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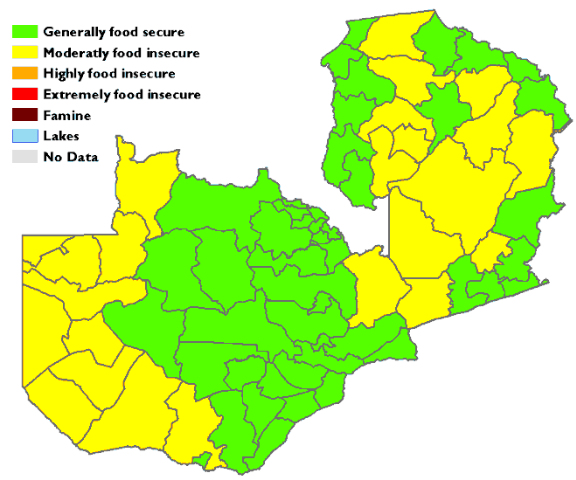
ZAMBIA Food Security Update — October 2007

Generally, the food security situation in Zambia has remained favorable, but there are pockets of food insecurity resulting from the impact of the adverse rainfall during the last production season as well as chronic poverty (see Figure 1). The food relief efforts to assist the food insecure population, numbering about 440,000, have so far been slow and lacking adequate procurement funding despite the food being readily available on the market.

Figure 1. Current food security conditions

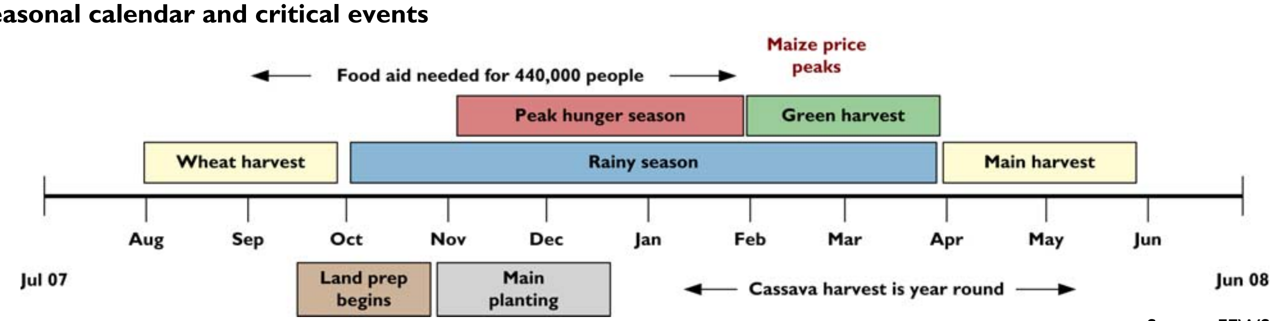


Source: FEWS NET

In line with the good supply of staple food on the market, maize prices have remained below the recent five year average. Although prices for maize meal and other foods are rising seasonally, they have remained relatively low, supporting household food access. The Food Reserve Agency (FRA) maize purchase program commenced in July and came to an end on September 30, as scheduled. By September 29, the Agency had come within 5,000 MT of its target of 400,000 MT. The remaining challenge is to ensure that all farmers whose crop they purchased are paid and to move the commodity into safe storage before the onset of the rains.

The seasonal forecast for 2007/08 rainy season issued by the Department of Meteorology indicated that there is a likelihood of a La Nina season, which is associated with increased rainfall. If this materializes, localized flooding will be possible in flood prone areas. In view of this, contingency plans need to be in place to minimize the potential impact of flooding on people's livelihoods.

Seasonal calendar and critical events



Source: FEWS NET

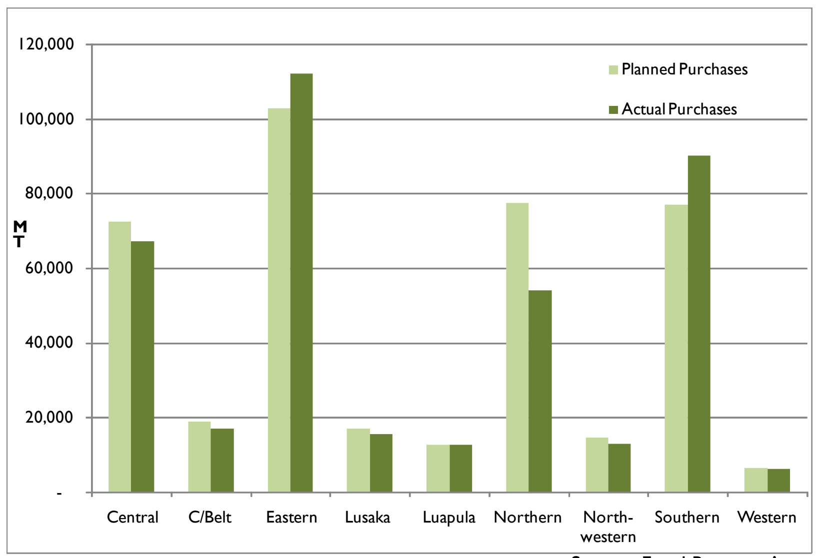
Food security situation

Generally the food security situation in the country continues to be stable with pockets of food insecurity in areas where last season's rainfall was poor. Following an in-depth flood/drought impact assessment conducted in July in forty five districts, the VAC recommended interventions in various sectors including infrastructure, food security, health, water and sanitation.

In response to the needs in at risk areas, there has been some support in different sectors. The major ones have been input support for winter cropping (western and North western provinces); a cash transfer program in Western Province; livestock vaccination support; support for some infrastructure rehabilitation; water and sanitation rehabilitation in Luangwa district; support for sub national disaster preparedness and relief food for 440,000 beneficiaries. The support has come from DFID, the European Commission, USAID and the Zambian Government. Although the VAC had recommended food relief supply to start in September in parts of fourteen districts out of the forty five assessed, most relief distribution only started in October. However, less than half of the recommended relief food is available for distribution so far, despite the fact that adequate stocks of staple food are available in country. Additional government and donor funding for local procurement of the food was not forthcoming. As of early October, WFP-resourced food was only adequate to provide beneficiaries with a 30 percent reduced ration for 3 months. There is inadequate food to meet the January to February relief requirement.

Market Situation

Figure 2. FRA planned maize purchases vs. actual purchases



Source: Food Reserve Agency

The FRA maize purchase program commenced in July and ended in September, as planned. As of September 29, a total of 395,000 MT had been purchased, which was only 1 percent shy of the 400,000 MT target. The volumes of purchases have been highest in Eastern Province, which has contributed 28 percent to the total purchase, followed by Southern Province at 23 percent. The amounts purchased in these two provinces have been above target. In Northern Province, much less maize has been purchased than in recent years, and this could be attributed to the restrictions put in place preventing informally imported maize from neighboring countries from being sold to the FRA, a situation that contributed to the large purchases in other years. Among the other districts with the highest purchases are the high producing districts of Eastern Province (Chipata, Petauke and Chadiza) and Southern Province (Kalomo and Mazakuka), which sold more than 15,000 MT each, Chipata being the highest at 28,000 MT.

Surprisingly, FRA had been buying maize even from very low producing districts of North western (Zambezi), Western (Lukulu, Sesheke, Shangómbo) and Southern (Gwembe, Siavonga, Sinazongwe) provinces. These are among districts that have been requesting food relief in recent months. Among the 80 percent of Zambia's districts covered by the purchase program, the lowest volumes of purchases have been in Zambezi (22 MT), Lukulu (46 MT) and Sinazongwe (63 MT). These are low producing, deficit areas. It is possible that a number of households have sold what they should have kept for own consumption in order meet other expenditures as well as in anticipation of receiving relief food.

The challenge for FRA now is to ensure that all farmers who sold their grain to the Agency are paid and to move all grain into safe storage before the onset of the rains, which begins in the northern parts of the country where the season effectively starts in October.

Generally, maize continues to be readily available on the market as a result of the good harvest during the 2006/07 production season, despite adverse rainfall experienced in localized parts of the country. This is reflected by the price trends in both low and high producing areas (Figure 3).

Figure 3a. Nominal maize price trend in low-producing areas (2007) in ZMK/18Kg

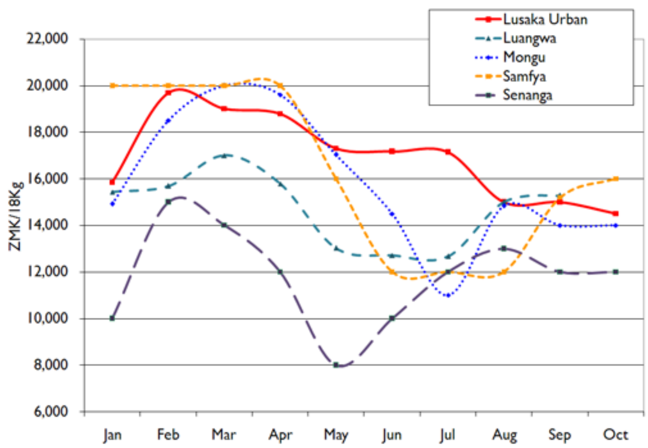
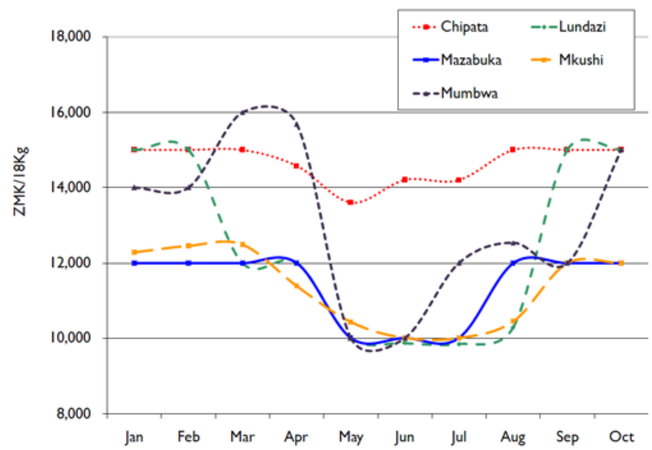


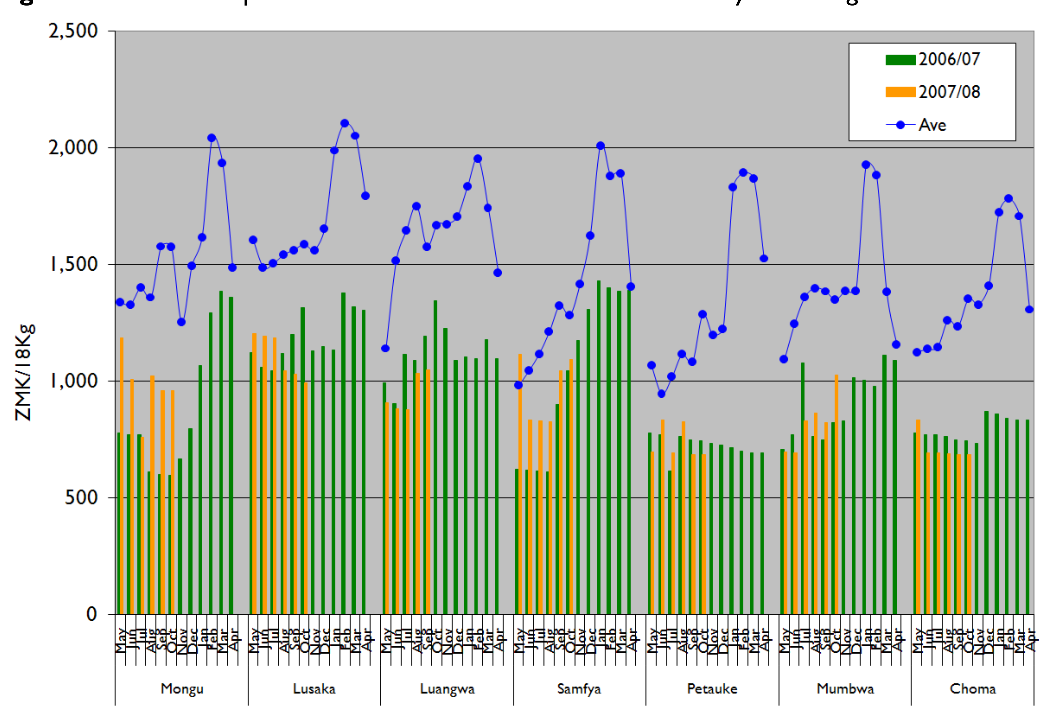
Figure 3b. Nominal maize price trends in high-producing areas (2007) in ZMK/18Kg



Source: FEWSNET/CSO

In the low producing areas, prices generally fell steeply after reaching their seasonal peak in February and March. Seasonal price increases have since started. Comparatively, in the high producing areas, prices remained fairly stable, with few exceptions.

Figure 4. Real maize prices in 2007/08 vs. 2006/07 and recent five-year average



In real terms, average 2007/08 maize prices have remained below last season's prices in most districts and significantly below the recent five year average (Figure 4). The fact that current prices are below those of the previous season (also a surplus season) supports the fact that maize is in good supply, exceeding that of the previous season. The districts where prices are above last season's levels are those that were adversely affected by floods, such as Mongu District.

Formal maize exports within the region have been slow so far this marketing season, with relatively small quantities having been exported to neighboring countries, including Botswana, Namibia and the DRC. Exports to South Africa, amounting to 5,122 MT, have also been recorded (SAGIS).

La Nina season possible

The seasonal forecast for 2007/08 rainy season issued by the Department of Meteorology indicated that there is a likelihood of Zambia receiving normal to above normal rainfall. The Meteorologists have attributed this to the current neutral conditions of the sea surface temperature in the global oceans that are biased towards a weak La Nina phenomenon. The La Nina condition is associated with increased rainfall, in contrast to El Nino condition when deficit rainfall is experienced.

During the first part of the rainy season (October to December), most parts of the country are likely to receive normal rainfall. However, during the January to March period, there are increased chances of the country receiving normal to above normal rainfall with possible flash floods, especially in the southeastern parts of the country. Updates will be issued by the Meteorologists and the situation will become clearer as the season gets underway. For the moment, this should be treated as a forecast which may or may not occur.

In view of the above, there is a need to closely monitor the seasonal progression, especially as the second half of the season approaches. From past experience, serious flooding normally takes place during January and February period. The major flood prone areas are those along major rivers such as parts of Northwestern, Western, valley areas of Southern province (due to the Zambezi River); extreme eastern Zambia Districts bordering the Luangwa River and parts of central Zambia along the Kafue River such as Itezhi Tezhi District. There will be a need to alert people living near flood prone areas of potential flooding by the start of the season. In addition, frequent updates from the Department of Meteorology and Hydrologists at the Zambezi River Authority and Zambia Electricity Supply (ZESCO) will be the key to effective monitoring of the season. The need for contingency planning can also not be over emphasized.