

Summary

Most of the country remained dry in July, a condition that facilitated the on going crop harvesting and threshing in higher elevations of the southern highlands and northern Tanzania regions. Harvesting is complete in the central, Lake Victoria, western and south coast zones. New harvests are replenishing on-farm stocks and increasing market supplies, subsequently improving the food security situation of most households in rural and urban areas although in some locations the supply may last for a few months.

The same dry conditions that are beneficial to harvesting and threshing are causing increasing concerns about livestock production in pastoral and agro-pastoral areas. Availability of pastureland has continued to decline below the long-term average since May-June this year. Further reductions of pasture as the country enters its normal dry season could induce extensive migrations, consequently increasing food insecurity to pastoralists, particularly among women and children who normally stay at home and who have less access to milk and income from livestock products.

Despite reduced pasture, livestock conditions are still good in key livestock places but chronic tick borne diseases, intestinal worms and Contagious Bovine Preuro-Pneumonia (CBPP) remain important diseases affecting their productivity.

July prices of cattle at Pugu market in Dar es Salaam increased by 5 and 32 percent above price in June this year and July last year, respectively. However, the depressed economy in the country is keeping meat prices lower than expected. For example, a kilogram of beef cost TSh 1,000-1,200 in Dar es Salaam in July, about 30-40 percent lower than July 1999. Average prices of cattle and beef in other regions are lower than prices in Dar es Salaam but showed similar trends.

July food prices, of maize in particular, decreased below June prices and were significantly lower than prices in July last year in most markets in the country. However, they could increase in the coming months due to limited supplies from the 1999/2000 season's harvest.

Although 274,000 MT of commercial food imports are needed to offset the projected national food deficit during the 2000/01 market year, previous experiences raise strong reservations about the willingness of the private sector to import large amounts of food. Factors that explain this unwillingness include, first, the fact that the majority of food insecure households are poor and therefore cannot afford to buy large quantities from the market, slowing the rate of food purchases and turnover of stocks. Second, high domestic transportation costs increase food prices in destination markets. Transporting maize from Dar es Salaam (a major port of entry) costs a minimum of Tsh 80 (US\$ 0.10) per kilometer ton. Third, high duties on imported food staples increase food prices, further reducing the affordability of imports. Fourth, if the government imports food for release onto markets (often at lower prices), it creates unequal competition and discourages the private sector to participate effectively. One solution is for the government to initiate a dialogue with private traders about their participation in food imports through a managed import program.

A joint assessment mission comprising of Food Security Information Team (FSIT), NGOs and counterparts from the field will conduct a detailed rapid vulnerability assessment in 32 highly

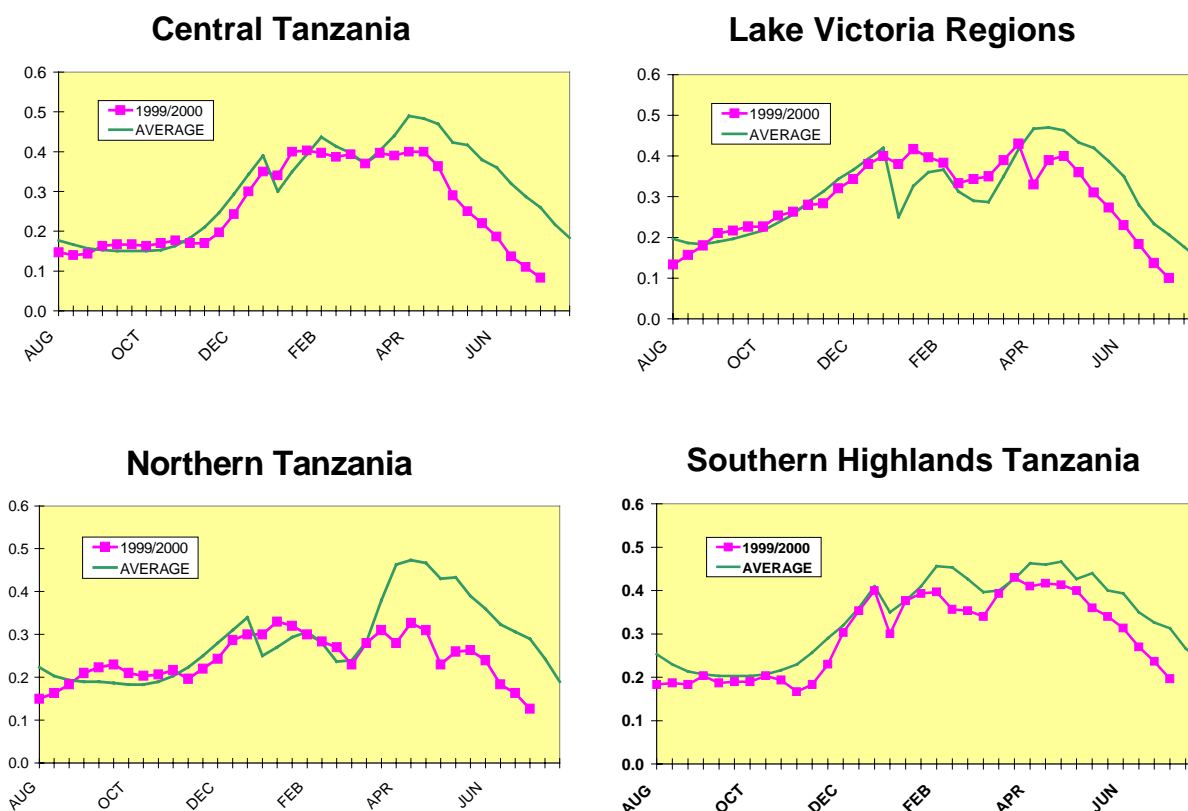
food insecure districts in August to identify the most vulnerable households in need of food and non-food interventions. A report to be produced during the first week of September will be used by government and donors for responding to the affected populations.

1. Factors Affecting Crop and Livestock Production

1.1. Rainfall and Vegetation Conditions

Seasonably dry weather conditions predominated over the entire country in July except light showers, which occurred over the northern and eastern coast areas of Coast, Dar es Salaam and Tanga Regions as measured by METEOSAT imagery. A comparative analysis of normalized difference vegetative index (NDVI) for the current year versus long-term averages (Figure 1) indicates dropping vegetation values, signifying a reduction in grazing lands and livestock fodder to sustain animals later in the season before the rains in October/November.

Figure 1. Comparative Normalized Difference Vegetation Index (NDVI) Values



1.2. Crop Production

Harvesting of the seasonal crops is complete in the central, Lake Victoria, western and south coast zones of the country. The dry weather in July facilitated on going crop harvesting and threshing in higher elevations of southern highlands and northern Tanzania regions.

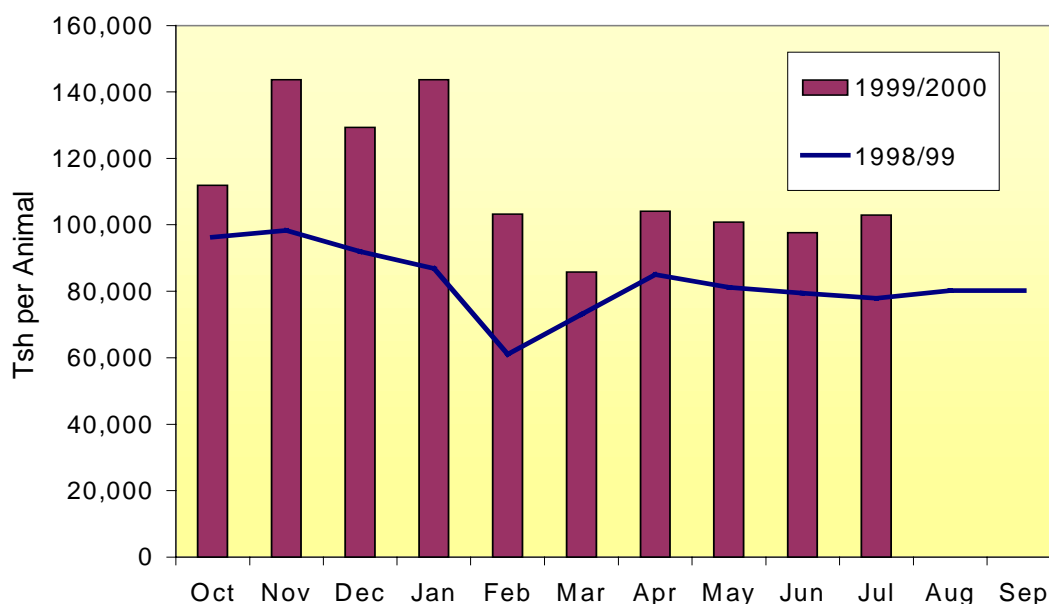
The new harvests are replenishing on-farm stocks and increasing market supplies. For now, the immediate food supply situation for most households in rural and urban areas is satisfactory although in some regions and districts household supplies may last only for a few months, particularly in 32 districts classified as highly food insecure for 2000/2001 market year.

1.3. Livestock Production

The below average rainfall conditions during the 1999/2000 production season that ended in June are causing concerns to threaten livestock production in pastoral and agro-pastoral areas of Arusha, Dodoma, Kilimanjaro, Mara, Morogoro, Mwanza, Shinyanga, Singida, Tabora, and Tanga Regions. Pasture, as measured by NDVI values is deteriorating and has been consistently below average since May/June this year (see Figure 1). Availability of pasture has continued to decline below the long-term average since May-June this year and further reductions as the country enters its normal dry season could induce extensive migrations. This could weaken the food security of pastoralists, particularly among children and women who normally stay at home and who have less access to milk and income from livestock products.

Nonetheless, livestock conditions have not worsened to alarming levels, but chronic tick borne diseases, intestinal worms and Contagious Bovine Preuro-Pneumonia (CBPP) remain important diseases affecting livestock productivity.

Figure 2: Cattle Prices at the Pugu Market in Dar es Salaam



Source of Data: Marketing Development Bureau, Dar es Salaam

July average prices of cattle at the reference market in Pugu Dar es Salaam increased gradually by 5 and 32 percent above prices in June this year and July last year, respectively (Figure 2). However, the depressed economy in the country is keeping meat prices lower than expected. For example, a kilogram of beef cost TSh 1,000-1,200 in Dar es Salaam in July, about 30-40 percent lower than July 1999. Prices of cattle and beef in other regions are lower than prices in Dar es Salaam but showing similar trends.

2. Food Access and Market Conditions

2.1. Food Access

The balance sheet in the Rapid Assessment Report (June 2000 Tanzania Food Security Update) indicated a food import requirement of 274,000 MT to offset the deficit in food availability. However, previous experience raises doubts about the willingness of the private

sector to import large amounts of food. A deficit in food production is expected to trigger increased purchases from markets. However, this does not always happen in many areas as a majority and mostly poor cannot afford to buy. Food purchases and turnovers remain low notwithstanding shortages and physical demands.

Other factors likely to hinder food imports are high domestic transportation costs, import taxes and unequal competition between the government and private sector— unless the modalities of an import program are clearly spelled out and adhered to.

The high costs of domestic transportation further discourage private traders from marketing foodstuffs, particularly maize. Most trunk and feeder roads in the country become impassable in the rainy periods and are difficult to travel over during dry seasons. In the absence of delivery cost subsidies, prices of food will obviously increase when these transportation costs are added.

Taking Dar es Salaam, as the major seaport for food imports, imported maize has to be transported to the food deficit areas several hundred kilometers away. The current minimum charge by private transporters of food supplies in country is Tsh 80 (US\$ 0.10) per kilometer ton to the main towns along the main paved roads. This cost would be higher if food is moved across through worse roads. Food prices will increase depending on the distance covered consequently, reducing access to poor vulnerable people. However, it is acknowledged that food imports through Dar es Salaam cannot compete in markets great distances away.

Table 1 provides estimates of domestic transportation from Dar es Salaam to various destinations. If landed costs in Dar es Salaam are US\$ 170 (Tsh 136,000) per ton, delivery to Arusha, for example, cost an additional TSh 51,920 per ton (TSh 5,192 per 100 kg). Subsequently, the price of one bag of 100 kg would be about TSh 18,440 in Arusha, nearly 40 percent more than the July wholesale price of Tsh 13,250 (Marketing Development Bureau), though this price differential is expected to narrow later in the year as domestic prices rise.

Table 1: Estimated Domestic Transportation Costs of Maize from Dar es Salaam

Origin	Destination Regional Center	Distance Kilometers	Charge/km ton (Tsh)	Cost (Tsh/ton)	Cost in US\$/ton (US\$1.00= Tsh 800)
Dar es Salaam	Arusha	649	80	51,920	65
	Dodoma	483	80	38,640	48
	Lindi	486	80	38,880	49
	Morogoro	193	80	15,440	19
	Moshi	570	80	45,600	57
	Mtwara	589	80	47,120	59
	Singida	725	80	58,000	73

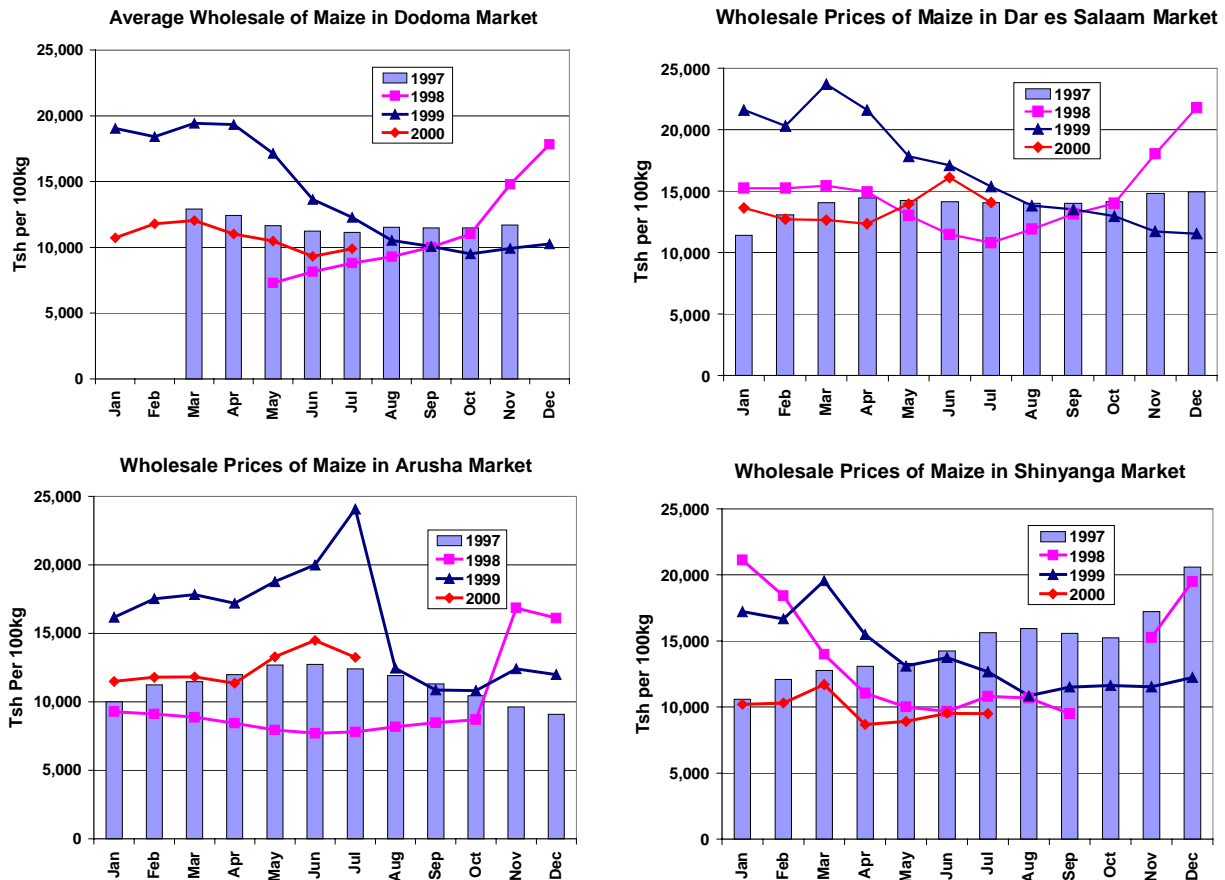
Source of Data: Ministry of Transportation and Food Security Department

The issue of high import taxes on food (about 20 percent in Tanzania) is another factor that increases food prices, reduces further the ability of buyers and discourages importers. On the other hand, if the government imports food and releases to markets (often at lower prices), it creates uncertainty and unfair competition and discourages the private sector from participating effectively. Therefore, the government should initiate a dialogue with private traders about their participation in food imports. This may require government and traders to reach a mutually beneficial arrangement based on transparent rules, suspension of import duties and/or subsidy of transport costs.

2.2. Market Conditions

The current availability of and access to food in the country is reflected in declining food prices in the country. On a month-to-month base, prices of maize in most markets in July fell below June and were significantly lower than July last year (Marketing Development Bureau) and key markets of Arusha, Dodoma, Dar es Salaam and Shinyanga (Figure 3).

Figure 3: Comparative Wholesale Prices of Maize in Key Markets in Tanzania



Source of Data: Marketing Development Bureau, Dar es Salaam

Exceptions are Mtwara, Lindi and Bukoba markets, which recorded an increase in maize prices of 4, 13 percent and 17 percent during the same reference period (Marketing Development Bureau). Lindi and Mtwara Regions do not produce much maize and high transportation costs from production sources contribute to increased prices of the commodity in these remote areas. The increase in prices of maize in Bukoba (Kagera Region) could be a result of poor production from this season. In particular, food production in Bukoba District from this season shows a decline of above 20 percent from the 1994/95-1998/99 average. Bananas and cassava have been the most affected, the latter being badly infested by cassava mosaic virus.

3. Responses to Vulnerable Populations

3.1. Assessment of Food Needs in the Highly Food Insecure Households

As a follow-up to a recommendation of the Rapid Assessment Report released in July this year, a joint assessment Mission comprising of Food Security Information Team (FSIT), NGOs and counterparts from the field will conduct a detailed rapid vulnerability assessment in 32 highly food insecure districts in August.

The assessment team will address the following objectives:

- First, identify the lowest (wards/villages) geographical areas, which are highly food insecure.
- Second, identify food access and coping mechanisms of the vulnerable households and assess their relative significance this year in mitigating food shortages.
- Third, identify characteristics and number of highly food insecure populations in need of relief interventions.
- Fourth, determine the quantity of relief food needed, onset of need and duration before next harvest (as early as the *vuli* harvest in January in northern and central bimodal areas); and
- Fifth, determine seed requirements for the coming season by the affected poor households to initiate a recovery from continued food insecurity.

A report is expected within the first week of September, which will be used for response planning to by government and donors to the affected populations.