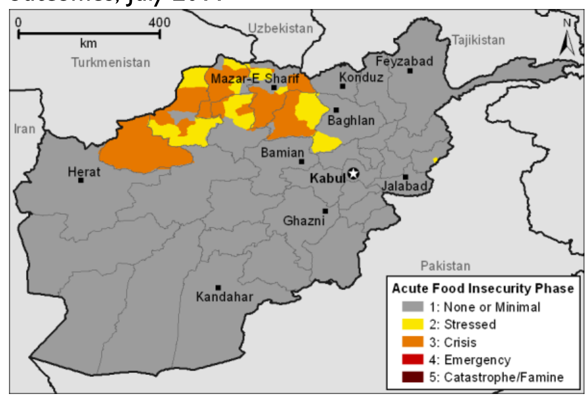
AFGHANISTAN Food Security Outlook — July to December 2011

Key Messages

- The Ministry Agriculture, Irrigation, and Livestock estimate a deficit in national cereal requirements of two million metric tons. Poor wheat harvests due to untimely and inadequate snow and rainfall caused rainfed wheat to fail in the north.

- Households dependent on rainfed wheat and on-farm labor in northwestern Afghanistan are expected to have deficits in consumption requirements until next harvest (spring 2012) without additional food assistance. USAID has designated 40 million in food assistance which is expected to be programmed by the fall of 2011.

Figure 1: Current estimated food security outcomes, July 2011



Source: *FEWS NET*

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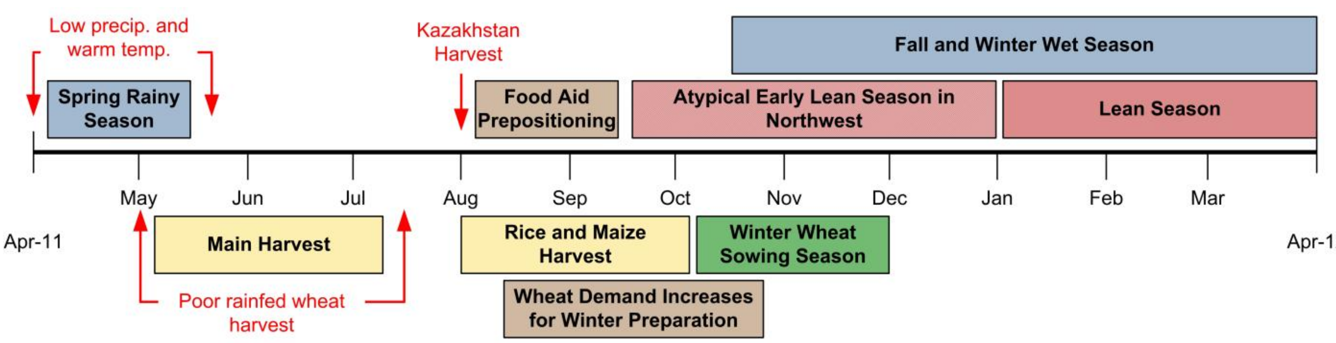
- Households in the Central Highlands, Badakhshan and western Afghanistan are expected have a poor harvest this year. However, income from local labor and remittances is consistent from previous years. Short-term food consumption gaps may arise in the fall when households normally depend on their own harvest.

Seasonal calendar and critical events



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Current food security conditions

In June, the Ministry of Agriculture, Irrigation, and Livestock (MAIL) released the 2011 preliminary agriculture prospect report which estimates that this year's wheat production will be approximately 3.25 million metric tons, 1.25 million metric tons less than last year (a good year). The drop in production was caused by untimely and inadequate rain and snowfall during the rainy season. Most of the shortfall occurred in rainfed areas in northern Afghanistan, however, irrigated wheat production underperformed as well, particularly in farms that were downstream or further way from water sources.

This year's deficit in national cereal requirements is expected to be approximately 2 million tons, although there is not likely to be a wheat shortage in the country. Most of the cereal deficit is likely to be filled through the private sector. Wheat production in Pakistan and Kazakhstan is expected to be good this year and able to meet Afghanistan's demand through normal marketing channels. In 2008, when Afghanistan had nearly a 2.8 million deficit in nation cereal requirements, private traders were able to avert cereal shortages in the market even when regional prices were at record-high levels and Pakistan imposed a wheat export ban.

Kazakhstan, the predominant wheat exporter in Central Asia, is expected to have a successful harvest this year. SPOT-NDVI time series supplied by USDA in Akmola, Kostani, and northern Kazakhstan oblasts, the most productive region of Kazakhstan, show above-normal greenness in mid-July – above normal greenness indicates that plant health is better than normal. Kazakhstan will begin harvesting wheat in August and September. Pakistan harvested 23.5 million metric tons in 2011, a bumper harvest. With the approximately 3.5 million tons of carry-over stocks, the available wheat in the country is expected to be 27.5 million metric tons while. Domestic requirements are about 22 million tons. Also easing the national cereal deficit will be some unspecified amount of food aid and 40000 tons of strategic grain reserve.

In April, when it became more apparent that the wheat production in the northern grain basket of Afghanistan would be below normal this year, wheat prices in Maimana and Mazar-e-Sharif suddenly jumped up 22 and 16 percent in one month, respectively. Since that time, prices have stabilized, but they have remained 70 and 83 percent higher than June of last year. Wheat prices will likely continue to remain stable, but higher than in a good agricultural production year. There is a possibility of prices decreasing as after the Kazakh wheat harvest in August and September as surpluses will begin to arrive in the Afghani markets. However, increased local demand this year may keep prices at their current level.

Poor households in **northwestern Afghanistan (Samangan, Balkh, Jawzjan, Sar-i-Pul, Faryab, and Badghis)** who are dependent on rainfed crops or on-farm labor for food and income sources will be most affected by the poor harvest. In a normal year, these households can harvest enough of their own wheat or earn enough income from labor opportunities to meet their food needs throughout the year. However, given the poor wheat production, this year's household food stocks, wage rates, and labor opportunities will be less than normal. Wage rates are estimated at fifty to eighty percent below normal for this time of year.

In addition to a poor wheat harvest and anomalously low income earning opportunities, pastures in northern Afghanistan have not regenerating as normal. As a result livestock health has diminished. As an initial coping mechanism, households have attempted to sell their livestock in the market for cash in order to cover livelihood and food expenditures. However, livestock prices are forty to fifty percent below normal because of a surge in livestock sales and poor quality animals, leaving household with limited income.

In addition to the total loss of rainfed wheat and reduction in downstream irrigated wheat yield, households in Kishindish, Chamtal, Shulgara, Zari and Khulum districts of Balk province; Mardyan and Mangajek districts of Jawzajan province; and Almar, Pahtun Kot and Sharin Tagab district of Faryab provinces lack access to drinking water. This has become a pressing issue, and may lead to an increase in diarrheal disease such as cholera.

Coupled with high food prices, the loss in production and income is expected to create considerable food consumption gaps for poor households dependent on rainfed wheat for food or on-farm labor for income. Currently poor households in the north are in Crisis (IPC phase 3) currently. In response, USAID has allocated 40 million USD in emergency food assistance which is expected to be programmed in the north sometime this fall.

Rainfed zones in **central highlands** (Day Kundi, Bamyan, and Ghor), northeast (Badakhan), and parts of western Afghanistan (Hirat) were also affected by the poor rainy season. However, the impacts will not be to the extent of northwestern Afghanistan because households mostly depend on remittances and some local labor for income to purchase food than on agriculture. Household wheat production will typically cover two to three months of cereal needs in the fall.

An in depth household food security assessment is underway by a number of NGOs to better assess the state of food security drivers and outcomes in the central highland and western Afghanistan. Considering the proximal causes to food insecurity, such as daily wages and livestock prices, in central highland, there is not likely to be a considerable reduction in food security outcomes, at least to the extent that been assessed in the northwestern Afghanistan. Currently households in the central highlands are able to meet their food needs without applying additional irreversible coping; however this is expected to change in the fall when households would normally depend on their harvest as the primary food source.

Eastern Afghanistan (Kunar, Laghman and Nangarhar) household food security is stable this year because the harvest is near normal and the wheat flour supply and prices from Pakistan are normal. In addition there are more income earning opportunities as livestock prices are higher than normal and ongoing development activities have increased labor wages and demand. Nevertheless, the security situation has been deteriorated but not to the extent to disrupt market functionality and livelihood activities, with the exception of those households that have been displaced because of the violence.

There are no known threats to food security in southeastern Afghanistan (Khust, Paktya and Logar) as crop conditions were relatively good. Households who were affected by excessive floods in 2010 are in a post-recovery phase. OFDA/IRC has assisted 10,000 flood affected households with immediate needs (tents, blanket, and cooking pots) as well as with cash. The assistance will end in August 2011, and according to partners on the ground household have established resources for a sustainable recovery.

The 2011 wheat harvest in Helmand is better than last year. However, food security conditions of Kandahar, Paktika, Zabul, and Uruzgan are not well understood because poor security condition does not permit partners from conducting field assessments. An NDVI analysis does not show any negative anomalies in southern Afghanistan this growing year, indicating that crops and vegetation is likely to be normal to above normal which would bode well for agricultural production and livestock health. However it is not clear how well markets are functioning or how the levels of income or remittance compare to normal. FEWS NET Afghanistan is exploring options to undertake an assessment in Kandahar provinces.

While Afghanistan is suffering from poor food security condition in 2011, the food security crisis in east Africa will likely limit donors' ability to respond to Afghanistan. Without targeted food assistance for vulnerable households in the northwest, food security outcomes could deteriorate further in 2012.

Most-likely food security scenario (July to December 2011)

The most likely food security scenario from July through December is based on the following assumptions:

- The 2011 wheat harvest will leave a 2 million metric ton national deficit, with most crop losses occurring in rainfed areas in the north, central, and western provinces.
- Most grazing pastures in the central highlands and northern Afghanistan did not regenerate as normal, which will likely lead to poor animal conditions and lower animal prices.
- On-farm labor demand and wages are lower than normal in the northern wheat growing areas.
- Kazakhstan and Pakistan wheat production will be at normal to above-normal levels, and it will continue to meet Afghan market demands throughout the outlook period.
- While wheat supplies in the market will be sufficient, wheat prices are expected to remain higher than normal during the outlook period. This is mainly due to the anticipated poor harvest, excess transportation costs, and higher wheat prices in regional and global export markets.
- Future military operation and insecurity will not lead to excessive displacement and market disruptions as in past years.
- Remittances sent from labor migrants in Iran and Gulf countries are expected to remain normal compared to recent years.
- USAID has allocated 40 million in assistance for the northern Afghanistan. The assistance is expected to reach households by this fall. Out of this amount 20 million is donated to WFP to provide food aid assistance to northwestern and 20 million for cash base intervention.

Northwestern Afghanistan (Samangan, Balkh, Jawzjan, Sar-i-Pul, Faryab, Badghis)

Additional assumptions to include in the Northwestern Afghanistan scenario include:

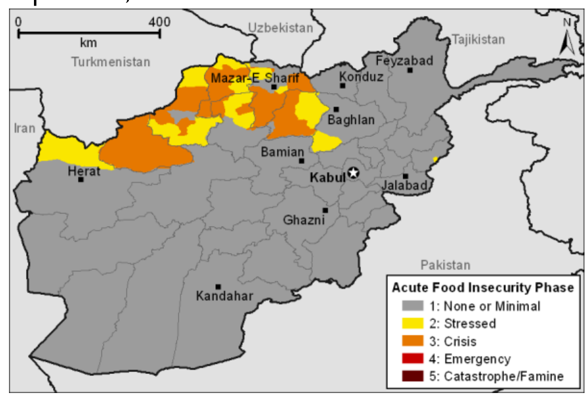
- Food assistance will arrive in the fall.

Poor households in northwestern Afghanistan will be in Crisis (IPC phase 3) by August because of the near failure in the rainfed wheat harvest and significant reduction in downstream irrigated wheat harvest. The poor harvests are a result of inadequate and untimely rain and snowfall during the wet season. Households typically rely heavily on wheat production or income from on-farm labor during the spring and summer to meet their food consumption needs throughout the year. The poor harvest and low income earning opportunities in combination with higher than normal food prices is expected to result in consumption gaps.

Poor households' normal coping strategies such as labor migration, livestock sale, using savings, and reduction of quality and quantity of food are currently being used and are expected to be exhausted by August. Middle income households are expected to have food stocks and income to purchase food for the next two to three months before they will be forced to engage in irreversible coping strategies.

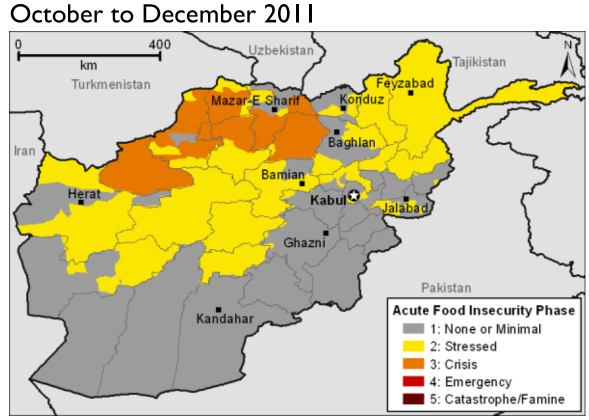
Availability of drinking water in the northwest can be challenging in any given year. However these shortages are exacerbated by poor rain and snowfall and high temperatures this year, which is resulting in an increase in cases of cholera. In the past month, 1496 cholera cases have been registered in Faryab, Sari Pul, Jawzjan and Blakh Province. The largest number of cases of cholera (1300) has been registered in Almar District of Faryab Province. Until the beginning of the wet season (October/November) water availability and quality is expected to continue to deteriorate further which may trigger population movement if assistance does not arrive. Providing support to assist households to access drinking water will be challenging as there are limited options to intervene.

Figure 2: Estimated food security outcomes, July – September, 2011



Source: *FEWS NET*

Figure 3: Estimated food security outcomes, October to December 2011



Source: *FEWS NET*

The prevalence of acute malnutrition in the northwest is not known. A nutrition surveillance system is expected to be established in July and CMAM operations are expected to increase its capacity.

Poor and middle households are expected to continue to depend on the market as their primary source of food until the next harvest (spring 2012). However, the purchasing power has deteriorated throughout the summer as income sources from labor and livestock are lower than normal and wheat prices are higher than normal. With acceptable coping strategies nearly exhausted, households will are expected to face defects in their consumption requirements without assistance.

USAID has allocated 40 million USD in emergency assistance for northwest Afghanistan which is expected to increase vulnerable households' access to food until the next harvest. Donors are being consulted for further funding. Poor households will only be able to meet their food needs with the support of emergency food assistance, resulting in a Crisis (IPC phase 3) until next spring.

Northeastern Afghanistan (Takhar, Kundoz and Baghlan)

Additional assumptions to include in the Northwestern Afghanistan scenario include:

- Food assistance will arrive before the winter.

After the loss of rainfed wheat and underperforming irrigated wheat in northeastern Afghanistan, poor rainfed dependent households are Stressed (IPC phase 2). Similar to the northwest, most of the poor households are able to meet their food needs throughout the year from their own cereal harvests. However because of the poor harvests, households will be forced to depend on the market to meet their consumption needs later in the outlook period. Poor households will likely run out of income and labor opportunities and begin to engage in moderate coping strategies to earn the income necessary to meet their consumption needs. Labor opportunities are relatively good and poor households can find daily wage activities in irrigated farms, which are more abundant than in northwest Afghanistan. Wage prices currently range between 300-400 Afghans per day which is lower than normal wage at this time of the year. The melon harvest is also underway and generating labor demand. In aggregate the harvest is expected to be good despite some areas facing up to forty-percent decrease in the harvest because of melon-flies.

Similar to the northeast, water availability in rainfed zones is expected to deteriorate. However, the situation is not expected to be as serious as in northwestern Afghanistan, and most households will have access to water.

Food security situation will likely remain Stressed (IPC2) until November. However, by arrival of winter food security conditions are expected to shift to Crisis (IPC phase 3) for the poorest of the poor who depend on rainfed harvests do not receive external food assistance.

Central Highlands and Badakshan

From April to August, most households in the central highlands (Day Kundi, Bamyan, Ghor and northern district of Wardak Province) and Badakshan primarily depend on the market to purchase wheat and other staple foods as harvest takes place during August and September.

Local and regional construction labor work is the typical income source for poor households. Initial findings from ACF's assessment found that at least one member from most households in Day Kundi provinces is a labor migrant in Iran or inside Afghanistan. Local-labor demand this year is expected to be normal with an observed increase in wages, which is expected to bode well as wheat prices have slightly increased in the past few months. However, it is not clear if everyone can access labor opportunities and for how long labor opportunity is available in a normal year. Anecdotal reports indicate a gradual reduction in remittance from Iran for the past few years. This is mostly driven by Afghans requirement to pay high cost of living prices because they are not Iranian citizens and depreciating Rial.

The wheat harvest this August is expected to be lower than normal. As a result, households will have a short gap in normal food sources in the early fall. However, because remittance and income earning opportunities are normal households are expected to meet their consumptions requirements throughout the outlook period.

Pasture conditions in central highlands are relatively good which prevent reduction in livestock prices. This will likely give local livestock herders and agro-pastoralist a competitive advantage for rearing animals as pastures in other parts of Afghanistan have not developed as well because of the prolonged spring dryness and higher than normal temperatures. However, there is a threat that these pastures will be over grazed as herders from other parts of the country will likely want to move some portion of their animals to these pastures.

According to ACF assessment report, majority of Day Kundi population access to drinking water is normal and average size of sheep number per household is of normal size, six.

The most likely scenario for July, August, and September is no acute food insecurity (IPC phase 1) because food and income sources for this time period are normal. However, households are likely to find short-term deficits in consumption requirements in the fall (October, November and December) due to a poor rainfed wheat harvest, at which time poor households are likely to shift to Stressed (IPC phase 2).

Table I: Less likely events over the next six months that could change the above scenarios

Area	Event	Impact on food security outcomes
Northern Afghanistan	- No assistance programs	If additional assistance does not reaches rainfed and on-farm labor dependent households in the north, then food needs will likely be met and households will be in above Crisis (IPC Phase 4 or more)
National	- Pakistan and Kazakhstan wheat production and commodity flows (including fuel) fall short of demand	In the event that Pakistan or Kazakhstan wheat does not make it to Afghanistan markets then there will likely be a shortage. Prices will likely rise and poor households will be in worse condition. Additionally, if there are any further fuel blockades then commodity prices in the central highlands are expected to rise.
National	- Summer flooding	Afghanistan has experienced atypical flooding in the past two years which were triggered by Indian monsoon. If additional flooding take place in summer 2011, particularly in those areas which suffered from poor harvest, this will further deteriorate food security conditions.
South	- Security deterioration	In the current scenario, we anticipate normal level of displacement. However, if the violence increases acute food security conditions in southern Afghanistan may deteriorate further.
South-Central Highlands	- Remittance	In the event that remittances from labor migrants in Iran or Gulf countries food security outcome for southern Afghanistan may deteriorate further.