Ethiopia Food Security Update: June 2000

Summary

A joint Government of Ethiopia, donor and NGO food needs assessment, conducted in May, determined that the failure of the *belg* rains has increased the food aid requirement for 2000 by between 2.3 and 3.1 million people. This brings the total number of people requiring food aid assistance to over 10 million. At the end of June, food aid pledges for emergency programs, amounted to 753,837 MT. Additional food aid pledges are expected in July and August.

Following the failed *belg* season, nominal wholesale market prices for cereals have followed an upward trend. The trend, however, is not as steep as one would predict, given the failed harvest and poor production in 1999. The reason for this is due to two main factors. First, food aid distributions across the country have increased supply and lessened market demand. Second, purchasing power has significantly decreased over the last 12 months, mostly due to the cumulative effects of drought and its negative impact on the food economy of rural households. Until harvests begin in October, prices are expected to continue to slowly climb.

The main rainy season (*meher*) normally begins in early June and extends through September in the western, central and eastern regions. Drier than normal conditions prevailed over much of the country through early July, causing severe drought stress on crops planted earlier in April and May.

Pastoral areas in the east and south remained seasonably dry into July. At the beginning of the dry season, access to pasture, browse and water are usually very good. The current condition is much below normal, due to the failure of the rains between March and April. If seasonably dry conditions continue through September, access to water and pasture may again become an emergency.

Food Security Conditions

Satisfaction of Crop Water Requirements

The month of July is the time when all parts of the country, except the southern and southeastern lowlands, receive adequate rainfall as the ITCZ moves up northeastward into the country and weather fronts also come in from the Indian Ocean in the east. It is also one of the two months of the year, with August, when the country has a surplus in its water balance. The last week of July and the first week of August are normally the period when rains approach their peak in all *meher*-producing areas of the country.

This year, normal rainfall patterns have been somewhat different, as rain-producing systems coming from the Indian Ocean have continued to get weaker since February. Precipitation in the eastern half of the country has, therefore, been below normal since then. This has brought serious moisture deficits to some lowland areas adjacent to the escarpment in the northern, eastern and southern highlands. Despite the continued below average rainfall during the last several months, long cycle crops planted in mid-April and May, and short cycle crops now being planted appear to be getting enough moisture. If the moisture deficit continues through August, when the important teff crop needs to be planted in wet conditions, and when long-cycle crops approach flowering stages where they require a maximum amount of moisture, then these crops could be in jeopardy.

Production Prospects

As the season has just begun, it is too early to predict production outcomes.

Impacts of Low Rainfall

Lower than normal rainfall over most of the central and eastern parts of the country, and low water levels in two key dams are being blamed for disruptions in the country's hydro-electrical power supply. The Hydro-Electric Power Authority has introduced a rationing of electricity one of every three days. This is greatly damaging the overall economy of the country.

Re-Assessment of the Food Insecure and Food Aid Requirements

The failure of agricultural production in the 2000 *belg* season triggered a joint re-assessment of the needy and food aid numbers by the Federal Government, donors, and NGOs. The reassessment tentatively identified approximately 2.3 million additional people in addition to the 8.1 million found in the January assessment. As well, another 800,000 people who had poor 1999 main-season harvests, and who were not included in the January appeal, were identified. Thus, 3.1 million more people have been presented to the Disaster Prevention and Preparedness Commission (DPPC) for approval. Although the evaluation process has not concluded yet, early indications are that about 2.5 million will be approved for food aid, bringing the current total to 10.5 million.

Local Purchase of Grain for Food Aid

The DPPC, using GoE funding, completed the local purchase of over 87,000 MT of grain by the end of June. Purchases that will bring the total to 100,000 MT are expected to be completed in a couple of weeks. Out of the total amount of grain purchased and delivered to warehouses, 52,000 MT has been distributed to beneficiaries in various drought-affected parts of the country. The EC and EuronAid are planning to launch local purchases of 32,186 MT of cereals in July 2000.

Table 1. Food Aid Pledges Against the 2000 Appeal (for Relief MT)

Donor	Cereal	Non Cereal	Total
WFP	241,122	36,991	278,113
EC	196,880	3,069	199,949
GOE	100,000	-	100,000
USA	83,000	5,798	88,798
UK	30,547	629	31,176
Canada	9,636	-	9,636
Germany	8,300	500	8,800
Netherlands	6,730	25	6,755
Denmark	5,780	78	5,858
Norway	5,430	277	5,707
Italy	5,000	-	5,000
W Vision Int'l	3,176	755	3,931
IFRC	1,940	919	2,859
Finland	800	868	1,668
Kuwait	141	-	141
Ethiopia Aid	94	-	94
Yemen	71	31	102
Israel	36	5	41
UAE	10	25	35
Turkey	9	7	16
ICRC	-	4,512	4,512
Ireland	-	436	436
ACF	-	117	117
Spain	-	54	54
Belgium	-	25	25
Tunisia	-	14	14
Total Pledges	**698,702**	**55,135**	**753,837**
% of Tot.Reqmts	**87%**	**60%**	**84%**
Dlvd as at 27/06	**310,185**	**23,582**	**333,767**
% of Total Pledge	**44%**	**43%**	**44%**

Source: WFP Food aid information unit (27/06/00)

Notional pledge of EC 80,000 MT to WFP not included

Food Aid Status

Pledges to-date of food total 753,837 MT, which is 84 percent of the total requirement of 898,936 MT for 2000 – this does not include additional beneficiaries identified in the May assessment (see Table 1). So far, 333,767 MT (310,185 MT cereals and 23,582 MT of non-cereal) of relief food, accounting for 44 percent of the pledges, have been delivered to the country. In addition, some 77,985 MT for regular programs and 18,134 MT for monetization purposes have also been pledged. As of June 27, deliveries of relief, regular and monetization food aid from the year 2000 pledges total 385,118 MT. Deliveries of carryover pledges amount to 213,958 MT, of which 180,268 MT are for relief and 33,690 MT for regular programs. Including 43,251 MT of food aid delivered to refugees, the total amount of food aid delivered in the first six months of 2000 is 642,327 MT.

Table 2. Stock Status of EFSRA as at 30 June 2000

Warehouse	**Stock(MT)**
Kombolcha	12,907
Mekele	19,711
Nazareth	39,124
Shashemene	50
Total Stocks at Hand	**71,793**
Outstanding Loans	206,040
Underwithdrawal	77,858
Donation (EU)	1,050
Shortage from WFP & EU Earlier Dontions	260
Theoretical Stock	**357,000**

Source: EFSRA

EFSR Stocks

As of June 30, 2000, the Emergency Food Security Reserve (EFSR) stock was 71,793 MT. There are outstanding loans to be repaid of 206,040 MT (see Table 2).

Market Prices

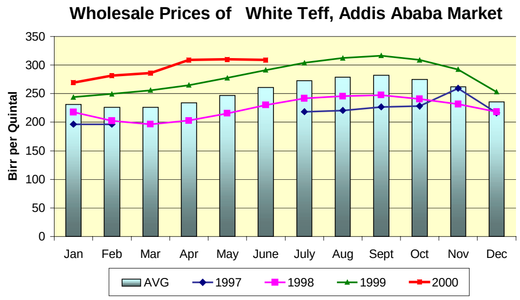
As the Ethiopian Grain Trade Enterprise (EGTE) data indicate, nominal wholesale grain prices were generally on the increase since the beginning of the year showing a normal trend (see Figures 1-4). May 2000 prices for most of the major cereal grains generally tend to be higher than the five years average of 1995-1999.

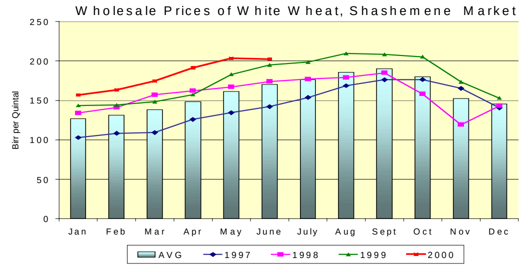
Compared to April prices, average May prices of white teff, white barley and white wheat in the 13 major markets monitored regularly by Local Food Security Unit of the EU (Resal Ethiopia) showed a slight increases ranging between 0.4 percent and 1.7 percent. The lowest increases were observed for mixed teff while the highest was observed for white barley.

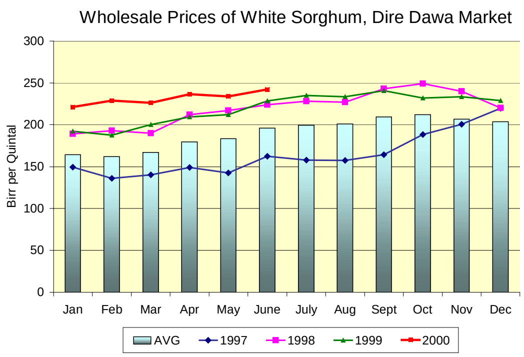
However, an average decline of 3.9 percent was observed for prices of white maize. Sorghum continues to be in overall short supply as evidenced by its complete absence in 9 out of the 13 markets. This absence is due to reduced or failed production last year in most areas during the main *meher* season.

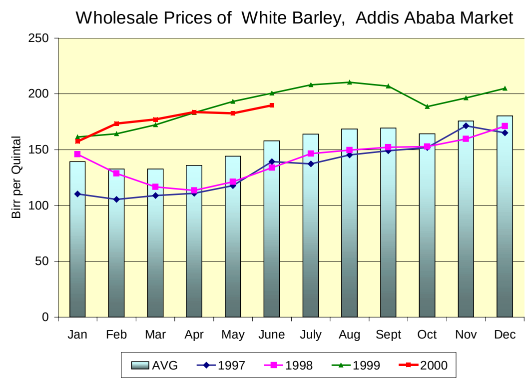
Despite the large number of needy people in the country, the on-going local purchase and failure of *belg* production, May 2000 prices of some grains showed a slightly declining trend in most of the markets. This is likely due to the regular inflow of food aid and the favorable climatic condition in western half of the country, indicating good prospects for the coming season. Moreover, some short maturing root crops and vegetables have benefited from the rains in March-April and began flowing into the market by the end of June.

Figures 1-4. Trends of Grain Market Prices for Selected Markets
Jan 1999-May 2000









Source: EGTE DATA