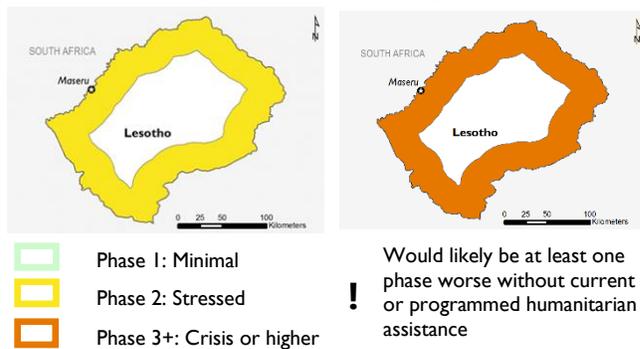


Reduced income and high food prices likely to drive Crisis (IPC Phase 3) during the lean season

KEY MESSAGES

- Stressed (IPC Phase 2) outcomes persist across much of Lesotho as households are starting to deplete own produced food stocks and rely more on the market. While poor households can still meet their food needs, some are diverting income from their basic non-food needs towards food. Crisis (IPC Phase 3) outcomes are expected to emerge in late 2022 as households are likely to be nearly completely market reliant, with reduced household purchasing power because of above-average food prices and below-average income.
- The price of maize meal increased by 17 percent from June to July, reaching record levels, surpassing 2016 prices, when a severe drought hit the region. The rise in prices is due to reduced availability and generally high prices in South Africa, which are driven by high global prices. Meanwhile, sunflower oil prices increased sharply, by 16 percent, from June to July, reaching record levels. Average monthly food prices have risen consistently for the past 12 months. Sunflower oil prices registered the most significant (60 percent) year-on-year change among all food commodities.
- In July, the annual inflation rate increased to 9.8 percent, a 1 percentage point increase from June and the highest level recorded since June 2009. The inflation rate is expected to continue to accelerate due to increases in staple foods such as maize meal and edible oil. The rise in prices reduces household purchasing power as poor households are depleting their stocks and beginning to rely on market purchases.
- As preparations for the 2022/23 agricultural season begin, it is expected that poor households will begin to access more agriculture-related labor opportunities. However, due to reduced hiring power by better-off households because of reduced income levels from livestock sales, lower remittances, and high input prices, it is unlikely that these labor opportunities will reach typical levels. Poor households will likely have below-average income from agricultural labor.

Projected food security outcomes, August to September 2022 (left) and October 2022 to January 2023 (right)



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

FEWS NET Remote Monitoring countries use a colored outline to represent the highest IPC classification in areas of concern.

ZONE	CURRENT ANOMALIES	PROJECTED ANOMALIES
National	<ul style="list-style-type: none"> • Higher-than-normal food prices • Below-average income from labor and remittances 	<ul style="list-style-type: none"> • Above-average food prices • Below-average income from local labor, remittances, and livestock sales

PROJECTED OUTLOOK THROUGH JANUARY 2023

Across most of rural Lesotho, most poor households are facing Stressed (IPC Phase 2) conditions as households are depleting their food stocks while facing reduced purchasing power due to lower-than-normal income levels and higher-than-average food prices.

After a few months of consuming own-produced cereals, very poor households are beginning to deplete their stocks. Very poor households' grown grains last for about three to four months in a typical year. As their supplies run out, households are slowly beginning to rely on the market. While they can still afford to meet their food needs supplemented by market purchases, some households are diverting income for other basic non-food needs towards food.

Although local crop production in 2022 was below average, and there was a 10 percent decrease in maize production in the Republic of South Africa (RSA) compared to last season, imports from South Africa are expected to remain normal. Market supplies are, therefore, at normal levels. However, food prices remain high compared to last year and above the five-year average and are expected to remain high throughout the analysis period. The price of maize meal, for example, is 12 percent higher than at the same time last year and 35 percent above the five-year average. It is anticipated that households will continue to rely on markets more than usual to cover their consumption needs. The prices of staples have been primarily impacted by the knock-on effects of the declining economic situation in the country and by high prices in South Africa, where prices are driven by high international commodity prices.

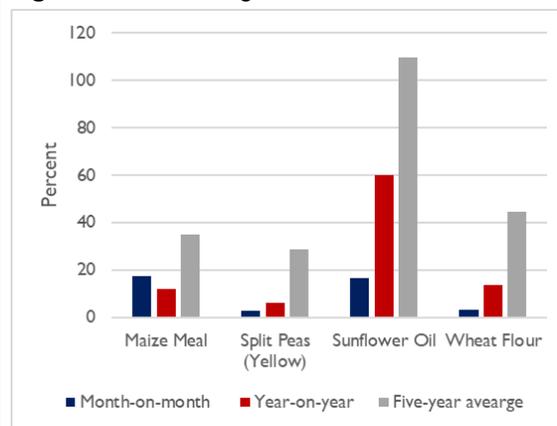
From October, the number of very poor and poor households that will experience food consumption gaps or marginally meet their food needs is expected to increase due to below-average purchasing power. October marks the beginning of the rainy season in Lesotho. Agricultural labor opportunities begin to grow with the start of the rainy season. According to initial international weather forecasts, Lesotho is expected to receive average to above-average rainfall between October 2022 and March 2023, which will likely allow farmers to start planting on time and increase on-farm casual labor opportunities for poor households. However, reduced purchasing power for better-off households, which typically engage poor households in these labor-related activities, will drive reduced income levels from agricultural labor.

Income from non-agricultural activities is expected to remain slightly below average because of reduced remittances, decreased beer brewing, and limited job opportunities both in Lesotho and South Africa, as the countries are slowly recovering from the impact of COVID-19 and labor demand remains lower than pre-pandemic levels. Migrant labor is expected to improve but remain below pre-pandemic levels as employment availability is still lower than before the pandemic.

Pastures and water for livestock are readily available given the above-average rains of the previous rainy season. Therefore, water access for irrigation has improved this year, supporting gardening activities and winter cultivation. Livestock body conditions are fair to good, but income from livestock sales will be negatively impacted by legal restrictions at the borders of RSA, limiting the number of livestock sold there.

Given earlier than normal reliance on the market, reduced labor opportunities, lower-than-average remittances, and above-average food prices, poor households will likely face lower-than-normal purchasing power at the peak of the lean season between December 2022 and March 2023. Reduced purchasing power will likely lead to households facing food consumption gaps as they will not be able to cover their minimum food needs during this period. Poor households will likely face Crisis (IPC Phase 3) outcomes. The number of people expected to face Crisis (IPC Phase 3) outcomes is slightly higher than last year's estimated number, with the Lesotho Vulnerability Assessment Committee projecting around 320,000 people in need of assistance at the peak of the lean season between October 2022 and March 2023.

Figure 1. Percent change of various commodities



Source: Lesotho Bureau of Statistics

ABOUT REMOTE MONITORING

In remote monitoring, a coordinator typically works from a nearby regional office. Relying on partners for data, the coordinator uses scenario development to conduct analysis and produce monthly reports. As less data may be available, remote monitoring reports may have less detail than those from countries with FEWS NET offices. [Learn more here.](#)