

CONTENTS

Food security summary 1
 Seasonal rainfall overview 2
 Maize prices in selected markets 3

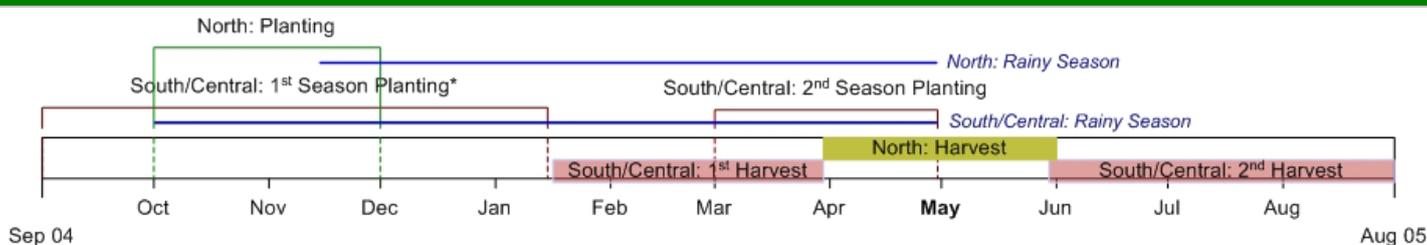
SUMMARY AND IMPLICATIONS

The poor food security conditions in parts of the southern and central Mozambique were caused by the severe rainfall deficits and the subsequent significant reduction of crop yields. In the north, the food security situation is better, but there are concerns about the nutritional quality of the diet.

While the need to monitor the food security situation continues, a government led action plan to mitigate the impact of drought is being developed. The action plan includes multiplication of cassava and sweet potato cuttings, input trade fairs, local seed production and the rehabilitation and maintenance of irrigation schemes, among others. Currently, some of the immediate needs are now being addressed through food aid and provision of cassava and sweet potato cuttings and input trade fairs.

Interventions addressing access to food, water and health services may be needed until the next major harvest in March/April 2006. The magnitude and nature of these interventions will be determined by two ongoing assessments: the Vulnerability Assessment Group (GAV) and the FAO/WFP Crop and Food Supply Assessment Mission (CFSAM), both of which will start in the last week of April. Preliminary GAV results should be available on May 20, while the CFSAM report should be released in early June.

SEASONAL TIMELINE



* Planting continues as long as seed availability and soil moisture are adequate.

CURRENT HAZARD SUMMARY

- Dryness and high temperatures in the southern provinces may affect second season planting.
- Since January, maize prices have risen 72 percent in Chókwe, the reference market of the drought affected areas of the south.

FOOD SECURITY SUMMARY

Food deficits are expected in the semi arid-areas of interior of Gaza and Inhambane provinces, semi-arid areas of Manica and Tete provinces, as well as remotely located areas across the southern and central provinces. In all of these areas, the food security situation appears to be deteriorating. Field information indicates that households are already depending on the markets to access food, when they would normally be consuming food from their own crop production. Because of the need for cash, households are intensifying their reliance on petty trade, animal sales informal employment (*ganho-ganho*) and charcoal sales. As the time progresses, household income options are likely to be exhausted as demand for labor declines, limiting their ability to access food. Continuing price increases will affect poor households' purchase power, and targeted interventions of food or cash may be required until the next harvest in March/April 2006, or longer.

In the southern region, the slight improvement in rainfall was preceded by dry conditions and unusually high temperatures that may affect the second season planting. The second season production will bring only short-lived relief, in any at all. Most of the new planting is currently taking place along the river banks. In the central provinces, however, prospects for the second season are better, and households were able to benefit from recent input trade fairs.

The recent Vulnerability Analysis Group (GAV) report for three northern provinces of Nampula, Niassa and Cabo Delgado found that there was little acute food insecurity in the region. However, levels of chronic malnutrition are high (42, 47 and 56 percent, respectively, which are above the national average, 41 percent). Food security problems in the north are more related to food utilization and poverty than food availability and access. The northern part of the country is considered the surplus area, where food is available for most households. Despite good food availability, the GAV survey found that in the three northern provinces, nearly half of households interviewed have very poor quality diets, a proxy indicator to evaluate the diversity and nutritional value of the diet.

Localized spots of acute food insecurity are found primarily in the coastal areas of Nampula, where the main staple, cassava, has been badly affected by the brown streak virus.

Other results from the northern GAV assessment reveal that the about two thirds of the population use open water sources, while about 15 percent of the population walks more than two hours to fetch water. GAV is planning a country-wide rapid assessment in selected districts to determine the current status of food security and nutrition, the scale and nature of needs, and to provide recommendations for targeted interventions for decision makers.

RAINFALL OVERVIEW IN 2005

Summary of Rainfall retrospective - Dry spell reduces yields

The 2004/05 agricultural season was comprised of two distinct periods. The first half of the season, from October to December 2004, was characterized by near normal rainfall in southern and central parts of the country and across most of the country, with some localized floods. The second half of the season, from January to early April, was characterized by intermittent and prolonged dry spells across the country. In the southern and central parts of the country, the first season has been affected by the dry spells.

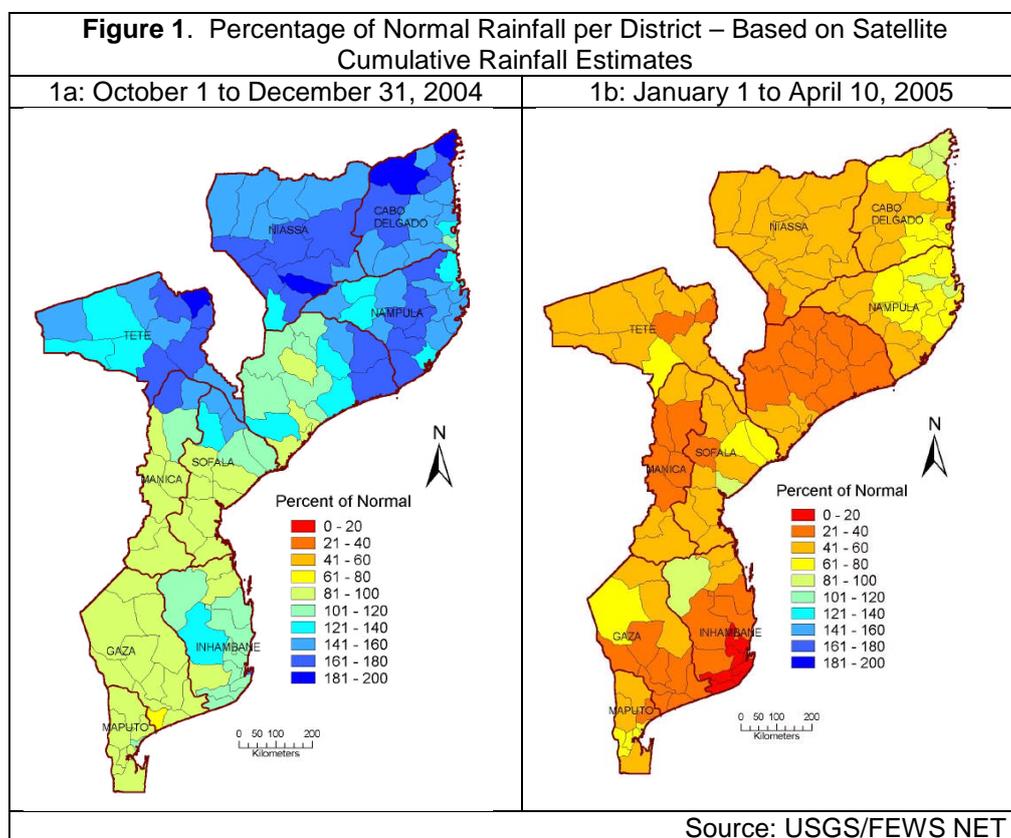


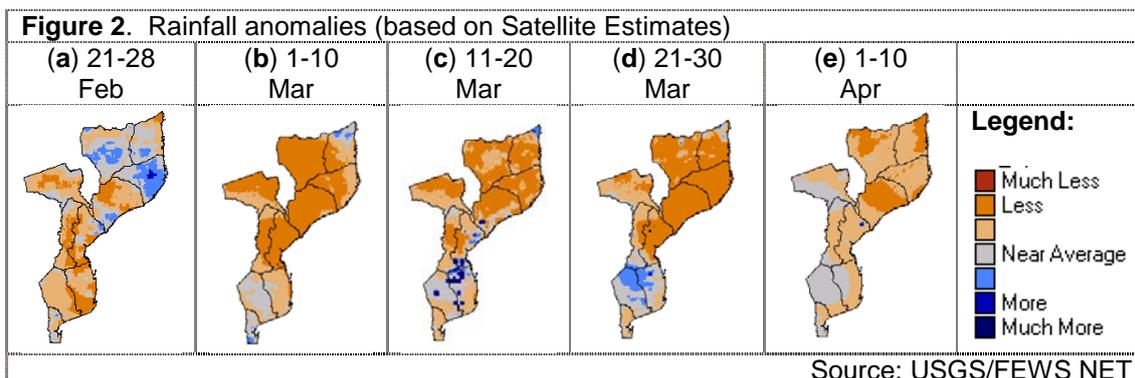
Figure 1 shows the percentage of normal rainfall by district between October 1 and December 31, 2004 and from January 1 to April 10, 2005. Figure 1a shows that the 2004/05 agricultural season got off to a good start, with near to above average rains across the country through December. This good start raised hopes of households and the agricultural authorities for a good agricultural season.

Despite some localized floods along the lower Zambeze Basin and parts of Nampula Province, with minor consequences for infrastructure and cultivated fields, the expectations of a good agricultural season were high, and agricultural authorities were projecting decent yields. However, the situation changed drastically from the beginning of January, when many parts of the country started experiencing

dry spells. As the time went by, the dry spells persisted beyond one month or more.

Figure 1b shows that more than 80 percent of the country had received below 60 percent of normal rainfall. Some areas within southeast Inhambane Province received less than 20 percent of normal rainfall. Other areas of concern include southeast Gaza, eastern and central Manica, much of Zambezia Province, especially near the border with Malawi, and parts of Tete, Maputo and Sofala provinces, with rainfall averaged between 20 and 40 percent of normal. The rest of the country had received 40 to 80 percent of normal rainfall, with only 7 districts receiving between 80 and 100 percent of normal rainfall. Nevertheless, the cumulative rainfall totals hide more detailed aspects, such as the rainfall distribution, which, together with the quantity, is one of the key factors for crop development. In the north, rainfall was well distributed, but in the center and south, rainfall was more uneven.

January and February are the rainiest months of the year. This is also the critical period for the crop development, especially for maize. At that point, most of the maize, especially in the southern and central regions, was at tasseling and cobbing stages, requiring a lot of moisture in the soil. However, it was during this period that the rain deficits characterized by prolonged dry spells occurred in the south and center. The dry spells, coupled with hot temperatures, have resulted in crop wilting and drying tassels. Generally, maize production in the 2004/05 season is expected to be below last year's levels. However, in the north, January and February rainfall was adequate and well distributed. From the last dekad of February to the first dekad of April, rainfall distribution continued its mixed pattern (see Figure 2).

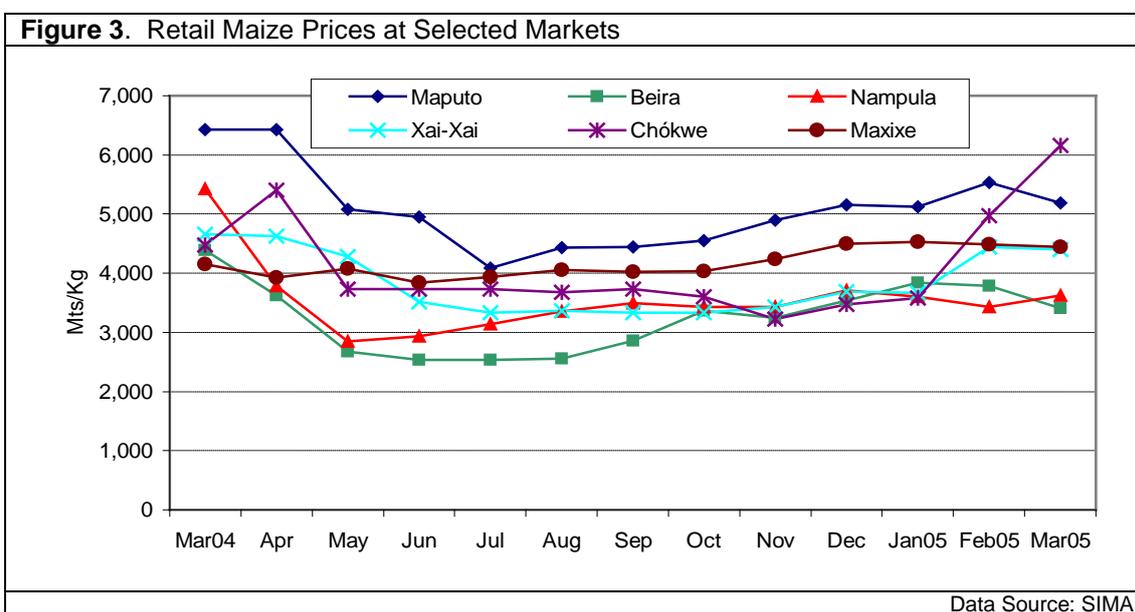


While the end of February was characterized by above normal rains in the north and below normal in much of central and southern regions, the situation in March was generally of below normal rainfall in much of the north and normal to above normal in south, except in coastal Inhambane Province, where rains were below normal throughout the period. The first dekad of April was characterized by normal to below normal rainfall in whole country. Near normal rainfall was recorded in much of interior Gaza, southern Maputo and Tete provinces, and below normal rainfall was recorded elsewhere.

This slight improvement in the south, especially in interior Gaza and southern Maputo, might bring some hope for the second season, although the high temperatures persist. The second season is normally characterized by low temperatures, weak winds and low probabilities of natural disasters. An effort from the agricultural authorities urging households to maximize plantation in the lowlands and to use drought tolerant crops is underway. Rainfall monitoring during the season is recommended.

MAIZE PRICES INCREASE IN DROUGHT AFFECTED AREAS

The uncertainty of the harvest prospects due to erratic rain during the current season is driving prices up in the south. Figure 3 shows price trends in six selected markets between March 2004 and March 2005. During the last three months, prices have gone up by 72 percent in Chókwe (Gaza Province), from the average price of 3,578 Mt/kg in January to 6,162 Mt/kg in March. In Xai-Xai (Gaza Province), prices have gone up by 20 percent. In Maxixe (Inhambane Province), prices went down by 2 percent. Xai-Xai and Chókwe are the reference markets of Gaza Province, one of the most drought affected provinces.



The price behavior is directly dependent on current maize supply from the producer areas to the reference markets. Due to maize production failures in Gaza, both markets of Xai-Xai and Chókwe are largely dependent on supplies from central and northern production areas, and the transportation cost are usually high. Although maize is already flowing into the southern markets, the quantities are still small. The continuation of this sharp rise in Gaza will limit household access to market food, affecting the food security situation, especially for poor and middle households.

In northern and central markets, maize prices have begun to fall (by 12 to 25 percent in the last week) in both retail and wholesale markets as result of the ongoing maize harvest.

In the urban markets of Maputo, Beira and Nampula, retail maize prices have remained stable during the last six months with only insignificant fluctuations. As seen from Figure 3, March 2005 prices were much lower than March 2004 prices in the three markets. Over the course of the year, the prices have dropped by 19, 22 and 33 percent in Maputo, Beira and Nampula, respectively. In the last three months, prices remained unchanged in Maputo and Nampula and have dropped by 11 percent in Beira.

Overall, prices in 2004 were lower due to good harvest of the 2003/04 agricultural season. The peak in maize prices usually occurs in advance of the harvest, around February and March.