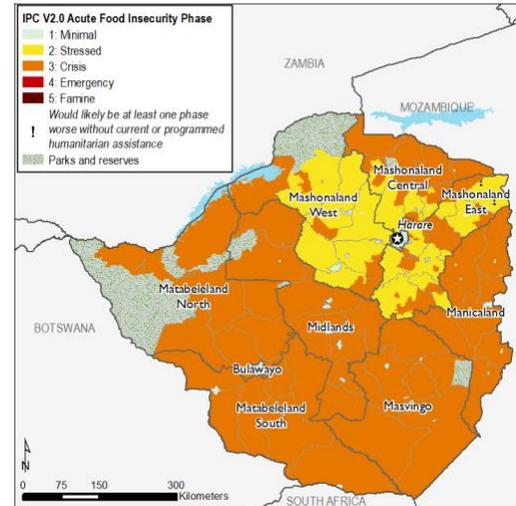


*Economic challenges and anticipated below-average rainfall to impact poor household food access*

**KEY MESSAGES**

- From December 2018 through March 2019, Crisis (IPC Phase 3) food security outcomes are expected to prevail in typical cereal-deficit areas. This will mainly be due to depleted own-produced food stocks, constrained livelihoods, as well as high food prices. Stressed (IPC Phase 2) outcomes will be expected in the northern and other surplus production areas. Due to the late start of rains and planting, the 2019 harvest is likely to be delayed. As a result, Crisis (IPC Phase 3) outcomes are expected to continue into April and May in typical cereal-deficit areas.
- Economic challenges are expected to continue during the outlook period and will have direct and indirect impacts on livelihoods and food security. Shortages of foreign currency on formal markets will remain as one of the main drivers of the parallel market for foreign currency, despite some government measures to curb it. Shortages of most basic food commodities like cooking oil, sugar, wheat flour, and bread on the formal markets began in October and continue, especially in remote areas.

Current food security outcomes, December 2018

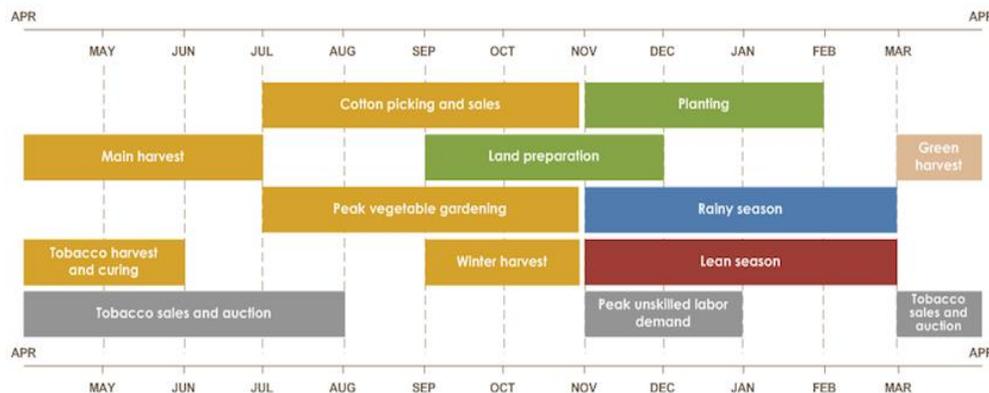


Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

- The start of the 2018-19 rainfall season has been delayed and rains have been erratic so far. This has adversely affected on-farm activities such as land preparation, planting and casual labor opportunities which are below typical levels for this time of the year. Other factors that will adversely impact crop and livestock production in 2019 include access to inputs, the presence of Fall Armyworm, other livestock and crop diseases, as well as increasing market uncertainties.

**SEASONAL CALENDAR FOR A TYPICAL YEAR**



Source: FEWS NET

## NATIONAL OVERVIEW

### Current Situation

#### 2018-19 Agricultural Seasonal Update

The start of the 2018-19 rainfall season has been delayed and rains have been erratic so far. Rainfall levels across most of the country are below the normal long-term average. This has adversely affected on-farm activities such as land preparation, planting and casual labor opportunities which are below typical levels for this time of the year. Areas in the southern and western parts of the country, covering parts of Masvingo, Matabeleland North and South, are worst affected because they have received insignificant rains to date. The dryness is also affecting water and pasture conditions that are especially poor in arid areas of the country.

This season there is also a critical shortage of fertilizers and other chemicals and crop inputs. Normally, local manufacturing companies and importers provide these supplies but have been facing difficulties in meeting demand and sustaining operations because of the ongoing liquidity crisis in the country. Since October, the prices of seed, fertilizer, and other chemicals have increased significantly (in some cases by over 200 percent), adversely affecting access by poor households. The crop input assistance scheme that is implemented by the government is reported to be facing resource challenges.

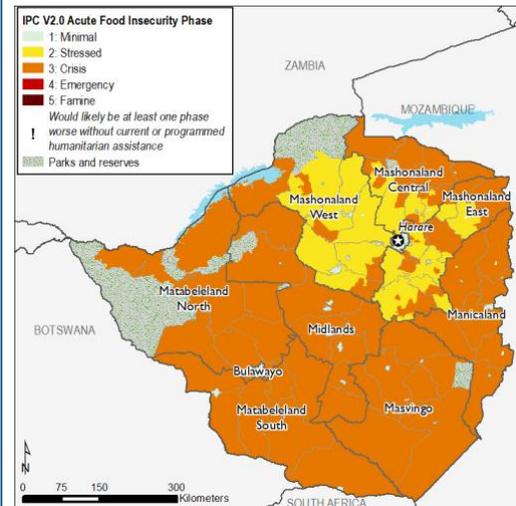
Whereas the condition of small stock is good to fair across most areas, cattle conditions are deteriorating in typical arid areas that have received insignificant rains so far. This is compounded by a high and increasing prevalence of livestock diseases including anthrax, foot and mouth, tick-borne, and January (Theileriosis) disease. The prices for supplementary feeding and livestock drugs have increased substantially as well, and some drugs are unavailable on the markets. It is reported that some outlets are only accepting payment in US Dollars. Cattle deaths are being reported in some parts of the country and are affecting draught power and household incomes.

#### Trade and Market Functioning

The Grain Marketing Board (GMB) is reported to be holding 1.18 million MT of maize grain and 136,000 MT of small grain stocks for the government (as of early December). The GMB has been buying maize and small grains at \$390/MT from farmers. A standing policy prohibits private buyers and millers from purchasing maize directly from farmers. In a bid by the government to control maize meal prices, the GMB is selling subsidized maize (\$240-270/MT) to private millers. Most GMB depots are selling maize grain, small grains and *Silo* brand maize meal, especially in the cereal-deficit parts of the country. In some informal markets (even in maize surplus areas), maize is not readily available due to the below normal 2017-18 harvests. Some farmers with surplus stocks continue to withhold their grain from markets because of the delayed start to the 2018-19 season, erratic rains and the forecast for poor rains this season. Informal markets in maize deficit areas (in the south, west, and extreme north) do not have maize or small grains, but do have access to a variety of brands of maize meal. Some markets located in the southern parts of the country are importing maize meal from South Africa and Botswana because these imported brands are cheaper in comparison to local maize meal brands.

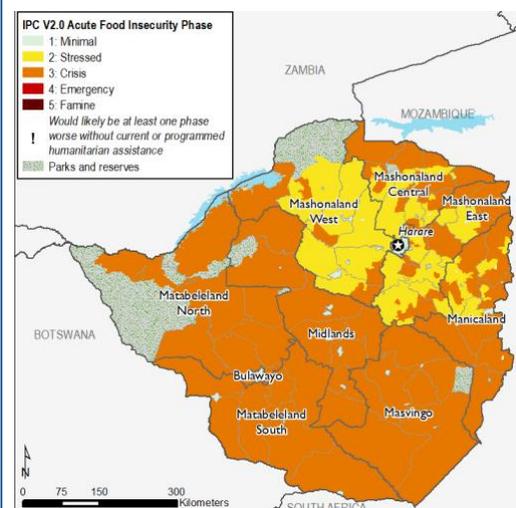
For November, average maize grain prices across FEWS NET sentinel markets increased 18 percent since the previous month. Average November prices were about 76 percent higher in comparison to the same time last year and about 39 percent above

Projected food security outcomes, December 2018 to January 2019



Source: FEWS NET

Projected food security outcomes, February to May 2019



Source: FEWS NET

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the five-year average. Maize meal prices for November also increased about 19 percent since the previous month. Average maize meal prices were about 53 percent higher in comparison to the same time last year and about 23 percent above the five-year average. Cereal prices are increasing due to the seasonal increase in demand and the macroeconomic environment. Increases in maize meal prices since October are due to the increased costs associated with packing materials.

### ***Economic Situation***

Zimbabwe is experiencing deep economic challenges that have direct and indirect impacts on livelihoods and food security. Critical foreign currency shortages continue, affecting almost every sector of the economy. The parallel market for foreign currency persists despite some government measures to curb it. Although the official exchange rate remains at 1:1 with the bond note, the US Dollar is trading at over 300 percent against the local bond note, Real Time Gross Settlement (RTGS), and mobile money transfers.

The economy is characterized by widespread increases in the prices of food and non-food commodities alike. Since the introduction of new tax and currency measures in October, most commodity prices have more than doubled. These measures also spurred speculative pricing in the economy. Most goods and services are increasingly being charged in scarce US Dollars or at highly inflated parallel market prices in bond notes, RTGS, or mobile transfers, making them inaccessible to a large section of the population. Most local and international independent analysts report much higher inflation rates.

At the same time, shortages of most basic food commodities like cooking oil, sugar, wheat flour, and bread on the formal markets began in October and continue, especially in remote areas. In late October the government lifted an import ban that was initially imposed in 2016 in order to protect local production and industry. Since the lifting of this ban, there has been increased cross-border activity and inward flow of supplies including cooking oil, wheat flour, rice, and washing soap.

To further compound the economic situation, currency shortages continue to drive nationwide shortages in fuels, including diesel, petrol, paraffin, and cooking gas and prices for these fuels have increased. These shortages and high prices are adversely affecting industries and the general population. Local and long-distance transport fares have doubled for most routes since October. As of December 1<sup>st</sup>, the government increased the duty for diesel and petrol. Increased transport costs is one of the drivers of the ongoing price increases for commodities and services across the country.

### ***Food security***

Humanitarian assistance started in October in a few districts and coverage is still low in targeted districts, while the population in need of assistance continues to increase. As a result, there is a general extension of typical livelihood strategies and some are coping by selling essential household and productive assets. As the peak of the lean season approaches, most households in surplus- and deficit-production areas have exhausted their own produced food stocks. Seasonal livelihood activities remain constrained due to ongoing economic difficulties and the poor start to the 2018-19 rainfall and production season. For most poor households, purchasing power has been severely eroded by high and increasing prices. On-farm casual labor opportunities and labor rates are below normal. In-kind payments for labor or services are lower than typical due to high prices and shortages of basic commodities. Levels of domestic remittances, petty trading, gardening, construction, self-employment and other livelihood activities are also lower than usual. Most poor households are consuming a maximum of two basic meals a day, comprised mainly of cereal and sometimes vegetables. Some households are only consuming one meal a day and this is being supplemented with wild and other less preferred foods.

### ***National Level Assumptions***

From December 2018 to May 2019, the projected food security outcomes are based on the following key assumptions:

**Humanitarian Assistance:** In October, the WFP and partners reached approximately 184,000 beneficiaries in 10 districts (Kariba, Binga, Umguza, Buhera, Chiredzi, Mwenezi, Masvingo, Bikita, Rushinga and Mudzi). For December, operations are targeting about 234,000 people in 11 districts (the districts listed above and Tsholotsho District). During the peak of the lean season, January-March 2019, plans are in place to scale up to approximately 1.1 million people in 30 districts. The ration basket is comprised of 7.5 kg cereal, 1.5 kg pulses, and 0.75 kg vegetable oil. The WFP has reported that all cash-based transfers will now be in physical US Dollar notes in order to maintain assistance value given the volatile economic

environment. The government plans to provide assistance in all 60 rural districts. The monthly distributions by the government typically consist of 50 kg of maize grain to each household. Households will be responsible for paying for transport costs from GMB depots due to budgetary constraints.

**National cereal availability:** Based on the August 2018 Southern Africa Regional Supply and Market Outlook Report, FEWS NET anticipates that the national maize deficit for Zimbabwe will be below-average for the 2018-19 marketing season through March 2019. The country is expected to be around 77 percent maize self-sufficient. This is attributed to above-average (5 percent) annual national supplies following above-average carryover stocks and average production from the 2017-18 production season. Formal imports may be expected to fill part of the cereal gap, but at below normal levels because of the continuation of the maize import ban. Since the GMB is holding a significant proportion of the maize, market supplies on the informal markets even in surplus-producing areas are expected to remain lower than normal as are flows to deficit areas.

#### Prospects for 2018-19 main season production, maize grain

- a. *Seasonal rainfall forecast:* The latest international climate forecasts indicate that during the December 2018 to March 2019 period, Zimbabwe is most likely to receive below-average seasonal rainfall. This forecast has changed since the initial forecast in August, but the Southern African Regional Climate Outlook Forum (SARCOF) and Zimbabwe's National Climate Outlook Forum (NACOF) still maintain the earlier seasonal forecast or normal to below-normal rainfall. The season is also likely to experience a slow start of rains, with high chances of mid-season dry spells and an early cessation of rains. These will likely reduce cropped area across most parts for the country and impact on yield levels.
- b. *Availability of and access to inputs:* Limited access to crop inputs will remain a key production challenge for poor farmers during the 2018-19 production season. Through the Presidential Crop Input Scheme the government plans to reach approximately 1.63 million small-holder households. However, due to prevailing economic challenges and inadequate resources, the government may face challenges to reach the targeted population and meet the demand of the input packages. As well, price increases of crop inputs such as seed, fertilizers and chemicals experienced ahead of the production season are likely to continue, or at least prices will remain high. There is a short supply of inputs like fertilizers as manufacturing companies struggle with foreign currency shortages to import raw materials. Prices on the black market are way beyond reach of poor households.
- c. *Fall Armyworm:* Recent multiagency coordination meetings reiterated that Fall Armyworm (FAW) will remain a key production hazard for the 2018-19 cropping season despite ongoing awareness and training activities for extension workers and farmers. The ZIMVAC reported that the proportion of households affected by FAW during the 2017-18 production season increased from 36 to 53 percent. The AGRITEX 2018 second round crop and livestock assessment report indicated that the pest affected 7 percent of the maize cropped area. A national FAW survey by the Department of Research and Specialist Services (AGRITEX) in June 2018 reported FAW presence in all districts.

**Livestock conditions:** Small stocks are expected to be in fair to good condition across most parts of the country throughout the outlook period. Following a poor 2017-18 rainfall season, and the forecasted below-average rains for the 2018-19 season, poor water and pasture conditions will mainly affect cattle. Poor cattle and donkey conditions during the outlook period will adversely impact draught power services and cropped area for some farmers. Supplementary feeding activities will be limited due to high prices and rising costs for feed. Diseases such as anthrax, tick-borne, foot and mouth, and January (Theileriosis) diseases are likely to continue affecting livestock across the country, especially with ongoing shortages and the high prices of drugs and chemicals.

**Macroeconomic conditions:** FEWS NET anticipates that for the outlook period till May 2019, macroeconomic challenges will persist in Zimbabwe, impacting poor households' access to food and other basic needs. Foreign currency shortages will continue to affect industry, parallel market foreign currency exchange rates, the multi-pricing system and high prices of commodities and services. Shortages of some basic commodities will likely continue, with their availability and high prices on informal markets pushing them out of reach of poor households. Government measures to curb foreign currency trading on the parallel market as well as improve commodity availability and pricing will likely face challenges if the foreign currency situation in the formal sector remains poor. High and increasing transport costs will affect commodity availability in rural

markets, as well as poor household purchasing power. The following are some of the impacts that macroeconomic hardships will have on livelihoods and income sources:

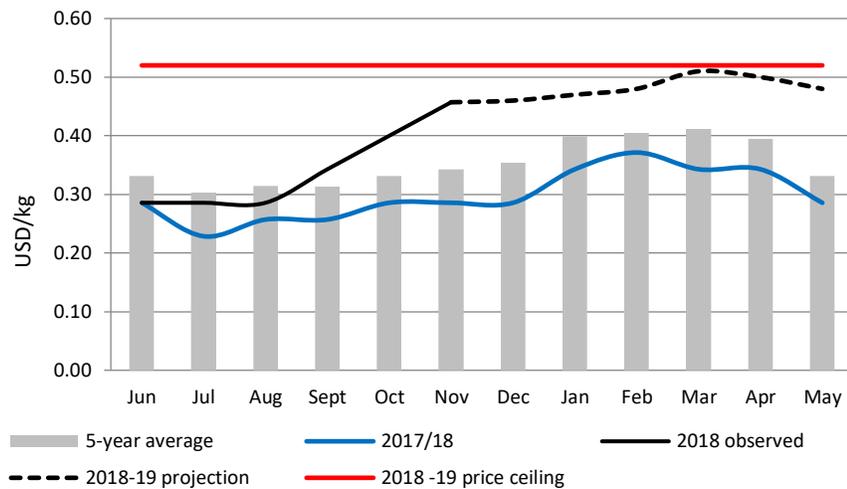
- a. *Agricultural and non-agricultural labor availability and rates:* Opportunities for agricultural and non-agricultural labor will continue to be adversely affected by the economic environment. Constrained incomes for middle and better-off households will mean limited casual labor opportunities for poor households. Also, the forecast for a second year of below-average rainfall, as well as commodity shortages and high prices will reduce chances for in-kind payments for labor. Due to anticipated above-normal labor supply, cash and in-kind terms of trade are likely to be highly unfavorable to poor households. With prevailing cash shortages, the increasing use of mobile money payments will affect poor households due to high premiums charged on buying or paying for services through this mode.
- b. *Remittances:* For the duration of the outlook period, FEWS NET projects that domestic remittance flows will be below average. This will mainly be due to constrained livelihoods and incomes for typical urban and rural remitters as economic challenges persist. Also, the high and increasing cost and shortages of basic commodities will reduce flows of goods to poor households. It is expected that the lifting of the import ban on selected goods in October will enhance in-kind remittance flows from neighboring countries (mainly South Africa), though cash remittances will remain low due to unfavorable exchange rates between the US Dollar and regional currencies.
- c. *Livestock-to-grain terms of trade:* Livestock-to-grain terms of trade are likely to be biased against households disposing of their livestock to access grain. Livestock prices have not increased in tandem with the general price increases in the economy as buyers largely determine and influence prices amidst cash shortages. Some desperate households will lose out through mobile money payments for which they are charged high rates when paying for goods and services. All this at a time when the prices of maize and maize meal are increasing sharply due to seasonal demand as well as general price increases in the economy.
- d. *Other livelihoods:* Generally, most of the other livelihoods and coping options are expected to remain constrained throughout the outlook period due to prevailing and projected macro-economic hardships. Other factors include anticipated poor water availability and access. Such activities like petty trading, self-employment, vegetable production and sales, sale and consumption of wild products will be affected.

**Integrated price projections for maize grain:** Maize prices are well above average for this time of the year and are expected to remain above average throughout the outlook period. The current economic crisis has resulted in price increases of commodities (including maize) and this is likely to continue in combination with expected seasonal changes in prices. Maize market supplies are currently low, and are expected to further decrease between January and March due to farmers withholding their surplus stocks in response to the poor rainfall season that is expected. As maize demand increases during the peak of the lean season, prices are expected to reach their peak in March. Only marginal decreases are expected in April and May due to the late harvest and anticipated below-average production (based on the factors contributing to the 2018-19 maize production assumption). Maize grain prices for Mbare Market in Harare are expected to increase up to 50 percent above same time last year and the five-year average during the outlook period. However, potential maize grain price increases may be cushioned by the relative availability and prices of maize meal. High transport and milling costs may influence shifts in consumer purchases from grain to maize meal purchases in some areas. The GMB prices for maize grain are likely to remain at the current levels.

**Integrated price projections for maize meal:** Maize meal prices have previously been expected to remain stable throughout the outlook period as millers access subsidized grain from the GMB. However, following the October price hikes and deepening foreign currency shortages, maize meal prices are expected to increase further from the October/November levels as demand increases. Millers cite increases in non-grain and other operational costs (e.g. packaging materials) for the increases in maize meal prices. However, in some areas close to the borders some businesses and households may increasingly resort to cheaper imported brands if local brands become relatively costlier. Even where maize meal may be cheaper at GMB depots, poor access and high transport costs for most rural households to such depots will reduce effective demand.

**Acute malnutrition:** The average national acute malnutrition prevalence in Zimbabwe is 3.3 percent, which is *Acceptable* according to the WHO Crisis Classification. The 2018 National Nutrition Survey was implemented by the ZIMVAC in all 60 rural districts among children aged 6-59 months from January-February 2018. The assessment was conducted during the peak lean season of the previous consumption year. Current consumption patterns vary from when that assessment was implemented in early 2018 (before the 2018 harvests). Currently, food consumption is poor in typical deficit-producing

Figure 4. Mbare market (Harare) maize grain price projections for outlook period



Source: FEWS NET estimates based on the Ministry of Lands, Agriculture and Rural Resettlement data

areas and the prevalence of acute malnutrition is higher during this period, while in typical surplus-producing areas consumption is fair and the prevalence of acute malnutrition is low. The GAM prevalence is expected to remain at levels that are *Acceptable* (GAM by WHZ <5%) according to the WHO Crisis Classification. From **December 2019 – January 2019**: The national GAM prevalence is likely to remain within the *Acceptable* level and planned food assistance is likely to ease consumption gaps. Malnutrition levels are likely to be seasonally influenced by diseases, but illnesses are unlikely to reach epidemic proportions. However, the risk of water borne diseases such as cholera and typhoid remains during the scenario period. From **February – May 2019**: The national prevalence of acute malnutrition is expected to remain below 5 percent though it is expected to increase from the current levels. The increase is likely to be influenced by increasing economic challenges, limited livelihood options and below average incomes which will affect households’ ability to access food and non-food needs. Hence the level of acute malnutrition is likely to worsen due to the deteriorating food access situation.

**Most Likely Food Security Outcomes**

**December 2018 – January 2019:** Crisis (IPC Phase 3) food security outcomes are expected to prevail across **typical food-deficit areas in the south, west, and extreme north**. This will mainly be due to depleted own-produced food stocks for poor households, constrained livelihoods due to macroeconomic hardships, the forecast for below-average rainfall this production season, as well as high food prices on the markets. Typical livelihood activities like on-farm casual labor and labor rates, self-employment, petty trading, remittances and others are expected at below-normal levels. Food consumption is expected to be poor in these areas. Stressed (IPC Phase 2) outcomes will be expected in **surplus-producing areas in the north and other parts of the country**. Most poor households will just be able to meet their basic food needs but will experience difficulties meeting other food and their basic non-food needs. Seasonal casual labor opportunities will be minimal. In these areas, deteriorating livelihoods and consumption patterns will result in some households experiencing Crisis (IPC Phase 3) food security outcomes. January is also typically characterized by high demands and pressures for school fees and other related education needs across most household groups, which will affect poor households’ incomes and access to food.

**February - May 2019:** Crisis (IPC Phase 3) food security outcomes are expected between February and March, marking the peak lean period for the 2018-19 consumption year. In addition to the above reasons, seasonal green harvests which are typical this time of year are expected to be below average across most parts of the country. Based on experience in the past, some areas and households may not have any such harvests at all because of below-average rainfall due to the El Niño. The late start of rains and delayed planting across parts of the country are expected to result in delayed harvests (which normally start in April). As a result, Crisis (IPC Phase 3) outcomes are likely to extend into April and May as poor households continue to apply livelihood strategies and expand coping measures to access food.

## AREAS OF CONCERN<sup>1</sup>

*Masvingo Manicaland Middleveld Communal (MMMC) Livelihood Zone (focus on Buhera District)*

### Current Situation

Buhera is an arid and marginal-production district that is typically cereal-deficit each year. At the district-level, maize production for the 2017-18 season was approximately 19 percent below the previous year, but 72 percent above the five-year average for the district (Table 1). However, for the MMMC Livelihood Zone within Buhera District, most of the wards produced considerably lower production levels compared to both the 2016-17 season and the five-year average. Small grain production this past season was also lower than the previous year and below the five-year average. Most poor households have long depleted own-produced food stocks in this zone. The 2018-19 start of season has been erratic in both time and space, resulting in below-normal levels of land preparation and planting for this time of the year. As of December 5<sup>th</sup>, total rainfall in the district was only 60 mm or 36 percent below the long-term mean.

Pasture and water shortages continue to affect livestock and most cattle are in poor condition. Livestock diseases and some mortalities have been common in recent months. Pulpy kidney is affecting goats, and foot and mouth and January disease is affecting cattle.

Food and other commodity prices have increased significantly in the last three months. The December price of a 17.5 kg bucket of maize grain is \$8.50 by mobile or electronic money transfer on the open markets. This represents a 10 percent increase from the maize grain prices in October and November. Maize prices increased from \$6 between April-August to \$7 in September. The GMB retail price of maize to households is \$24 for a 50 kg bag, with sorghum and pearl millet at \$14 and \$18, respectively, for a 50 kg bag. This has resulted in more households purchasing the cheaper sorghum rather than the other cereals.

Retail prices for basic food commodities have also increased. A 2 kg packet of sugar is selling at an average USD \$1.15 or \$4.50 in bond notes, mobile, and electronic transfers. A 2 kg of rice costs an average of USD \$1.55 or \$6 by the other modes of payment. Livestock prices have also increased with chicken up to from \$5-6 to \$8 bond notes/bird in recent months. On average the value of a goat increased from \$25-35 to \$60 bond notes, cattle prices ranged from \$250-600 per beast and \$800-1200 in bond notes or transfers.

The WFP-World Vision lean season humanitarian assistance in Buhera started in October and is targeting almost 39,000 people per month. The food basket is a mixture of cash

(US\$8/person/month) for cereals and pulses and 0.75kg veg oil per person per month. The Department of Social Welfare is targeting 28,600 households with 50 kg of maize grain per household per month. Currently, most households are relying on purchases, food assistance, and remittances. Some households are purchasing sorghum from the GMB and are consuming sorghum meal with fresh and dried vegetables. Most households are consuming an average of two meals per day.

Table 1. 2017-18 crop production in Buhera District

Crop	2017-18 (MT)	5-year average (MT)	% difference to 2016-17	% difference to 5-year average
Maize	15,746	9,151	-19%	72%
Sorghum	4,283	7,807	-71%	-45%
Pearl millet	8,155	6,040	-2%	35%
Finger millet	1,388	1,800	-28%	-23%
Ground nuts	10,549	5,987	-1%	76%

Source: Ministry of Lands, Agriculture and Rural Resettlement

<sup>1</sup> Most livelihood zones in the south, east, west, and extreme northern parts of the country are areas of concern. However, for the purposes of this report, one area of concern has been selected: the Masvingo Manicaland Middleveld Communal Livelihood Zone which is the largest and most populous of the 25 livelihood zones in the country. Focus is on Buhera District.

### Most Likely Food Security Outcomes for the MMMC Livelihood Zone

As with the national food security outcomes explained above, the MMMC Livelihood Zone is projected to remain in Crisis (IPC Phase 3) for the duration of the outlook period. Food consumption for poor households will remain poor. Purchases, humanitarian food assistance (planned till March 2019), and remittances will constitute main sources of food. However, due to economic hardships, purchases and remittances will be below-normal levels, affecting mainly poor households. The WFP and World Vision plan to scale-up lean season humanitarian assistance in the district to reach 63,000 beneficiaries from January through March 2019.

**Table 2.** Monthly Acute IPC Phase Classification for MMMC Livelihood Zone 2018 to May 2019.

Dec	Jan	Feb	Mar	Apr	May
Phase 3					

Source: FEWS NET

*FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.*

### EVENTS THAT MIGHT CHANGE THE OUTLOOK

**Table 3.** Possible events over the next eight months that could change the most-likely scenario.

Area	Event	Impact on food security outcomes
National	Average to above average rainfall	May improve labor opportunities, green harvest, the 2018-19 production prospects, availability of cereals on the markets and prices, and livestock condition and prices
National	Government commodity price controls	May result in commodity shortages and further price increases for some basic commodities
Typical cereal-deficit areas	Humanitarian assistance at below planned levels	Will increase the proportion of food insecure households, and the extent and intensity of livelihood coping options

#### ABOUT SCENARIO DEVELOPMENT

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here.](#)