



# SADC Food Security Network MINISTERIAL BRIEF

... helping decision-makers maintain food security ...

10 June 2003

## FOOD SECURITY RISKS CONTINUE DESPITE GOOD PRODUCTION

Households and communities in the SADC region are considerably more vulnerable to food and livelihood insecurity today than they were a decade ago. This is illustrated by the impact of the 2002 food crisis compared to the 1992 crisis. In 1992, the magnitude of harvest failures were higher than a decade later, yet the impact on food security and livelihoods was lower. Households and communities are today bearing the brunt of compounded social, natural and economic shocks and trends. These adverse events and processes include: weather induced shocks, weak government institutions, inappropriate national and intra-regional policy frameworks, extra-regional trade restrictions and increasing poverty and vulnerability - exacerbated crucially by HIV/AIDS. Taken together, these issues are creating a situation which is slowly overwhelming southern Africa.

A study recently commissioned by **CARE International** (Frankenberger et al March 2003) argues that the severity of Malawi's food crisis was a direct result not only of short-term weather induced shocks but of longer-term adverse socio-political trends (poverty, government policies) and agronomic trends (land access, soil fertility). It was this combination of short and long term factors that finally pushed Malawi over the edge.

The **policy** dimensions of the 2002 food crisis are also best viewed as a combination of short- and long-term national and international policy failures and choices. These have been analyzed in a recent study commissioned by **FANRPAN** assisted by **FEWS NET** and **IFPRI**. Key **short-term** policy issues include:

**Inadequate disaster management, contingency and response plans:** These left governments ill-prepared to deal with a large humanitarian emergency.

**Restrictions on commercial marketing and trade:** The capacity and willingness of the private sector to respond to the food crisis was adversely affected by policies which enforced single channel marketing (e.g. in Zimbabwe) and more generally restricted domestic market liberalization.

**Low levels of strategic grain reserves (SGR):** In the countries hardest hit by the crisis (Malawi, Zambia and Zimbabwe) SGR levels were low. At 16,320,000 MT, regional level maize production in 2001-02 was actually higher than the previous year. At 329,000 MT, maize stocks were, however, at the lowest levels for over a decade and could not make up the domestic production shortfalls.

### Long term policy issues include:

**Investments in agricultural development:** Country level analysis of agricultural performance since the 1992 drought indicates negative productivity trends and sluggish growth in per capita food production. Real domestic investment shows negative trends. Moreover, pricing and marketing policies have often resulted in an implicit taxation of domestic food and agricultural production. In designing livelihood recovery strategies, policy makers must balance the usual short term emphasis on input packages with provision of a permanent enabling domestic policy environment.

**Macro-economic stabilization:** Long-term agricultural growth and business development in the food sector will remain seriously restricted in SADC countries until stabilization is achieved. Some of the roots of current macro-economic difficulties go back to design and implementation problems with Structural Adjustment Programmes in the 1990's.

**Governance:** Governance challenges continue to foment sporadic political unrest and national conflicts of varying degrees of intensity across the SADC region. As slow economic growth in Africa is a direct result of risk, uncertainty and insecurity, weak institutions and democratic challenges should be considered a central cause of limited investment in agricultural growth.

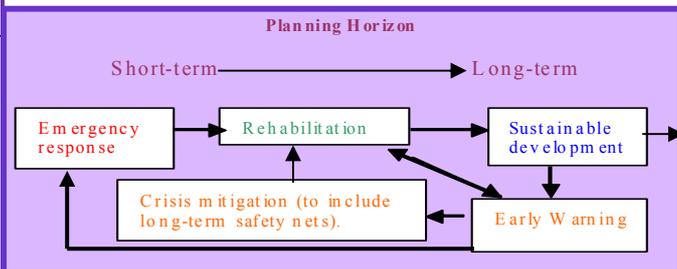
**Trade:** To maximize the food security benefits of trade, southern African countries should eliminate barriers and trade distorting measures. These actions alone, however, will bring limited gains if industrialized nations continue to impose barriers to developing country exports, subsidies to their own export commodities and provide other trade distorting subsidies to their agricultural sectors.

The coverage of **social protection interventions** as an influence on current food insecurity is examined by Devereux (June 2003). In 1990, considerable social protection in southern Africa was undertaken through albeit untargeted and inefficient parastatals (food price subsidies, price controls, subsidized input credit etc.). To varying degrees in the region, this has been replaced by a more targeted approach funded by donors and implemented through NGOs. Whilst this may be more efficient (and lead to fewer distortions and disincentives to market forces) it seems clear that considerable numbers of households are "falling through the cracks", a situation undoubtedly exacerbated by the HIV/AIDS pandemic.

**HIV/AIDS: A critical compounding factor.....** HIV/AIDS has clearly played a major role in worsening the depth of the 2002 food crisis and prospects for livelihood recovery. This fact is highlighted by amongst others the UN Special Envoy (SE) for Humanitarian Needs in Southern Africa, and the International Federation of the Red Cross (IFRC). The SE report: "Next Steps for Action in Southern Africa" (April 2003), draws attention to the negative relationships between the pandemic and poverty, food insecurity and, ultimately, the social fabric of Southern African societies.

### WHAT NEEDS TO BE DONE (I) LINKING EMERGENCY AND DEVELOPMENT PROGRAMMING

Governments, NGOs and donors will need to link emergency and development programming more effectively than in the past. As the region is characterized by frequent re-occurrence of natural or man-made shocks coupled with deleterious social and economic trends, a linear, one directional "relief to development" approach will not sustainably raise incomes and reduce vulnerability. Such **chronic vulnerability** means that agencies need to be able to adapt to changing circumstances, cycling back from development to emergency responses and having a long-term engagement with safety nets:



### WHAT NEEDS TO BE DONE (II) BLENDING AGRICULTURAL GROWTH WITH SOCIAL PROTECTION.

Policy makers will need to make careful judgments between promoting increased agricultural productivity on the one hand and minimizing income and consumption variability on the other. Given the current and likely future vulnerability context of southern Africa, the arguments for a **risk management approach** to household food security are strong. This means improving social assistance to those who are chronically unable to make ends meet and providing social insurance against damaging fluctuations in household access to food. Inevitably, this will involve trade-offs with approaches that seek to increase agricultural growth, and this fact needs to be factored in to the design of national poverty reduction strategies, agricultural recovery strategies and rural and urban development programmes.

Full text copies of the FANRPAN document referred to in this section can be obtained by contacting TTakavarasha@fanrpan.org. Full text copies of the other documents can be found at: www.sarpn.org.za and www.ODI.org.uk/food-security-forum.

The SADC Food Security Network Ministerial Brief is a joint product of the FANR, the Regional Early Warning Unit, the Regional Remote Sensing Unit, the Vulnerability Assessment Committee, the Database Project and FANR's key partners including USAID's FEWS NET, SC (UK), FAO and the FSRP/Zambia.



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## CEREAL PRICES REFLECT BETTER HARVEST BUT...

As reported in the last Ministerial Brief, at the regional level cereal harvests are better than last year. There are, however some marked variations at national and sub-national levels. As expected, cereal prices reflect these patterns to a considerable degree, as farmers start selling the recent harvest.

**In Malawi:** Average local market prices in April ranged from MK 8.44 kg to MK 18.98 kg. These prices are generally lower than at the same time last season.

**In Mozambique:** In all markets in the north and central regions, current prices are similar to or below prices at this time last year due mainly to good production. Conversely, southern markets are showing significantly higher prices this season than last. This is due to the poor production in the south and the lack of movement of maize from the productive zones further north to the southern markets. Exacerbating these problems is the appreciation of the South African rand compared to the US dollar. South Africa often supplies a significant portion of the maize consumed in southern Mozambique. This season, despite very sharp declines in South African maize prices from a peak of around 1900 rand /MT in September - December 2002, the nearly 50% appreciation of the rand compared to both the metical and the dollar means that the cost of maize imports from South Africa (and the price to the consumer) has fallen by just 25% from that peak.

**The appreciation of the Rand has implications for other countries looking to South Africa to meet production shortfalls this season, particularly Zimbabwe.**

**Tanzania:** Prices in most wholesale markets are below (often well-below) prices at the same time last year. In stark contrast, in the Lake Victoria basin prices are considerably higher due to recorded and expected crop failures.

**Zambia:** The real price of maize for April has fallen below the 5 year average after two consecutive years of recording above average prices. In order to protect cereal producers, government has set the floor price of maize for the 2003/2004 marketing season at K30,000 per 50Kg bag (equivalent to about US\$122/MT). This is the first time floor prices have been set for maize in Zambia since market liberalization. Acute food insecurity is a problem however in Western Province due to flooding.

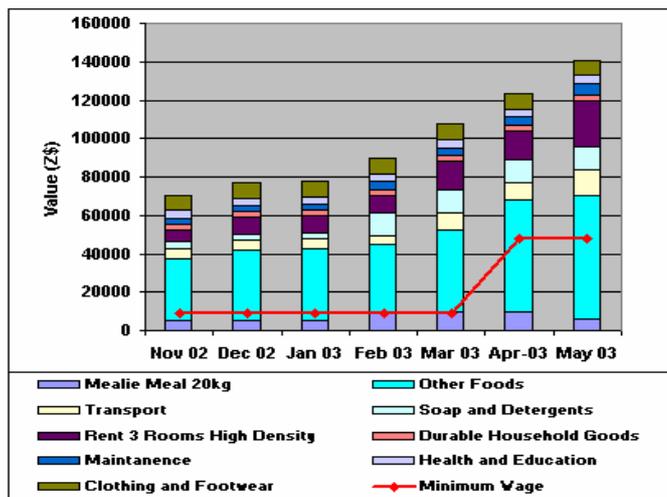
**Zimbabwe:** While the food supply situation continues to improve in the northern districts, food security conditions have remained critical in the southern districts, particularly in the Matebelelands, where the Government declared a state of disaster in April 2003). Food aid remains the sole source of food for these districts as Grain Marketing Board (GMB) supplies remain erratic and too little. The harvest from the northern districts has yet to find its way to the highly deficit rural areas in the south. Recently (May 23) the government also declared a state of disaster in all resettlement areas. The Government reported that the Grain Marketing Board started receiving deliveries from the 2002/03 cropping season's harvest and are banking on the increased producer price for maize (Z\$130,000 per MT) announced in March 2003. The producer price of maize was increased by 364 percent to lure a good proportion of the season's maize harvest into the GMB silos. In the recent past the GMB has managed to obtain, on average, 13 percent of the estimated national maize production. This marketing year, the parastatal is expected to receive less due mainly to the price differential between GMB and the parallel market (GMB price is approximately 60% of the parallel market price) and poor production (although considerably better than last season).

## URBAN FOOD INSECURITY NEEDS TO BE ADDRESSED

Urban food security has received much less attention over the past year than rural food security. Indeed, except for some work in Zambia and Zimbabwe last year, neither the WFP/FAO Crop and Food Supply Assessments nor the Vulnerability Assessments undertaken by national Vulnerability Assessment Committees (NVACs) have looked at the urban scene. This is important, as much as there has been well recorded asset depletion and coping behavior in rural areas, these processes have also been occurring in rapidly growing urban areas also. The current lack of knowledge on urban vulnerability in the region in the aftermath of the 2002 food crisis must now be addressed by Governments and the international community as a matter of urgency in the months ahead, and relevant responses devised.

Problems are particularly acute in Zimbabwe. Over the last 7 months, the value of a low income urban household expenditure basket increased by 100%. At the same time, incomes have not kept pace with price increases. In May 2003, the minimum wage would have been just enough to cover just 36% of the value of the low income earning expenditure basket calculated by the Consumer Council of Zimbabwe (CCZ) (see graph).

Low Income Expenditure Basket for a Family of Six and Commerce Minimum Wages. SOURCE: CCZ and CSO, Harare, Zimbabwe.



As well as food access problems, there are also acute **availability** problems in urban Zimbabwe. A proposal by the Consortium for the Southern Africa Food Emergency (C-SAFE) seeks to increase the availability of food by using the market. Bulawayo has been selected as a pilot city for an initiative to distribute milled sorghum through local grocers small-scale traders. The planned importation of 15,000 MT of sorghum would feed 500,000 people for three months, although the project is yet to be funded.

## SERIOUS FLOODING IN NAMIBIA AND ZAMBIA

Excessive rains in the upstream areas of the Zambezi basin led to extensive flooding in the Caprivi area of Namibia and in western Zambia. The flooding began in early April, and affected several thousands of people in the two countries. According to media reports, these are the worst floods in 50 years in the Barotse floodplains (Zambia), and the worst floods in 21 years in the Caprivi area (Namibia). Figure 1 a and b are satellite images showing the Barotse floodplain before (Figure 1.a) and during (Figure 1.b) the seasonal flooding, while Figure 2.a and 2.b show the Caprivi area before (Figure 2.a) and during (Figure 2.b) the seasonal flooding. The black areas in the images are the flooded areas. By 20<sup>th</sup> May, media reports estimated that over 25,000 villagers had been affected in Namibia, and entire villages had been submerged. The World Food Programme (WFP) was expected to provide a number of helicopters that would distribute relief food aid. In Zambia, in Kalabo district alone (which borders with Angola), at least 120,000 people were identified as needing assistance as at 20<sup>th</sup> May. The Zambian government has been distributing food aid to the affected communities, with assistance from NGOs, church groups and WFP. In addition to the need for food, there is also heightened concern about increased exposure to malaria and water-borne diseases.

Satellite Imagery of Flooding in Zambia and Namibia. SOURCE: USGS

