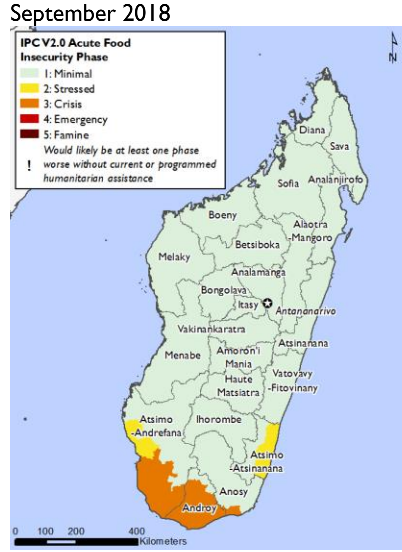
MADAGASCAR Food Security Outlook Update — September 2018

Food insecurity worsening in the South as an early lean season begins

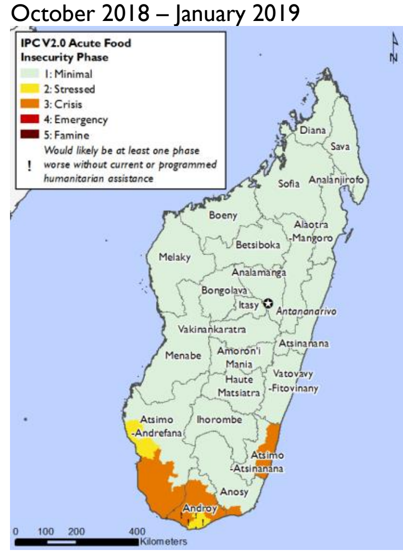
ABOUT THIS UPDATE
FEWS NET Food Security Outlook Updates in September 2018 have an extended outlook beyond the standard projection period. The end of this report includes a discussion of most-likely outcomes through the end of the next lean season for this country [“region” for Central America]. Reporting for this country [“region” for Central America] may follow a non-standard schedule in the coming months. Check back regularly for new analysis, subscribe for report updates, or follow us on social media.

Current food security outcomes, September 2018



Source: *FEWS NET*

Projected food security outcomes, October 2018 – January 2019



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.

KEY MESSAGES

- Some rainfall was recorded in southwestern Madagascar and in parts of the far south including Tsihombe and Ambovombe in early September, where cassava, pulses and maize crops are still growing. This had a slightly positive effect on crops but was not able to make up for the poor rainfall earlier in the season.

- Increased consumption of wild foods, mainly tamarind with ash, wild tubers, and cactus fruit particularly in the deep south, was observed this month in Southern Madagascar.

- The NOAA NMME probabilistic forecast does not predict any severe upcoming precipitation deficits. However, an El Nino event is likely to happen between November 2018 and February 2019. In the past, El Nino events have led to below-average rainfall in southern Madagascar.

CURRENT SITUATION

Crop production and market supply in Southern Madagascar: A below-average harvest of maize was completed in June in Ambovombe. Sweet potato production was very poor and market stocks depleted quickly. Cassava and pulses crops were harvested at the beginning of September. In July, only Ambovombe commune received sufficiently favorable rains that allowed farmers to labor for new crops of maize and potatoes. At the same time, little to no crop production was found in Tsihombe and Beloha. As a result, most markets in Southern Madagascar are mainly stocked with cassava from Betroka, maize from Ambovombe, and pulses from Tulear II.

Rice imports and macroeconomic context: According to the Observatoire du Riz Horizon Bulletins, 298,179 MT of rice was imported by Madagascar during the first half of 2018. This was 21 percent higher than the first half of 2017 but near the five-year average from 2013-2017. Peak imports were recorded in January-February 2018 during the lean season when local rice was scarce after following the poor production of the 2016/17 season when prices of local rice were very high.

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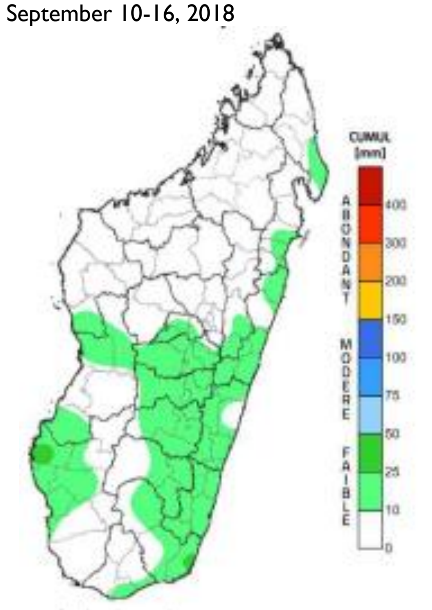
Nevertheless, the increasing rate of inflation (7 percent compared to last year) and fuel prices (+17 percent compared to last year); and the deterioration of Malagasy Ariary compared to foreign currencies (- 12 percent of its value in USD compared to last year) compromise the regularity of rice imports. This in addition to the volatility of Thai and Pakistani rice prices internationally since the beginning of the year have kept prices of imported rice above the five-year average though prices have remained stable in almost all markets.

Figure 1. Cumulative rainfall from September 10-16, 2018



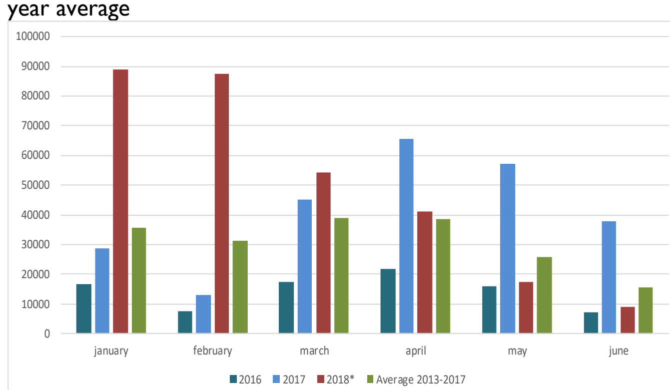
Source: *Meteo Madagascar*

Prices for locally grown food products: Since June 2018 the average price of local rice has increased by 9 percent, particularly in Betioky and Vondrozo. Although production was better than last year, prices remain high because of general inflation due to increasing fuel prices, in addition to traders increasing stocks for the next lean season which keeps prices artificially high. Maize prices are stable in most markets except in Southern Madagascar where an increase of 40 to 60 percent has been observed since June because of the below normal production in that area. Maize sold in Ampanihy and Tsihombe markets is from Andranovory, a commune located about 150 kilometers from the deep South, between which road conditions are very bad. As for dried cassava, the main staple consumed in Southern Madagascar, prices have slightly increased in Ambovombe where large amounts of stocks from last year harvest were found until June. Despite the poor quality, prices were low (200 Ariary per kilo) which allowed poor people to afford it. New dried cassava from Betroka is currently prominent on the southern markets at higher prices (350 Ariary per kilo) but with better quality. Sweet potato prices have varied a lot this year but tended to be higher than usual since production was very low and supply was low in markets.

Food consumption patterns in the South: Food consumption in Southern Madagascar is becoming less diverse and most households are primarily eating dried cassava, particularly in Betioky where it is consumed by poor households every day with nothing else. A field visit conducted by FEWSNET at the end of August 2018 revealed that generally consumption of cereals and pulses had reduced compared to last year during the same period. Consumption of wild foods like tamarind have also increased. However, consumption of cactus fruit was still low because it is not the main season for cactus yet, but it is expected to increase starting this month because of stock depletion and limited means to fill the gap from markets.

Livelihood strategies: Poor households continue to partake in unusual income generating activities like selling tamarind or sugar cane, instead of selling small ruminants and poultry, or charcoal and firewood at below normal prices to afford food. Additionally, non-food expenditure has been reduced and savings have been used to purchase food. Farmers also ate crops earlier and many do not have seeds for next season anymore. Agricultural labor opportunities have reduced as rain is scarce and there was an unusually poor start to the agricultural season. Some emergency strategies like begging have been reported in the 2018 CFSAM survey results in Ambovombe and Tsihombe, some house and land sale as well in Ambovombe and Bekily but the proportion of households adopting those strategies is not substantial.

Figure 2. Evolution of rice imports since 2016 compared and the 5-year average



Source: *FEWSNET/ODR July 2018*

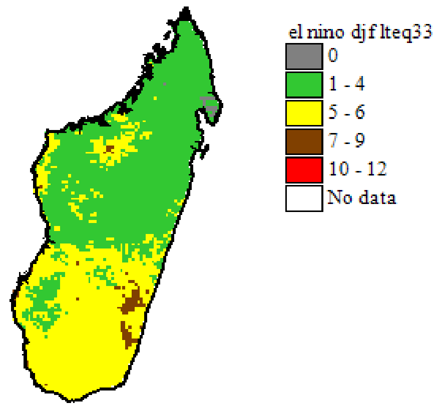
Humanitarian assistance: Despite the IPC communication publicized in June indicating the alarming deterioration of the food security situation in Southern Madagascar, little humanitarian assistance is currently being delivered due to cuts in resources according to recent humanitarian reports. During the August 2018 FEWS NET field visit, only cash for work activities around Beloha were observed. Social safety nets by FID, World bank and UNICEF are still ongoing. Under the coordination of BNGRC and OCHA, the Multisectoral Committee intend to do a rapid assessment in at the end of September to see the severity of the situation and define a joint approach for the humanitarian responses that can be adopted and combined with the existing programs.

UPDATED ASSUMPTIONS

The current situation has not affected most of the assumptions used to develop FEWS NET's most likely scenario for the period of June 2018 to January 2019. However, the following assumptions have been updated:

Agroclimatology: The National Meteorological Department of Madagascar has forecast that for the months of September, October and November 2018, rainfall will be normal to slightly below normal in the southeast of Madagascar (from Betroka to Manakara) and most of the Melaky region. Elsewhere, rainfall will be normal to slightly higher than average. The south will receive normal to above normal rainfall in September and October except in the district of Ambovombe which is forecast to receive below normal rainfall in November and December. The NOAA NMME probabilistic forecast does not predict any severe deficits for the next 8 months. However, an El Nino event is likely by December 2018, which in past El Nino events has led to below-average rainfall in southern Madagascar.

Figure 3. Instances of below-average rainfall during the last 12 El Niño events



Source: *NOAA/USGS*

Macroeconomic context and imports: Current market prices of imported rice are lower than Import Parity Price (IPP) which will likely dissuade importers. The volume of imported rice has also decreased since March and stabilized between June and September. It will likely increase until November since local stocks are decreasing. The total rice imports of this year are expected to reach 413,228 MT, similar to 2013, about 26 percent lower than in 2017, but 15 percent above the five-year average. The exchange rate will likely deteriorate within the outlook period because of increasing non-food imports and decreasing exports. Prices of vanilla will likely remain high like last year at 500 to 600 USD/kg but the demand is expected to drop.

Staple food prices: According to FEWS NET price projection models, both local and imported rice prices will likely remain stable until October 2018. Then, they will likely increase in November and December during the lean season before decreasing again after the first season harvest of local rice and maize in main producing areas in January. Imported rice will continue to be significantly cheaper than local rice. The difference between the current price and the 5-year average for local rice is around 430 ariary, which is equivalent to the increase of fuel prices per liter since January 2017, which has in turn impacted public transportation fees. Maize prices in Ambovombe, the reference market for the deficit areas of southern Madagascar, will likely continue increasing until November after which it will stabilize in December before reaching a peak in January during the peak of lean season. Prices will start to decrease again in February with the beginning of the first harvest since favorable weather for maize is expected in the upcoming months.

PROJECTED OUTLOOK THROUGH MARCH 2020

Projected outcomes through January 2019: In the **Mahafaly Plain: Cassava, Goats and Cattle (MG 23)**, high dependence on markets, low incomes, few labor opportunities, and higher wild food consumption are resulting in poor and very poor households experiencing **Crisis (IPC Phase 3)** acute food insecurity in September 2018. **Androy Semi-Arid Cassava, Maize and Livestock (MG 24)** will also facing **Crisis (IPC Phase 3)** acute food insecurity starting this month, particularly in Beloha, because of early stock depletion and increasing consumption of wild food. Nevertheless, some agicultural labor opportunities may become available following the recent rains that will allow farmers to plant, provided seeds are available. In the **Southeast: coffee, litchis, cassava (MG 19)**, recent harvests were near normal and prices remain stable, food security is Minimal (IPC Phase 1) in the majority of households except in the districts of Farafangana and Vangaindrano which are in **Stressed (IPC Phase 2)** acute food insecurity in. The same is true in **Rice and lima bean - Tulear II (MG20),** where the food security situation is also **Stressed (IPC Phase 2)** due to below normal agricultural production. **For households throughout Madagascar,** increasing fuel prices is the main driver that affects households' food access particularly in urban areas. Though this has resulted in marginally higher food prices, **Minimal (IPC Phase 1)** acute food insecurity is expected outside the areas of concerns in the South and the Southeast.

The current situation will continue to be observed throughout most of the country except in the South where the situation will deteriorate as the lean season progresses, particularly in areas where people have depleted their assets and are less resilient to drought. An earlier than usual lean season is expected, starting in September or October in districts where little to no production has been recorded. In Beloha district the situation may deteriorate to Emergency (IPC Phase 4) conditions but will likely be alleviated by humanitarian assistance from CRS that is expected to begin distribution in late October, which will place the district in **Crisis (IPC Phase 3!)** level of food insecurity, likely through the end of the lean season in March 2019**.**

Forecasts predict an El Nino event will occur at the end of 2018 through the beginning of 2019 which may lead to poor rainfall which could affect farmers' ability to plant normally in Southern Madagascar. If poor rainfall occurs, it would reduce the opportunities for labor and the yields of harvests in December 2018 – January 2019. This in addition to last year's bad harvest, food availability and accessibility could be compromised, and the lean season could be as severe as in 2015-2016 in MG23 and MG24.

Projected outcomes through the end of the next lean season (March 2020): Despite the likely El Nino event between November 2018 and February 2019, no major rainfall deficit has been predicted by NMME probabilistic forecasts. Particularly, rainfall is expected to be near normal in February -March 2019 when preparation for the next main season will be ongoing. Seed distributions planned by humanitarian actors in the upcoming months will likely help vulnerable farmers to be able to plant in a timely manner. Therefore, the next main harvests expected between June and August 2019 will likely be normal and may help households to face the next lean season. Major parts of the south of Madagascar, the main concerns areas, will likely be in Stressed (IPC Phase 2) due to the lingering effects of previous poor years. The Southeast would be expected to be Minimal (IPC Phase 1) unless a major cyclone occurs in January – March 2020, which would temporarily compromise livelihoods in the affected areas.

ABOUT SCENARIO DEVELOPMENT
To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. Learn more here.