimated to range from 10 to 51 percent. During the July- September 2009 period, about seven percent of the rural population will be food insecure, but the majority of the population will be generally food secure, consuming cereals from their own production and others complementing their food with purchases. Kariba, Hwange, and Binga districts in the west will be the only districts with a high proportion of food insecure populations, ranging from 25 to 32 percent, and will require food assistance by the end of September 2009.

Between October and December 2009, though the majority of the rural population will be generally food secure, households in the west (Kariba, Hwange, and Binga districts), constituting about 11 percent of the population, will be food insecure, with much of their own production depleted and for those who can afford it relying on purchases, while most of them will require food assistance.

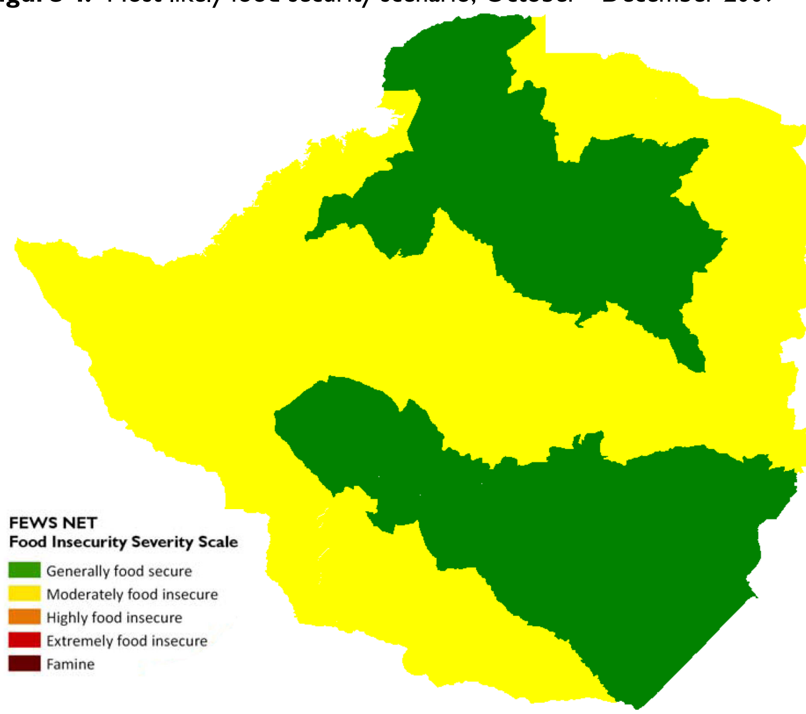
Given the good performance of the season, cereal production was also better in urban areas. From previous ZimVAC urban assessments, urban agriculture significantly contributes to household food security, covering on average about eight months of consumption. Urban agriculture is expected to still make some contribution to household food access in the July to September period though for most households stocks will be going down. General food security is expected to deteriorate to moderate food insecurity levels. Most households in urban areas will resort to the market for food, and this is likely to push up prices of basic commodities. Food access will remain a challenge for urban poor households, as not everyone has access to foreign currency and employment opportunities remain low. However, these price increases are likely to be moderated by maize meal imports from South Africa and Botswana, which are expected to continue without restriction through December 2009. It is highly unlikely that the economic situation will improve to a point of strengthening average household purchasing power during the outlook period. As such, most urban households are expected to be moderately food insecure from July to September.

Figure 3. Most likely food security scenario, July-September 2009



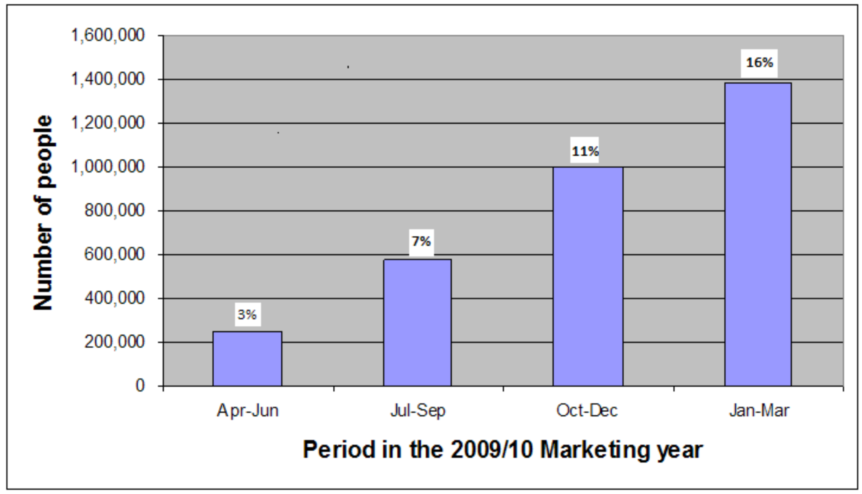
Source: *FEWS NET*

Figure 4. Most likely food security scenario, October - December 2009



Source: *FEWS NET*

Figure 5. Progression of number of food insecure rural people 2009/10



Source: *ZimVAC*

Table 2. Events which could affect the food security outlook

Geographic Focus Area	Events that would change the most likely scenario	Impacts on food security conditions	Likelihood of occurrence*	Key variables to monitor
Urban centers	Restriction on imports of cheaper maize meal from South Africa, Botswana, and Zambia	Reduced supply of maize meal on the market leads to increased prices and reduced purchasing power for market-dependent households	Unlikely	Import regulations for maize meal and other basic foodstuffs; maize meal and grain prices

* Probability levels	Description
Unlikely	Could occur in the time period if conditions changed moderately
Very unlikely	Could occur in the time period if conditions changed significantly

Monthly prices are supplied by FEWS NET enumerators, local government agencies, market information systems, UN agencies, NGOs, and other network and private sector partners.

Maize grain, maize flour, cooking oil, and sugar represent the most important food commodities consumed by poor households. The Mbare market in Harare is where a very large percentage of the most vulnerable households procure their basic commodities.