

MOZAMBIQUE Food Security Outlook Update

June 2010

Food security conditions are better than previously anticipated

Key Messages

- As projected in the April Mozambique Food Security Outlook, isolated cases of moderate food insecurity will prevail in areas affected by drought and/or floods largely covering southern and central Mozambique. Currently, areas of moderate food insecurity are still present in parts of the country that were affected by this season's drought and floods.
- According to the Crop and Food Supply Assessment Mission (CFSAM), food security conditions are moderate to generally food secure and are not as severe as anticipated after the Ministry of Agriculture's (MINAG) preliminary assessments in February/March. Food security conditions are favorable across the country with most staple foods readily available and accessible from both own production and from local markets. The CFSAM assessment has also concluded that the overall balance sheet this year is expected to be near average.
- Although the 2009/2010 crop production estimates have not been officially released in Mozambique, preliminary indications from the National Early Warning Unit (NEWU) at the MINAG confirm an overall above-average production. However, in the south and parts of the center, production yields were reduced when compared with the five-year average.
- Even though markets countrywide are currently being supplied by this season's crops (particularly maize, beans, and peanuts), staple food prices are still well above the five-year average (2005-2009) in southern Mozambique.

Updated food security outlook through September 2010

The following food security summary was substantiated, in part, by the briefing received from the CFSAM joint mission from the Food and Agriculture Organization (FAO), and the World Food Program (WFP) which was requested by the Minister of Agriculture in Mozambique. The request came as a result of growing concern over poor crop forecasts in February and March due to prolonged dry spells in the south and parts of the central region. The fieldwork of the CFSAM conducted in the first half of May 2010 is already concluded and the report will be available early next month. The Technical Secretariat for Food Security and Nutrition (SETSAN)/Vulnerability Assessment Group (GAV) is preparing the quantitative vulnerability assessment for food security and nutrition, which will be conducted in June/July 2010.

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This report provides an update to the April 2010 FEWS NET Food Security Outlook report which estimated food security conditions in Mozambique through September 2010. The next Outlook report will be released in July and will cover the July to December 2010 period.

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Figure 1. Estimated food security outcomes, June 2010

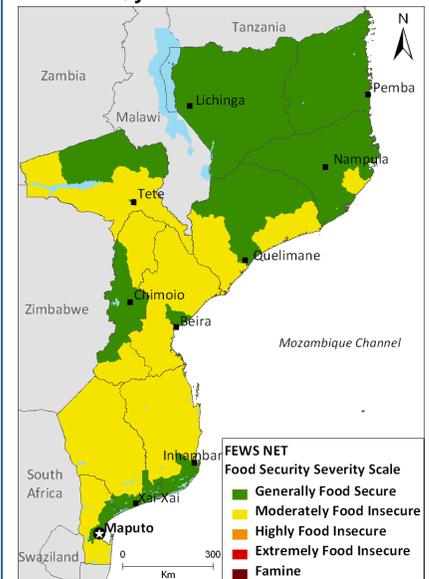
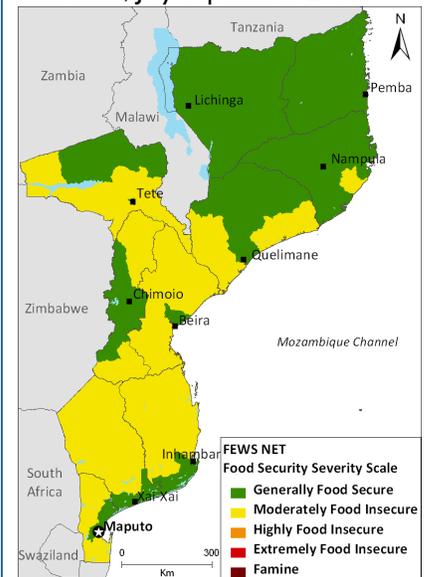


Figure 2. Estimated food security outcomes, July-September 2010



Source: FEWS NET

For more information on FEWS NET's Food Insecurity Severity Scale, please see: www.fews.net/FoodInsecurityScale

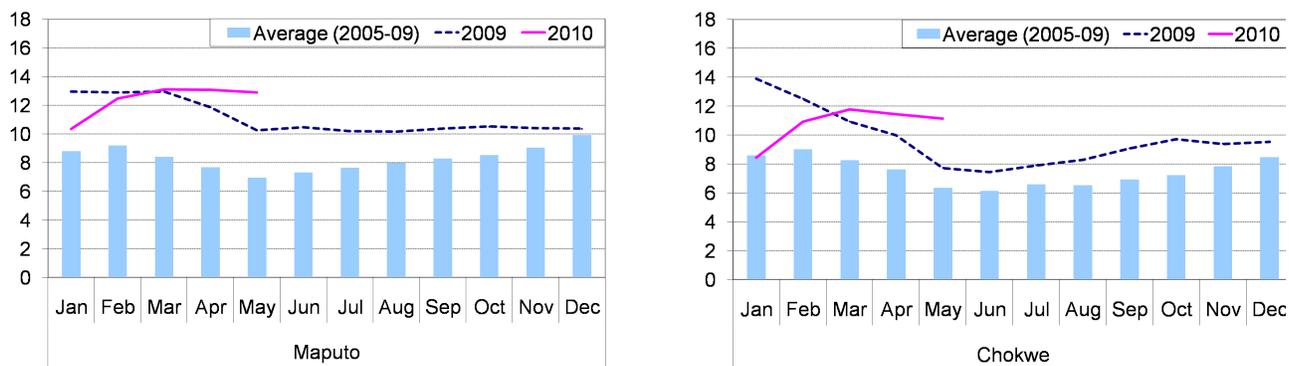
moderate food insecurity will prevail in areas negatively affected by drought and/or floods largely covering southern and central Mozambique. Currently, areas of moderate food insecurity are still present in parts of the country that were affected by this season's drought and floods. However, according to the CFSAM qualitative briefing, the situation is not as severe as was feared after MINAG's preliminary assessments in February. Food security conditions are quite favorable across the country, with most staple foods readily available and accessible from both own production and from local markets. The CFSAM assessment has also concluded that the overall balance sheet this year is expected to be near average. In addition, there is a surplus of maize in the north, where there are large stocks remaining from last year's harvest. While the number of moderately food insecure people is still estimated at 456,290 people who require relief through food assistance to meet basic dietary intake from April 2010 until March 2011, the SETSAN/GAV assessment which starts next week will update that figure as well as the associated needs. This population mostly includes poorer households with limited ability to cope with recurrent shocks, located mainly in areas that were affected by this season's drought and floods.

According to the CFSAM, poor rainfall in the central and southern parts of the country affected production unlike in the northern parts where rains were generally normal with good maize harvests. The late start to the rains (Nov/Dec) in the southern area of the central region was followed by relatively dry conditions with erratic and weak rainfall for up to two months after the first planting. The flood situation in the Zambezi River floodplains was exacerbated by the Cabora Bassa Lake water releases. Significant losses of rain-fed rice due to drought, especially in the Maganja da Costa district in the Zambezia province, were reported. All areas in the southern region experienced a prolonged dry spell after the first planting. Additionally, poor maize production is occurring compared to last year, but is still better than previous years. Production of sorghum, millet, and cassava is similar to previous years. Production of cowpea, pigeon pea, and groundnut is satisfactory.

The second cropping season in the southern and central regions, which started in April, was launched by the government and is progressing satisfactorily. The government provided planting material for maize, wheat, beans, potatoes, vegetable seeds, tractors, hand-held cultivators, and pumps. The government is also providing support to the agriculture industry through the Action Plan for Food Production (PAPA) and the Seven Million District Program. The PAPA is part of the government response strategy to accelerate and increase the production of food commodities such as rice, maize, wheat, Irish potatoes, sunflowers, soybeans, and cassava and to improve storage facilities. The Seven Million District Program, officially known as the "District Development Fund," is a strategy of allocating funds directly to the districts. The District Development Fund takes funds directly from the state budget and allocates them directly to the 128 districts, thus bypassing the banking system. This fund is still popularly known as "the seven million" since it started in 2006 as an allocation of seven million meticals (about \$205,000, at current exchange rates) to each of the districts to finance viable projects that would create jobs and improve food security. The money takes the form of loans and is mostly targeted to those who do not have access to bank loans.

Even though markets countrywide are currently being supplied by this season's crops, especially maize, beans, and peanuts, staple food prices are still well above the five-year average (2005-2009), especially in the south. In general, prices are declining but still remain much higher than before the high food prices in 2008. In the southern region, where most people depend on the market for food purchases, prices are very high (two times the prices in the north). For instance, in Maputo (the capital city), nominal retail prices for maize in May were 85 percent above the five-year average and 25 percent above the same period last year. In Chokwe, another reference market in the south, the price of maize in May was 76 percent above the five-year average and 44 percent above the same period last year. Fuel and feed prices are among the reasons for continuously high food prices in the south.

Figure 2. Nominal retail prices for maize in two reference markets in southern Mozambique (in meticals per kg)



Data source: SIMA

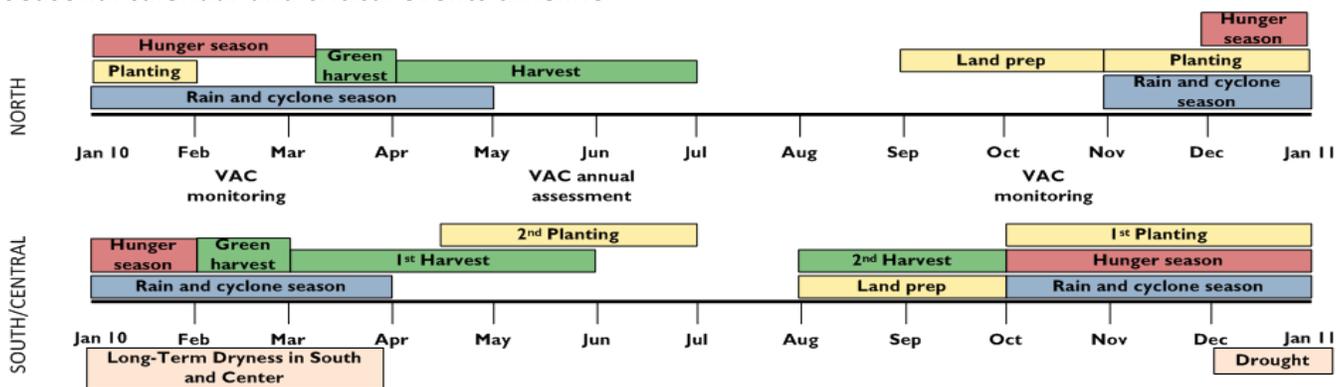
Figure 2 shows a slow drop in the line when food prices were expected to follow a sharp fall as the result of the main harvest. This can be explained, in part, by the late and slow harvest this season. However, even with the expected fall, prices will remain above the five-year average and those of last year. The movement of cereals from surplus to deficit areas by private traders is expected to improve food availability and access and therefore mitigate current food insecurity conditions in the affected areas. It is unclear how much maize from the north will reach the center and the south of the country and how much will be imported from South Africa’s new bumper harvest.

SETSAN/GAV will conduct the quantitative vulnerability assessment of food security and nutrition in July 2010. This assessment will revise and update the current figures of food insecure people and will provide recommendations on adequate interventions to mitigate the impacts of food insecurity.

2009/2010 production figures still unavailable

Although crop production estimates have not been officially released, preliminary indications from the NEWU confirm above-average production in Mozambique. According to the NEWU, the overall production in the north (Niassa, Cabo Delgado, and Nampula) is favorable. In the central zone, the northern part of the Tete province, and the highlands of the Zambezia province, production is similarly favorable. In the semi-arid areas of the central zone, farmers have gone through multiple plantings but prospects for good yields are low due to droughts and flooding. In the south, early planted crops, especially those from November, were severely affected by long dry spells and abnormally high temperatures that occurred in December and January. Late-planted crops, especially those from February onwards, are still in good condition and represent potentially successful crops, particularly in the Maputo, Gaza, and Inhambane provinces. A final report on production estimates will be released early next week.

Seasonal calendar and critical events timeline



Source: FEWS NET