

ABOUT THIS REPORT

To project food security outcomes, FEWS NET uses scenario development. Commonly used by planners and researchers to forecast likely events, this methodology takes a set of informed assumptions about the future and compares their possible effects. Scenario development cannot predict exact outcomes but it structures the analysis and helps minimize uncertainty. This report, developed by FEWS NET analysts based on current evidence, outlines assumptions at the regional level. Analysts also develop assumptions at the country level, which are specific to that country and likely to be more detailed. Together, the regional and national assumptions are the foundation for the integrated analysis reported in FEWS NET's Food Security Outlooks and Outlook Updates. Learn more about FEWS NET and scenario development at www.fews.net.

FEWS NET's Food Security Outlook reports for July to December 2015 are based on the following regional assumptions:

Markets and Trade

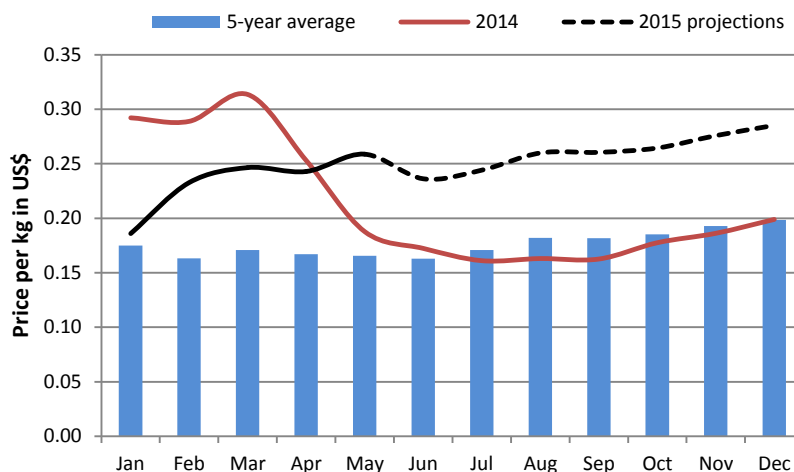
- With preliminary production estimates showing regional harvests¹ to be below both last year and five year averages by 22 and 12 percent, respectively, household cereal availability is expected to be more restricted this marketing year than the previous year due to poor 2014/15 rainfall performance. Most households in the drought-affected parts of Zimbabwe, Malawi, Botswana, Lesotho, Swaziland, and Namibia will rely on market purchases from July through December due to very little or no harvests.
- During a typical year, several countries in the region rely on cereal imports from neighboring countries. This marketing year, South Africa will remain the main regional cereal exporter. South Africa's 2014/15 cereal harvest is estimated at 9.8 million MT, which is a 29 and 22 percent decrease from last year and the five-year average. However, due to large carryover stocks from last year's production (estimated at 2.1 million MT), South Africa is still expected to export approximately 0.79 MT during the current marketing year. In the absence of above average international demand, South Africa can sufficiently meet cereal requirements of structurally deficit countries, including Botswana, Namibia, Lesotho, and Swaziland. Cereal prices are likely to remain high following observed price increases for yellow and white maize of 24 and 30 percent above the five-year average, respectively, in April.
- Zambia is also a large supplier of maize grain within the region. The country also experienced a decrease in cereal production by approximately 25 and 15 percent from last year and five-year average. However, due to significant carryover stock from last year's production, Zambia is able to sell above 800,000 MT this marketing season and will likely be the biggest supplier of non-GMO maize to Zimbabwe, which is facing a maize deficit of more than 900,000 MT. Malawi is also facing significant cereal deficits due to drought conditions this year. Malawi, along with the Democratic Republic of Congo (DRC), and Angola are also likely to rely on informal Zambian maize grain imports between July and December.

¹ Based on the latest round of production estimates from, Zimbabwe, Zambia, Malawi, Botswana, Namibia, Lesotho, Swaziland, Tanzania, Mozambique, South Africa, and Madagascar.

- Tanzania, another major exporter of cereals, is expecting a production decrease of around 17 percent from last year's production, but has carryover stocks of 0.42 million MT. These stocks will sufficiently meet the needs of areas in the central and northern parts of the country where cereal harvests are expected to be below average.

- Tanzania is also expected to export rice mainly to Kenya during this marketing year. Overall, cereal prices in Tanzania are projected to be higher than the previous year due to the increased local demand this year.

Figure 1. Comparison of SAFEX white maize grain parity prices and projections.



Source: FEWS NET and SAFEX

- Malawi, one of the prominent maize grain producers, is undergoing cereal production reductions of 22 percent in comparison to last year and 30 percent in comparison to the five-year average due to the late start of season, floods, and extended dry spells. Affected areas in Malawi will likely experience increased cross border maize grain imports from Zambia and Tanzania this outlook period. Trade flows are also expected to be typically strong along routes including Tanzania to Zambia, Tanzania to Malawi, Zambia to the DRC, and Zambia to Zimbabwe.

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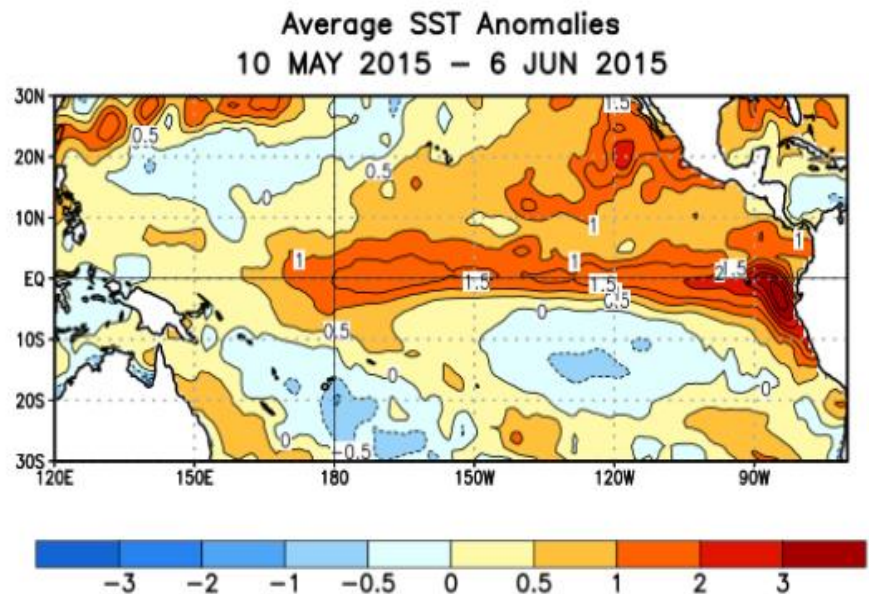
- Informal regional trade is expected to strengthen this year with maize volumes expected to increase by 20-30 percent from last year.
- Maize prices on the South African Futures Exchange (SAFEX) are expected to follow a normal upward trend from July to December. Additionally, maize prices will be above both last year's and the five-year average mainly due to decreased harvests and likely higher market demand. The depreciation of the South African Rand by around 17 percent since May 2014, will also likely contribute to increases in prices. South African grain prices are also likely to be influenced by global maize price trends (which are currently stable due to improved global supplies) during the July-December outlook period.
- International crude oil prices rallied in April and early May despite persistently high global supply and higher stocks. The International Energy Agency (IEA) projects daily oil production in the seven major shale regions to fall by 91,000 barrels to 5.5 million barrels in July and this will likely signal the start of crude oil price increases. Upward global oil prices will likely increase transportation costs for most countries in the southern region that will rely mostly on cereal imports, and this will likely increase retail cereal prices for consumers.

Start of season (SOS)/ Agroclimatology

- There is a 90 percent chance that an El Niño will develop by the start of the 2015/2016 season as positive sea surface temperatures (SSTs) continue across most of the Pacific Ocean. Based on historical trend analysis, El Niño conditions will likely result in below-average rainfall between July and December, especially in the southeastern parts of the region (40 percent chance). In previous El Niño years, countries affected include, southern parts of Zimbabwe, southern parts of Malawi, northeastern South Africa, and southern and central Mozambique. Based

on recent experiences during the 2014/15 season (when similar positive SST conditions were predicted) several areas in the region ended up experiencing a late start of season and erratic rains during the October to December period, resulting in below-average rainfall. Similar rainfall patterns are possible during this outlook period; however, it should be noted that in some El Niño years, including the 1997/98 season, the region received above-average rains and above-average harvests.

Figure 2. Sea surface temperature (SST) Departures (Degrees Celsius) in the tropical Pacific during the last four weeks.



Source: USGS/FEWS NET

Farm and off-farm labor opportunities and remittances

- Assuming a late start of season and poor rainfall based on forecasts of another El Niño year, agriculture-related labor between July and September is expected to be significantly lower than normal. This is expected in parts of southern Zimbabwe, central and southern Mozambique, southern Malawi, and northeastern parts of South Africa. These reduced labor opportunities and incomes for poor households will and reduce labor opportunities and incomes for poor households are expected to continue for the remainder of the outlook period (October-December), coinciding with an earlier than normal lean period for several countries.
- **Migrant labor opportunities in South Africa are expected to remain low due to continued fears of xenophobic attacks against foreign African immigrants.** This will likely adversely affect levels of remittances, especially for households in Lesotho, Mozambique, and Zimbabwe for the entire outlook period.

Pest Infestations and Disease Outbreaks

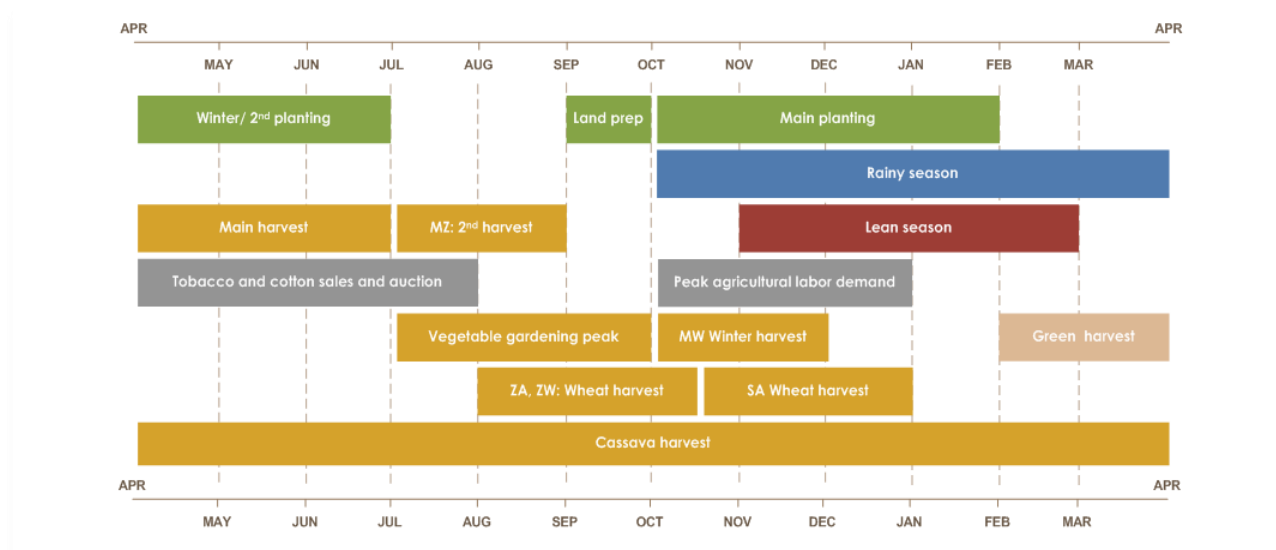
- Based on the May 2015 edition of the International Red Locust Control Organization for Central and Southern Africa (IRLCO-CSA) report, the concentration of Red Locust swarms remains high in Lake Chilwa/Chiuta plains covering parts of Malawi and Mozambique; Buzi-Gorongosa and Dimba plains (Mozambique) and in the Kafue Flats (Zambia). Vegetation burning is currently in progress in these areas and will reduce the size of the swarms. IRLCO-CSA is planning to undertake a survey on the status of the locusts and to undertake control where necessary.
- Quelea birds persist in Tanzania and according to the IRLCO-CSA, areas likely to be affected include Mbeya, Dodoma, Shinyanga, Morogoro, Singida, Manyara, and Tabora regions. An estimated 29.9 million birds are located in resting areas and there are reports of the birds attacking rice and sorghum crops.
- Locusts remain a threat in Madagascar, and by late May the adult populations (consisting of medium-dense swarms of young adults) have been observed in the Invasion Area as well as in the Outbreak Area, which includes the great-west, mid-west, great south, Mahajanga Basin, Miandrivazo, Morondava, Fenoarivo, and Ihoay. Swarm sizes ranged from 20 to 300 ha (100 ha on average). While efforts are currently underway to control locust in

areas including Miandrivazo, Morondava, Fenoarivo, and Ihosy, funding challenges may likely result in a resurgence of the locust crisis.

Humanitarian Assistance

- **The region has varying humanitarian assistance needs** with parts of Zimbabwe, Malawi, Lesotho, and Madagascar expected to be **Stressed (IPC Phase 2)** and **in Crisis (IPC Phase 3)** from **July through September**. **Food security conditions are expected to deteriorate and households many of these countries will be in Crisis (IPC Phase 3) from October through December, in the absence of external assistance.** The ongoing vulnerability and food security assessments in the region will determine the number of people facing acute food insecurity in the 2015/16 consumption period and the level of humanitarian assistance that may be required. Nonetheless, preliminary field observations in Malawi, Zimbabwe, and Madagascar indicate that food insecure populations will be above average this year.

SEASONAL CALENDAR FOR A TYPICAL YEAR



Source: FEWS NET