

SOMALIA Food Security Alert

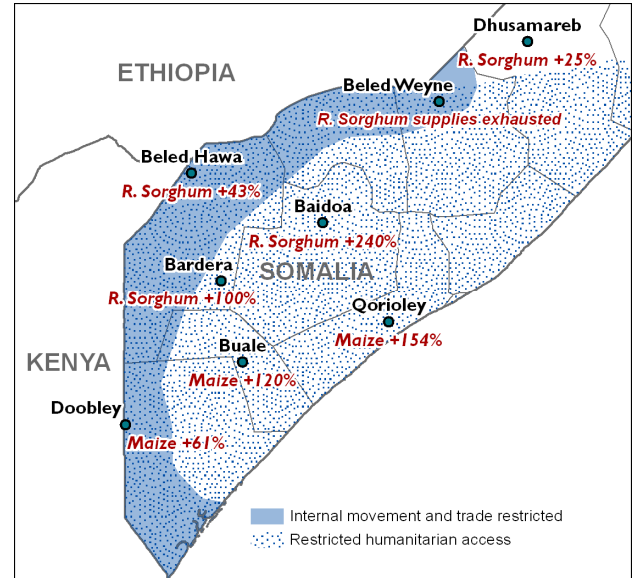
June 27, 2011

Extremely high cereal prices across southern Somalia exacerbate ongoing emergency

The prices of locally produced cereals have been rising in southern Somalia since October 2010, and increased sharply in May 2011, reaching record highs. Prices are expected to continue rising, at least in the short-term, especially in markets where movement and trade are restricted. These high prices have contributed to substantially reduced purchasing power among both rural and urban households, leading to increasing household food deficits. Levels of acute malnutrition and child mortality are above Crisis thresholds and immediate emergency response is needed to save lives.

Local cereal prices increased sharply between April and May 2011 and are much higher than prices one year ago (Figure 1). These high prices indicate severe market shortages resulting from several factors, including: reduced food aid last year, outflows of cereals to central and northern cereal-deficit areas, a failed *Deyr*-season crop harvest in January 2011, and a poor start to the 2011 *Gu* season. Escalating conflict and Al Shabaab-imposed trade and movement restrictions in the districts bordering Kenya/Ethiopia since January 2011 have further constrained food access and availability. Red sorghum is no longer available in Doobley, Lugh, Elwak, and Beled Weyne markets and red sorghum prices in Beled Hawa have increased by 82 percent since November 2010.

Figure 1. May 2010 – May 2011 changes in the price of the local cereal most consumed by the poor in selected southern Somalia markets



Source: FEWSNET, FSNAU, WFP

Despite some recent improvements in livestock prices, livestock to cereal terms-of-trade (ToT) remain significantly lower than last year. In the Maize Belt markets of Qorioley, Buale, and Jilib, May 2011, local quality goat to maize ToT were 63-76 percent below 2010. Similarly, in the Sorghum Belt markets of Bardhera, Baidoa, and Beled Weyne, local quality goat to sorghum ToT have declined by 63, 78, and 72 percent, respectively. In urban areas of the south, May 2011 daily wage to cereal ToT were 40-70 percent lower than in May 2010. Due to this reduction in purchasing power, along with ongoing conflict and reduced asset holdings, most poor households in southern Somalia are currently classified as in Crisis (IPC Phase 3) or Emergency (IPC Phase 4), meaning that they are unable to meet basic survival needs in the absence of extreme coping.

Over the coming three months, little improvement in prices is expected, and further increases are possible, especially in areas where trade is restricted. Following the late start, poor performance, and early cessation of *Gu* 2011 rains, harvests are likely to be less than 50 percent of *Gu* 2010 production (a good year) and up to one month late. Crops in areas of Lower Shabelle, Juba, Gedo, Hiran and Bakool are likely to be most affected. These poor production prospects have led traders/producers to hoard remaining stocks in anticipation of further price increases. While some commodities are flowing into southern Somalia from Ethiopia and Kenya, the impact on prices is expected to be minimal given the limited tonnage. Food insecurity is expected to remain at Crisis and Emergency levels through September, with localized famine conditions possible in the worst affected areas (riverine and urban), depending on the evolution of prices, conflict, and humanitarian response. After August/September harvests, prices should fall slightly due to new supplies, but are unlikely to return to their pre-crisis levels.

Current humanitarian assistance is very limited in southern Somalia and is insufficient to alleviate existing and expected food shortages, malnutrition, and mortality. Multi-sectoral programming to address the impacts of limited food availability, high food prices, asset losses, and malnutrition should be implemented. Of particular importance is the need for a special plan for households in restricted areas of Juba, Shabelle, Hiran, Gedo, Bakool and Central regions. FEWS NET, FSNAU, and their partners will release a Food Security Outlook in July highlighting expected food security outcomes through December and will release the detailed Post-*Gu* 2011 food security assessment reports in August/September.

The Famine Early Warning Systems Network (FEWS NET) issues alerts to prompt decision-maker action to prevent or mitigate potential or actual food insecurity. The views expressed in this publication do not necessarily reflect the view of the United States Agency for International Development or the United States Government.