



---

# **High Food Prices in the Eastern, Central and Southern Africa:**

---

Assessing Impact and Tracking Progress Towards  
Meeting the CFA Objectives

**Dr. Sithabiso Gandure**

**December 2008**

## Table of Contents

Table of Contents.....	1
Executive Summary.....	3
The Impact of High Food Prices in the OMJ Region- A Regional Summary.....	5
Background.....	5
Overview of High Food price issues in the region.....	5
Global food price trends.....	6
Overview of OMJ Regional Price Trends.....	7
The Causes and Impacts of High Food Prices.....	8
Analysis of responses in the context of the Comprehensive Framework for Action (CFA).....	10
Recommendations.....	12
References.....	13
The Impact of High Food Prices in Burundi.....	14
1. Background.....	14
2. An analysis of price trends.....	14
3. The causes of high food prices.....	14
4. The impacts of High Food Prices.....	15
5. Analysis of responses in the context of the CFA.....	15
6. Recommendations.....	16
The Impact of High Food Prices in Urban Areas of DRC.....	17
1. Introduction.....	17
2. Price Trends.....	17
3. Causes of high food prices.....	18
4. Impacts of High Food Prices.....	18
5. Analysis of responses in the context of the CFA.....	18
6. Recommendations.....	18
References: WFP DRC, <i>High Food Prices in Urban Areas of DRC</i> . July 2008.....	18
The Impact of High Food Prices in Djibouti.....	19
1. Introduction.....	19
2. Price Trends.....	19
3. Causes of high food prices.....	19
4. Impacts of High Food Prices.....	20
5. Analysis of responses in the context of the CFA.....	20
6. Recommendations.....	21
References.....	21
The Impact of High Food Prices in Ethiopia.....	22
1. Background.....	22
2. An analysis of price trends.....	22
3. The causes of high food prices.....	23
4. The impacts of High Food Prices.....	23
5. Analysis of responses in the context of the CFA.....	23
6. Recommendations.....	24
References.....	24
The Impact of High Food Prices in Kenya.....	25
1. Background.....	25
2. An analysis of price trends.....	25
3. The causes of high food prices.....	25
4. The impacts of High Food Prices.....	26
5. Analysis of responses in the context of the CFA.....	27
6. Recommendations.....	27
References.....	27
The Impact of High Food Prices in Lesotho.....	28
1. Background.....	28
2. An analysis of price trends.....	28
3. The causes of high food prices.....	28
4. The impacts of High Food Prices.....	28
5. Analysis of responses in the context of the CFA.....	29
6. Recommendations.....	29
References.....	30

The Impact of High Food Prices in Madagascar .....	31
1. Introduction.....	31
2. Price Trends .....	31
3. Causes of high food prices.....	31
4. Impact of High Food Prices .....	32
5. Analysis of responses in the context of the CFA .....	32
6. Recommendations.....	32
References .....	32
The Impact of High Food Prices in Mozambique.....	33
1. Background .....	33
2. An analysis of price trends.....	33
3. The causes of high food prices .....	33
4. The impacts of High Food Prices .....	33
5. Analysis of responses in the context of the CFA .....	34
6. Recommendations.....	34
The Impact of High Food Prices in Somalia .....	35
1. Background .....	35
2. An analysis of price trends.....	35
3. The causes of high food prices .....	36
4. The impacts of High Food Prices .....	36
5. Analysis of responses in the context of the CFA .....	37
6. Recommendations.....	37
References .....	38
The Impact of High Food Prices in Swaziland .....	39
1. Background .....	39
2. An analysis of price trends.....	39
3. The causes of high food prices .....	40
4. The impacts of High Food Prices .....	40
5. Analysis of responses in the context of the CFA .....	41
6. Recommendations.....	41
References .....	41
The Impact of High Food Prices in Zambia .....	42
1. Background .....	42
2. An analysis of price trends.....	42
3. The causes of high food prices .....	43
4. The impacts of High Food Prices .....	43
5. Analysis of responses in the context of the CFA .....	44
6. Recommendations.....	44
References .....	44
The Impact of High Food Prices in Zimbabwe.....	45
1. Background .....	45
2. An analysis of price trends.....	45
3. The causes of high food prices .....	46
4. The impacts of High Food Prices .....	46
5. Analysis of responses in the context of the CFA .....	47
6. Recommendations.....	47
References .....	48
Annex.....	49

## Executive Summary

---

In response to the dramatic rise of global food prices since 2007, WFP has been providing funding and technical support to WFP staff and partners to assess the impact of higher prices and structural vulnerabilities and a growing and 'new face of hunger'. According to preliminary research the estimated new caseload is expected to be more visible and to have greater political influence as they are often concentrated in urban areas.

With numerous initiatives underway and a number of different players, the WFP Regional Bureau needs to take stock of and analyse the high food price situation in the region. Also the UN Regional Directors Team and OCHA are eager to ensure that the coordination of assessments and activities continues while it is also imperative that information generated and the proposed responses are consistent with the Comprehensive Framework for Action which was prepared by the High Level Task Force on the Global Food Crisis, established by the UN Secretary General.

Unlike price increases in the past, the recent phenomenon is lasting longer, the price increases are much larger and involves more food staples (major cereals, oilseeds and livestock). The main *demand* factors include: increases in the price of oil, bio-fuel production, rising incomes and changes in consumption patterns. The *supply* factors include: increasing prices of agricultural inputs, underinvestment in agriculture, climate change risks, reduced world stocks and restrictive marketing and trade.

Based on detailed literature review and discussions with selected key informants, this paper presents a summary of current evidence and understanding of the impact of HFP in the OMJ region<sup>1</sup>. It provides an analysis of how various stakeholders have responded within the context of the Comprehensive Framework for Action and finally recommendations on how to better understand and address the issue are outlined. In addition, several country level case studies have been prepared that summarize the array of issues and responses to high food prices in the OMJ region.

### Causes

Although increases in world commodity prices have a part to play, the **causes** of HFP in the region are strongly driven by the following factors:

- South Africa is the main producer and supplier of food in the region and therefore, the depressed production levels of maize for South Africa during 2006 provided fertile ground for the intensified impact of world food prices on domestic markets.
- The reduction in domestic agricultural production and ultimate dependence on imported food particularly maize from South Africa has caused prices of most countries to rise.
- The total dependence on food imports from international markets for countries such as Djibouti
- High fuel prices experienced in 2007 to late 2008 led to high food prices. Despite the recent fall in world oil and in-country fuel prices, this has not been translated to reduction in food prices.
- Political instability, insecurity and war for countries such as Somalia, Ethiopia, Kenya causes market distortions and influences the prices of commodities
- Macro-economic instability, high inflation levels and weakening domestic currencies for most countries in the region.
- Poor policy decisions based on incorrect information and analysis of maize production levels affected decisions on imports and thus caused prices to rise (e.g. as observed in Malawi and Zambia).
- Government policies promoting subsidies on maize and banning exports have provided temporary relief but also caused supply constraints and hence pushing domestic prices.

### Impact

Traditionally food insecure households (e.g. very poor, elderly headed households, HIV and AIDS affected households, households hosting orphans or disabled members) are now suffering more. Evidence that acute and chronic malnutrition levels are increasing is strong, although there is no clear evidence on the linkages between measured nutrition outcomes and High Food Prices. In urban areas, households also tend to respond to higher prices by diversifying their income activities in order to increase their purchasing power. In some countries pastoralist and agro-pastoralists have

---

<sup>1</sup> Includes the following countries: Angola, Burundi, Djibouti, DRC, Ethiopia, Eritrea, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, ROC, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe

experienced declining terms of trade thus limiting household purchasing power. Furthermore, in the context of insecurity and war, the IDPs and refugees are more vulnerable to high food prices and food insecurity as they rely on external assistance in an environment where their own livelihood opportunities are limited.

Overall, some countries have been affected more than others because of in-country macro-economic conditions, trade policies and type of staples. In most cases, the way in which countries have responded to the increases in food prices has exacerbated the crisis. External trade bans in some countries in southern Africa have served as a disincentive to large scale farmers to increase their production.

### **Recommendations**

- Some responses such as immediate relief food assistance are required particularly for the HIV and AIDS affected individuals and households. The need for boosting small scale food production is key and requires the role of government in managing security and the macro-economic environment. Building longer term resilience requires the expansion of social protection systems and this will vary between countries.
- Lack of clarity on how future price changes will unfold requires continuous market monitoring and analysis as well as contingency planning, particularly in urban areas. Strengthening linkages and methodology harmonization with existing organisations who currently collect and analyse market information will be crucial. Also there is need to build/strengthen relationships with existing institutions such as those for health, education and nutrition in urban areas rather than trying to create new systems.
- While the impact differs per country, for some the impact may be long lasting and this may mean more years to deal with the crisis and with much greater intensity. Yet for some the HFP issue is cyclical and seasonal. This emphasizes the need for using scenario building activities to identify and explain the best case and worst case scenarios.
- There is still need for better understanding the impacts as the evidence is still weak. There are still difficult questions to answer such as what has changed? Is it numbers or nature? How long will this last? Current WFP work by VAM on assessing the impacts of HFP in urban areas needs to be extended in the region based on demands from countries.

This document is considered to be a work in progress and will be updated at least twice during 2009, with the matrix (Annex) being updated and circulated on a more regular basis. For questions, comments or to provide information for updates, please contact Eric Kenefick ([Eric.Kenefick@wfp.org](mailto:Eric.Kenefick@wfp.org)) in the WFP Regional Bureau in Johannesburg.

## The Impact of High Food Prices in the OMJ Region- A Regional Summary

---

### Background

In response to the dramatic rise of global food prices since 2007, WFP has been providing funding and technical support to WFP staff and partners to assess the impact of higher prices and structural vulnerabilities and a growing and 'new face of hunger'. According to preliminary research the estimated new caseload is expected to be more visible and to have greater political influence as they are often concentrated in urban areas.

A number of assessments have recently been conducted in the OMJ region (Burundi, Djibouti, DRC, Ethiopia, Lesotho, Madagascar, Malawi, Mozambique, Swaziland and Zambia) or are planned (Kenya). Based on the assessments, country offices are preparing proposals for programming activities to address the needs of the increased caseloads.

In addition, several regional and sub-regional initiatives are on-going to coordinate assessment and monitoring activities to ensure complementarity rather than overlap. In Eastern Africa, the Regional Food Security and Nutrition Working Group (Burundi, D.R. Congo, Djibouti, Ethiopia, Eritrea, Kenya, Rwanda, Somalia, Sudan, Tanzania and Uganda) has established a sub-group on Markets Analysis that is chaired by FEWSNET with participation from FAO, FEWS NET, PACAPS, WFP, ACF and FEWSNET/FEWSNET Somalia, and OCHA.

In southern Africa, AU/NEPAD has been assisting governments to develop longer-term strategies for addressing high food prices while the Regional Vulnerability Assessment Committee (RVAC) of the SADC-FANR has been supporting the national VACs in assessing the impact of higher prices on vulnerable groups. WFP is involved at both regional and national levels with the VACs.

With numerous initiatives underway and a number of different players, the WFP Regional Bureau needs to take stock of and analyse the high food price situation in the region. Also the UN Regional Directors Team and OCHA are eager to ensure that the coordination of assessments and activities continues and that there is a mechanism of continually updating key decision makers on the latest information as the situation evolves. It is also imperative that information generated and the proposed responses are consistent with the Comprehensive Framework for Action which was prepared by the High Level Task Force on the Global Food Crisis, established by the UN Secretary General.

The main objectives of the Comprehensive Framework for Action are to:

- improve access to food and nutrition support and take immediate steps to increase food availability;
- strengthen food and nutrition security in the longer-run by addressing the underlying factors driving the food crisis;
- strengthen global information and monitoring systems

There are a number of CFA outcomes to be achieved at country and global levels which include those focusing on joint work, building on existing mechanisms and programmes, assessments and strengthening monitoring systems that help to track achievements and ensure regular reporting.

### Overview of High Food price issues in the region

The recent global surge in food prices has intensified concerns among governments and policy makers about the world's food and nutrition security condition and the ultimate achievement of the Millennium Development Goals (MDGs). Unlike prices increases in the past, the recent phenomenon is lasting longer, the price increases are much larger and involves more food staples (major cereals, oilseeds and livestock). While historical surges documented since the 1950s have coincided with historical events such as war and economic depression, the current situation is a result of a combination of mutually reinforcing demand and supply factors. It is clearly understood that the United States *sub-prime crisis* that encouraged over- spending for many credit *unworthy* individuals and institutions also triggered an increase in world commodity prices.

The main *demand* factors include: increases in the price of oil, bio-fuel production, rising incomes and changes in consumption patterns. The *supply* factors include: increasing prices of agricultural inputs, underinvestment in agriculture, climate change risks, reduced world stocks and restrictive marketing

and trade. The resultant impacts thus vary according to commodity and capacity of regional and individual countries to respond.

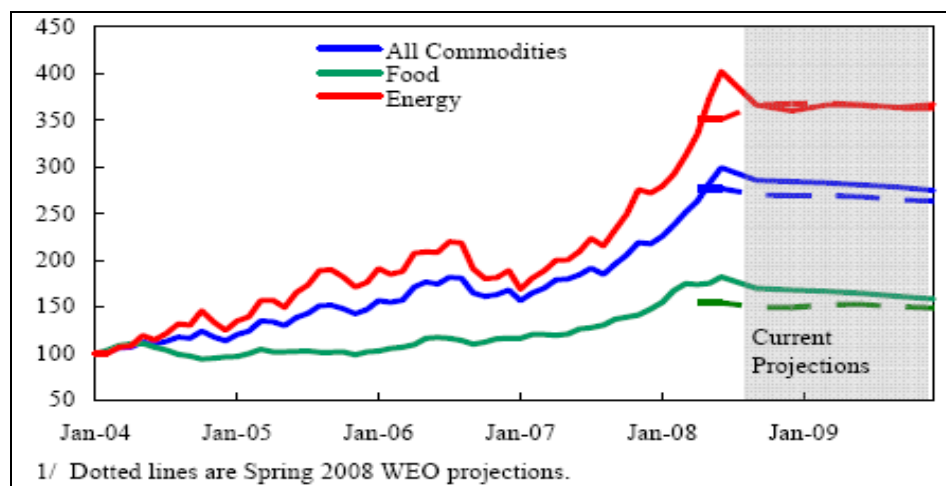
Based on detailed literature review and discussions with selected key informants, this paper presents a summary of current evidence and understanding of the impact of HFP in the OMJ region<sup>2</sup>. It provides an analysis of how various stakeholders have responded within the context of the Comprehensive Framework for Action and finally recommendations on how to better understand and address the issue are outlined.

In addition, several country level case studies have been prepared that summarize the array of issues and responses to high food prices in the OMJ region. The countries chosen provide a near representation of each geographical area of the OMJ (namely southern, eastern and central Africa). In addition, availability of data as well as ongoing urban vulnerability assessments guided the selection of individual countries. For each, the background, analysis of price trends, causes and impacts of high food prices and response analyses are presented.

### Global food price trends

Global commodity prices have been rising since 2005, and more significantly in 2007 (Figure 1). Of the world's major staple foods, the prices of maize and wheat had more than doubled while that of rice had tripled since beginning 2007 (Figure 2). In late 2008, world food prices experienced a sharp decline particularly for maize and wheat due to a drop in oil prices and the strengthening US Dollar. For example, by November 2008 the US\$ price of oil had fallen more than 60% but was still 76% higher than early 2003. Despite this decline, commodity prices still remain high compared with previous levels and the benefits have not been passed to consumers across the world.

**Figure 1: Prices of Selected Commodities (January 2004=100)**

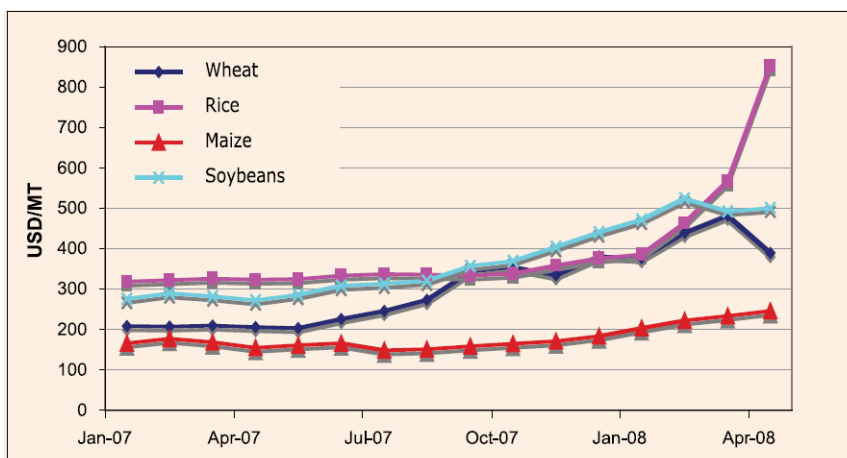


Source: IMF Food and Fuel Prices- Recent Developments, Macroeconomic Impact, and Policy Responses an Update, September 2008

There are uncertainties though, on how food prices will unfold in the future because of the volatility of markets caused by speculation as well political factors such as war. Some predict this to be a temporary phenomenon that may settle in the near future because of agricultural production potential that exists in the world. Others caution that structural factors, climate change, increased demand for food from Asia may keep prices high for a longer time.

<sup>2</sup> Includes the following countries: Angola, Burundi, Djibouti, DRC, Ethiopia, Eritrea, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, ROC, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe

**Figure 2: Food prices for wheat, maize, rice and soybeans 2007-08**



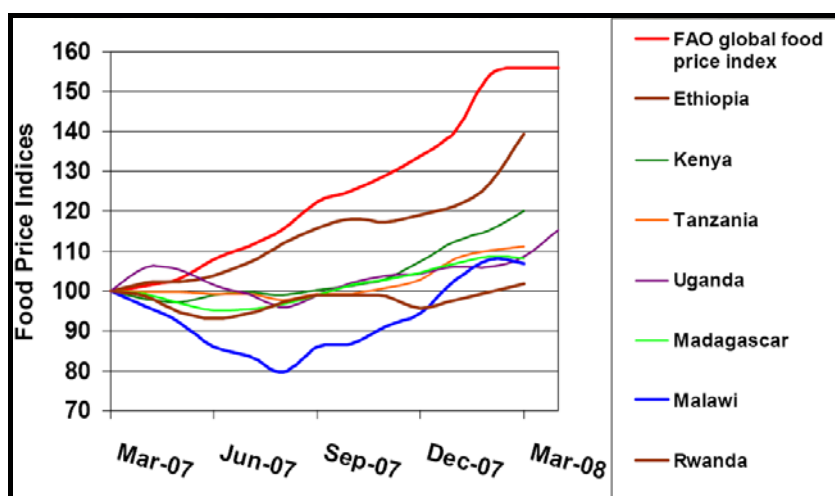
Source: FAO, 2008 in Minde et al, 2008

However, despite this gloomy picture there is a consensus that the issue demands careful study and attention, particularly as its transmission from global to regional and domestic markets has not been as apparent in all parts of the OMJ region.

### Overview of OMJ Regional Price Trends

The WFP's OMJ region includes 20 of the countries in the Horn of Africa, Great Lakes and the Southern Africa Development Community (SADC) regions. Detailed studies on price trends in Eastern and Southern Africa reveal a contrasting trend. For example, the FAO food price Index showed that global prices rose by 56% between March 2007 and March 2008 but this produced a steady price rises in most countries in the region (Karugia, 2008; Minde et al., 2008). Although, the analysis did not indicate the type of food commodities evaluated, it does show that in general prices rose by 39% in Ethiopia, 20% in Burundi and Kenya and 11% in Tanzania, while in other countries the increase was less than 10% - Rwanda, Zambia, Uganda, Malawi, and Madagascar (see Figure 3).

**Figure 3: Eastern and Southern Africa Price Indices (2007-2008)**

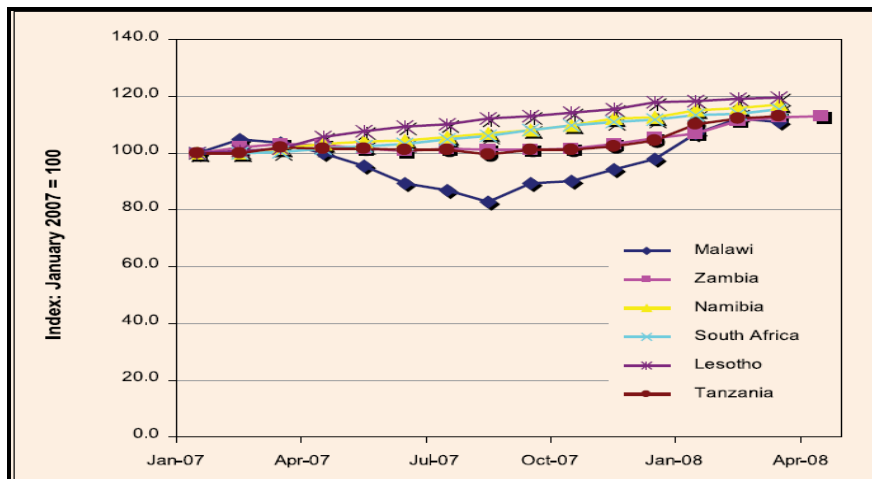


Source: Joseph Kaugia (ReSAKSS-ECA, 2008)

As Minde et al., 2008 show, between January 2007 and April 2008, countries in southern Africa generally experienced lower price increases as compared to those in East and Central Africa during more or less the same period. The strong influence of violence and insecurity in the latter region could explain the differences. The smallest price increases were recorded in Malawi (11%), Zambia (13%) and Tanzania (13%) mainly due to the introduction of maize export bans in these countries (Figure 4). Meanwhile, Namibia showed a 17%, showing its reliance on food imports.



**Figure 4: Food Price Indices in Selected Countries in Southern Africa (2007-2008)**



Source: Minde et al., 2008

**South Africa** recorded a 16% increase because of its direct integration to the international markets. Besides importing maize from the world market in deficit years, South Africa is the main supplier of maize in the SADC region. As such, higher prices in South Africa have in most cases been translated into domestic markets. For example, the white maize prices in the South Africa Futures Exchange (SAFEX) have been on the increase since 2007. During this time, Lesotho recorded the greatest increase (20%) because of its dependence on imports from South Africa. Although, RSA maize prices are recently showing a steady decrease following a reduction in international prices as well as a strengthening *Rand*, it has not translated into lower prices in the region because of market performance within countries and government indecision on whether to import maize as observed in Zambia and Malawi (Jayne et al., 2008).

In general, drivers for food price increases in the OMJ region are more structural than global.

- | <b>Regional Drivers</b>                                     |
|---|
| • Differences in staple crops                               |
| • Conflicts and political instability                       |
| • Reduced agricultural production (due to climate & others) |
| • Currency fluctuations                                     |
| • Commodity import pressure                                 |
| • Influence of South Africa as an economic hub              |
| • Restrictive government trade policies                     |
| • Structural causes – development & functioning of markets  |

Insecurity and conflict and trans-boundary issues are stronger in Eastern and Central Africa while economic dependence on South Africa, impacts of droughts, market performance and poor domestic policies (i.e. export bans) are stronger for Southern African countries. However, the current drought in the Greater Horn of Africa is also exacerbating the situation in that region. The next section summarises the general impacts of the price

increases in the OMJ region which obviously vary between, and within, individual countries.

## **The Causes and Impacts of High Food Prices**

### **Background**

The analysis of the impact of HFP is informed by a number of initiatives in the OMJ region. In southern Africa the food cluster group of the UN Country Directors' Team is strengthening collaboration among partners in the monitoring and assessment of HFP among various stakeholders. OCHA is serving as the secretariat for the group. Within this group, WFP in collaboration with national VACs has been engaged in country levels assessments. In Eastern Africa and Great Lakes Region the Food Security Nutrition Working Group (FSNWG), a grouping of international and intergovernmental food security and nutrition stakeholders works through the markets steering committee in understanding trade flows, markets and causes of price and supply fluctuations within the region. Such groupings provide good platforms for harmonizing tools and methods for assessment and analysis as well as dissemination to support decision making. Admittedly challenges still exist with identifying the minimum number and type of indicators that best capture the impact of high food prices on urban and rural areas as well as those that are able to separate HFP issues and

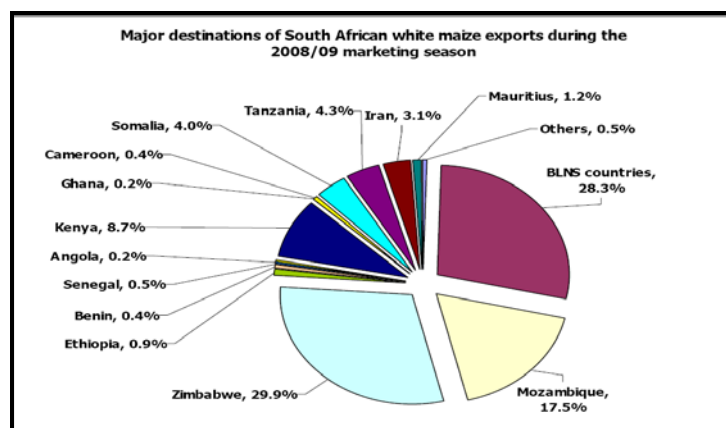
impacts from other shocks. There are concerns that assessments are still biased towards food and nutrition security issues at the expense of other factors. In addition, many assessments are still inclined towards rural contexts and may not be suitable for capturing impacts in urban areas with the exception of the on-going WFP-led urban assessments in key countries throughout the OMJ region.

### **Understanding the causes of High Food Prices**

Understanding the causes of HFP in the OMJ region provides quite a diverse dimension due to some differences in basic issues related to food insecurity and vulnerability outside the framework of high food prices. High levels of poverty, low education levels and poor infrastructure development exist in most of the countries while insecurity and war persists in the Eastern and Central African. The region experiences the worst droughts while HIV and AIDS is having a devastating impact on food and nutrition security of these countries. Ultimately, the impact of high food prices exerts pressure on already strained and weak livelihoods and is weakening the gains made towards building community resilience in the region. Against this background, although increases in world commodity prices have a part to play, the causes of HFP in the region are strongly driven by the following factors:

- South Africa is the main producer and supplier of food in the region and therefore, the depressed production levels of maize for South Africa during 2006 provided fertile ground for the intensified impact of world food prices on domestic markets.
- The reduction in domestic agricultural production and ultimate dependence on imported food particularly maize from South Africa (see Figure 5) has caused prices of most countries to rise.
- The total dependence on food imports from international markets for countries such as Djibouti
- High fuel prices experienced in 2007 to late 2008 led to high food prices. Despite the recent fall in world oil and in-country fuel prices, this has not been translated to reduction in food prices.
- Political instability, insecurity and war for countries such as Somalia, Ethiopia, Kenya causes market distortions and influences the prices of commodities
- Macro-economic instability, high inflation levels and weakening domestic currencies for most countries in the region.
- Poor policy decisions based on incorrect information and analysis of maize production levels affected decisions on imports and thus caused prices to rise (e.g. as observed in Malawi and Zambia).
- Government policies promoting subsidies on maize and banning exports have provided temporary relief but also caused supply constraints and hence pushing domestic prices.

**Figure 5: Major destinations of South African white maize exports - 2008/09 marketing season**



*Source: Monthly Food Security Bulletin of South Africa: December 2008. Directorate, Agricultural Statistics. BLNS countries (Botswana, Lesotho, Namibia and Swaziland)*

### **Impacts of HFP**

Impact assessment studies, particularly conducted by WFP in urban areas of Burundi, DRC, Ethiopia, Lesotho, and Swaziland indicate that urban households are suffering tremendously from the high food prices because of their reliance on the market for purchases. This points to the need for more urban programming and also raises challenges around targeting and designing of appropriate responses. Careful targeting criteria will be required because more households including those in wage

employment and pensioners are now affected. The study of markets will be crucial in the further development of appropriate responses.

Traditionally food insecure households (e.g. very poor, elderly headed households, HIV and AIDS affected households, households hosting orphans or disabled members) are now suffering more. Evidence that acute and chronic malnutrition levels are increasing is strong, although there is no clear evidence on the linkages between measured nutrition outcomes and High Food Prices. Indeed households are responding to higher food prices by adjusting their eating habits in terms of reduced quality and quantity of consumption and allocating expenditures towards the essentials at the expense of health care and education. However, in urban areas, households also tend to respond to higher prices by diversifying their income activities in order to increase their purchasing power. However, in some countries such as Burundi, the situation has been less severe because of households' consumption of cassava instead of maize, although this is less preferred.

In some countries pastoralist and agro-pastoralists have experienced declining terms of trade thus limiting household purchasing power. Furthermore, in the context of insecurity and war, the IDPs and refugees are more vulnerable to high food prices and food insecurity as they rely on external assistance in an environment where their own livelihood opportunities are limited. Interventions in this context are undermined and constrained by the prevailing insecurity that limits movement and timely delivery.

Overall, some countries have been affected more than others because of in-country macro-economic conditions, trade policies and type of staples. For example, Karugia, (2008) showed that severe food price inflation has been experienced the most in Ethiopia followed by Kenya. In most cases, the way in which countries have responded to the increases in food prices has exacerbated the crisis. External trade bans in some countries in southern Africa have served as a disincentive to large scale farmers to increase their production.

#### **Analysis of responses in the context of the Comprehensive Framework for Action (CFA)**

The Comprehensive Framework for Action (CFA) is a joint product of the High Level Task Force (HLTF) on the global food crisis under the leadership of the Secretary General which encompasses Heads of the United Nations specialised agencies, funds and programmes, Bretton Woods institutions and relevant parts of the UN Secretariat. The CFA proposes immediate and long-term actions towards: (i) addressing current threats and opportunities resulting from food rises, (ii) creating policy changes to avoid future food crises and (iii) contributing to country, regional and global food and nutritional security.

Against this background, the section analyses some of the initiatives that have been undertaken in the region to address the impact of high food prices. In this analysis, an evaluation is undertaken on how country-level responses have achieved the goals of the CFA outcomes (Table I). However, this analysis is limited by the difficulty of distinguishing between traditional responses and those designed or extended in scope, quantity and nature due to the impact of high food prices. Many responses are addressing development issues than the impact of HFP particularly as it concerns the problems of chronic malnutrition that have been sustained for decades in many countries.

**Table I: An Analysis of Responses in the context of the CFA**

<b>Type of Responses</b>	<b>Countries using the type of response</b>	<b>Scale of the response</b>	<b>Institutions participating</b>
<b>I. Immediate Packages</b>			
Banning maize exports	Zambia, Malawi, Tanzania, Djibouti	National	Government
Various nutrition interventions such as: Provision of hot lunches school children HIV affected receive food rations Fortified nutritious hot porridge to pre-school children Targeted food	Kenya, Djibouti, Somalia, Ethiopia, Swaziland, Zimbabwe, Mozambique	Rural and Urban	WFP UNICEF

Reduced tax on basic foods Subsidizing fuel for electricity facility Subsidy on local bakers Subsidizing grain prices for millers and setting a two-tier retail price controls for milled maize Basic Household Commodity Supply Programme	Djibouti, Burundi Djibouti Djibouti Kenya Zimbabwe	National	Government
Relaxation customs tax on basic Commodities	Djibouti, Burundi, Zimbabwe	National	Government
Price stabilization program Price control strategy	Djibouti, Ethiopia Zimbabwe	National	Government
<b>2. Resilience Packages</b>			
Agricultural production support programs, including input subsidies	Zambia, Zimbabwe	Rural	Government Various NGOs
Providing agricultural inputs to small-scale farmers Input vouchers for small-farmers	Kenya, Burundi, Somalia, Zimbabwe	Rural	FAO/WFP Various NGOs
Cash/ voucher for the unemployed youths	Mozambique	Urban	WFP
National Impact assessment Impact of HFPs in urban areas	Djibouti Burundi, DRC, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Swaziland and Zambia	National Urban	World Bank, WFP, Government, UNICEF
Development of small agro-pastoral farms Improvement of animal health	Djibouti	Rural	FAO
Supplying medical drugs and non-food items to vulnerable individuals for children in nutritional services programmes	Burundi	Rural	UNICEF
Productive Safety Net Programme	Ethiopia	National	Government

In general, interventions are currently serving immediate and resilience needs but at a smaller scale. The current responses are mainly driven by UN organizations and various NGOs with limited participation from governments as well as the private sector. In addition, partnerships between institutions although present, need to be strengthened. However, in many responses, new partnerships are required as many interventions are targeting people in areas.

One of the major drivers of HFP in the region largely hinges on the fact that supply of food is not able to meet demand due to a number of factors already stated. Ultimately food availability and access is a challenge for both urban and rural areas. In response to this need, current responses in rural areas as well as among vulnerable areas such as IDP camps focus on targeted food relief and various nutrition interventions (see Table 1). In addition, governments in some countries such as Burundi, Djibouti, Zambia and Zimbabwe have introduced price stabilization measures, reduced tax on basic commodities etc and these have provided temporary relief in urban areas. However, immediate responses are currently limited in terms of quantity and scale to meet the need at hand. Moreover, responses are currently not comprehensive and diverse enough to meet the needs of different groups of people particularly those in wage employment and those receiving pensions.

Long term and resilience building responses are dominated by agricultural input packages targeted at small scale farmers in rural areas. Efforts towards improving animal health in pastoral and agro-pastoral areas in Djibouti is commended example of improving long term household food availability and access. Clearly, less is being done for urban households in this area.

Obviously, an analysis of markets in different countries can help in refocusing and extending appropriate immediate and long-term responses. For countries currently experiencing insecurity such

as Somalia and DRC, designing appropriate responses will be challenging and calls for greater collaboration and participation among stakeholders.

## **Recommendations**

### **1. Responses in the Context of the CFA**

Some responses such as immediate relief food assistance are required particularly for the HIV and AIDS affected individuals and households. Urban analysis shows in several countries that wage laborers and petty traders are also vulnerable to the impact of high food prices and this calls for greater presence of many organizations particularly WFP. The use of import and export barriers is discouraged as they tend to affect regional food supply in the long term. The need for boosting small scale food production is key and requires the role of government in managing security and the macro-economic environment. Building longer term resilience requires the expansion of social protection systems and this will vary between countries. Undertaking such responses requires additional or even new partnerships and collaboration and use of existing in-country platforms particularly spearheaded by governments.

### **2. Monitoring and planning**

Lack of clarity on how future price changes will unfold requires continuous market monitoring and analysis as well as contingency planning, particularly in urban areas. Strengthening linkages and methodology harmonization with existing organisations who currently collect and analyse market information will be crucial (e.g. SIMA in Mozambique, FSAU in Somalia, FEWSNET, FAO, the Regional Strategic Analysis and Knowledge Support System- ReSAKSS). Within WFP, strengthening linkages between the Vulnerability and Analysis (VAM) with procurement and the ongoing WFP Regional market study will ensure that responses are well informed. Also there is need to build/strengthen relationships with existing institutions such as those for health, education and nutrition in urban areas rather than trying to create new systems.

### **3. Scenario Building**

While the impact differs per country, for some the impact may be long lasting and this may mean more years to deal with the crisis and with much greater intensity. Yet for some the HFP issue is cyclical and seasonal. This emphasizes the need for using scenario building activities to identify and explain the best case and worst case scenarios particularly the work which is already being done by FEWSNET (for more information go to [www.fews.net](http://www.fews.net))

### **4. Impact Assessments**

There is still need for better understanding the impacts as the evidence is still weak. There are still difficult questions to answer such as what has changed? Is it numbers or nature? How long will this last? Current WFP work by VAM on assessing the impacts of HFP in urban areas needs to be extended in the region based on demands from countries.

## References

---

- Chanana, D, 2008: High Food Prices- An opportunity for the WFP  
FEWSNET Food security updates for several countries, [www.fews.net](http://www.fews.net)
- Food Security and Nutrition Working Group, 2008: Food Security and Nutrition Conditions- Central and Eastern Africa September 4 2008.
- Food Security and Nutrition Working Group, 2008: Food Security and Nutrition Conditions- Horn of Africa August.
- Gillespie, S, 2008: Food Prices and the AIDS Response: How they are linked, and what can be done, [www.ifpri.org](http://www.ifpri.org)
- High Level Task Force on the Global Food Crisis, July 2008: The Comprehensive Framework for Action
- IMF, 2008: Food and Fuel Prices- Recent Developments, Macro-economic Impact and Policy Responses, An update, September 2008
- Jayne, T; Chapoto, A; Minde, I; Donovan, C and Olubude-Awosola, F, 2008: The 2008/09 Food price and Food security situation in Eastern and Southern Africa: Implications for Immediate and longer run responses conference paper 10. The Southern Africa Regional Conference on Agriculture (SARCA), 8-9 December 2008, Gaborone Botswana.
- Karugia, J, 2008: Responding to Rising Food Prices in ESA: A Regional Perspective, [www.ilri.org/ILRIPubAware/Uploaded%20Files/Responding-to-Rising-Food-Prices-ILRIPPT.pdf](http://www.ilri.org/ILRIPubAware/Uploaded%20Files/Responding-to-Rising-Food-Prices-ILRIPPT.pdf)
- Koch J and Rook J, 2008: What will higher food prices mean for poor consumers and small farmers in southern Africa? Wahenga Brief number 15 April 2008, [www.wahenga.net](http://www.wahenga.net)
- Minde I, Chilonda P and Sally H, 2008: Rising global food prices- Policy challenges and options for southern Africa, ReSAKSS Issues Brief November 2008 No. 6
- ODI, 2008: Rising food prices: A global crisis, A Briefing Paper, [www.odi.org.uk](http://www.odi.org.uk)
- SADC, 2008: Measures to reduce current and future food crises in the SADC region, Background paper
- Tschirley D and Jayne, T.S, 2008: Food crises and food markets: Implications for emergency response in southern Africa, USAID Policy Synthesis Number 82 July 2008, [www.aec.msu.edu/agecon/fs2/synindx.htm](http://www.aec.msu.edu/agecon/fs2/synindx.htm)
- UNDP/ODS, 2008: Characterising the 21<sup>st</sup> Century First Commodity Boom: Drivers and Impact. A UNDP/ODS Working paper
- Von Braun J and Torero M, 2008: Physical and Virtual Global Food Reserves to Protect the poor and prevent market failure, IFPRI Policy Brief 4 June 2008, [www.ifpri.org](http://www.ifpri.org)
- Von Braun J et al., 2008: High Food Prices: The What, Who, and How of Proposed Policy Actions, [www.ifpri.org](http://www.ifpri.org)
- Von Braun J, 2007: The World Food Situation: New Driving Forces and Required Actions, Food Policy Report [www.ifpri.org](http://www.ifpri.org)
- Von Braun J, Sheeran J and Ngongi N, 2008: Responding to the global food crisis: Three perspectives, IFPRI, [www.ifpri.org](http://www.ifpri.org)
- WFP Burundi, 2008: Vulnerability and Food Insecurity in Three Urban Areas of Burundi, July 2008
- WFP/UNICEF Ethiopia, 2008: Addis Ababa Food Security and Vulnerability Study, Working Draft November 2008
- WFP Lesotho/Lesotho Vulnerability Assessment Committee, 2008: Vulnerability and Food Insecurity in Urban Areas of Lesotho, August 2008
- WFP Swaziland/Swazi Vulnerability Assessment Committee, 2008: Vulnerability and Food Insecurity in Urban areas of Swaziland, Draft, December 2008
- WFP/OMXF, 2008: Recent Food Price Developments in most vulnerable countries Issue number 1, August 2008
- WFP/OMXF, 2008: Summary of Price Impact Assessment Findings, Working Draft, October 2008

## The Impact of High Food Prices in Burundi

### 1. Background

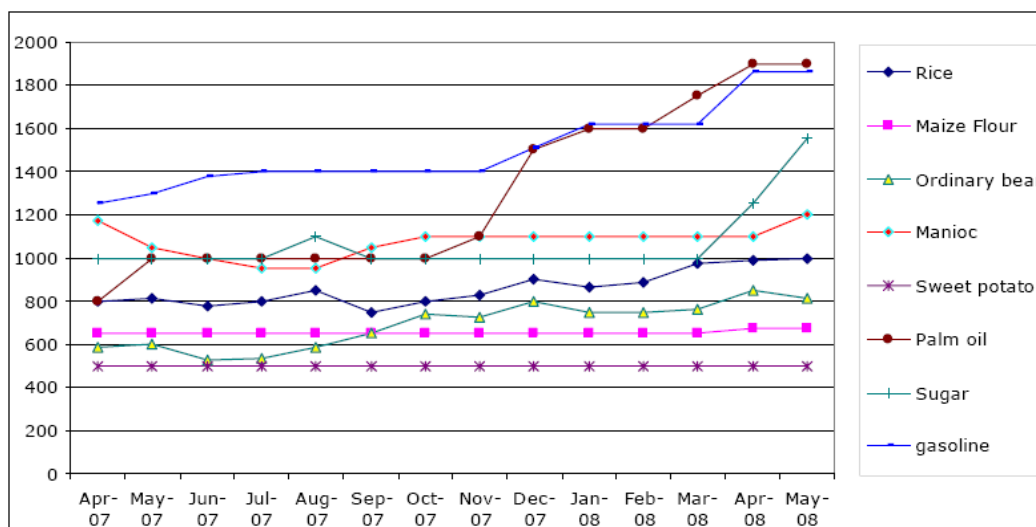
Burundi is a landlocked, resource-poor country that is slowly emerging from decades of conflict and institutional neglect. The population of Burundi is estimated to be 8.3 million with a growth rate of 3.5% (2007 estimate). This equates to a population density of 250-330 persons per square kilometer, second only to Rwanda in Africa. Only 9.6% of the population lives in urban areas which is one of the lowest levels of urbanization in Africa<sup>3</sup> but this is gradually changing as the country recovers from the effects of 12 years of war. Agricultural production is the primary livelihood in Burundi, both for food and income. The rapid global increases in commodity prices that started late 2006 have caused serious food and nutrition security concerns. Of the common world staple foods consumed, the price of rice has risen the most, followed by wheat, with maize rising by a smaller factor. In terms of household food security and food production, population growth, combined with traditional inheritance systems and a lack of economic alternatives has resulted less land being available per family for their own production.

**Population:** 8.3 million  
 IDP number: 100, 000  
**Refugees:** 32 710  
**Pop. Below US\$1/day:** 55%  
**2008 Cereal availability:** 66%

### 2. An analysis of price trends

A recent study conducted in the urban areas of Bujumbura, Gitega and Ngozi indicated that local food prices had increased by 20% in the major markets of Bujumbura between April 2007 and April 2008. However, the price of rice has risen by over 50% during the same period (Figure 1) because it is an imported commodity. In general, although prices have not increased tremendously, there are high levels of uncertainty on how the situation will unfold in the future because of the unstable political environment.

**Figure 1: Price trend for major food commodities and fuel in Bujumbura**

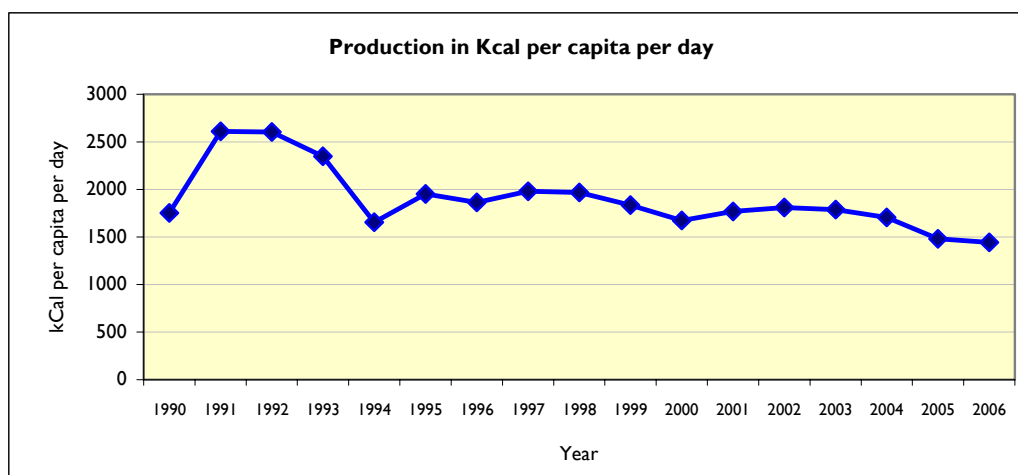


### 3. The causes of high food prices

Besides the fact that Burundi relies on the international market for rice imports, insecurity is by far a key determinant of high food prices in Burundi. Years of violence have affected food security as shown in declining agricultural production levels of experienced in the past decade. Environmental degradation, climate and population pressure also has a negative influence on cereal availability. In addition, access to inputs and limited technical capacity for agricultural production are making the situation worse. The impact of high inflation levels driven by high fuel prices and high general taxes also causes food prices to increase.

<sup>3</sup> United Nations Economic Commission for Africa

**Figure 2: Production per capita per day**



Source: FAO/ISTEEBU

#### 4. The impacts of High Food Prices

Although, the impact of high food prices in the urban areas of Bunjumbura, Gitega and Ngozi is growing, the situation has not been severe because of availability of less preferred foods on the markets. However, this has also pushed up the prices of these less preferred foods like cassava. Since Burundi has a large rural population, the impact of food prices may be experienced more in these areas. In urban areas, households are focused on increasing their purchasing power by taking on additional work to earn more money. For now, these opportunities are apparently available but it's not clear how long they will last.

**Table 1: Impacts of high food prices in 2007 and 2008**

Areas	General impacts/coping	Vulnerable population
<b>Bunjumbura Gitega Ngozi urban areas</b>	<ul style="list-style-type: none"> <li>Changes in consumption – less preferred foods and smaller amounts</li> <li>Purchasing fewer assets such as animals and land</li> <li>Increases in number and type of income earning activities/diversification of income.</li> <li>Increased agricultural production in urban areas.</li> </ul>	<ul style="list-style-type: none"> <li>Population at risk of food insecurity in the upcoming 2008B season</li> <li>Poorest urban households</li> <li>Traditionally food insecure households – those hosting chronically ill, orphans or disabled members.</li> <li>Low income salaried workers</li> </ul>

#### 5. Analysis of responses in the context of the CFA

The responses currently cover both immediate and resilience packages and adequate to meet current needs as identified in the recent urban studies. However, there is need for monitoring the rural population

Responses	Organisation
<b>Immediate Packages</b>	
Relaxation of customs taxes on food goods	Government
General food distributions for IDPs to 600,000 people a month.	WFP
Additional food is also being distributed to families of children suffering from malnutrition	UNICEF
<b>Resilience Packages</b>	
Crop seeds, fertilizers, pesticides and agricultural tools are being provided to 5,000 farmers in need and acquiring 200 irrigation pumps, to improve crop yields by farmers	FAO



Supplying medical drugs and non-food items to vulnerable individuals and Vitamin A and Iron supplementation for children in nutritional services programmes.	UNICEF
--	--------

## **6. Recommendations**

Close monitoring of the markets in Burundi is required for any potential substantial price increases. In addition, there is need for contingency planning for potential returning refugees who may need immediate food assistance and provision of agricultural imports.

## **References**

WFP, 2008: Vulnerability and Food Insecurity in Three Urban Areas of Burundi: *An Assessment of the Impact of High Prices on Households in Bujumbura Mairie, Ngozi and Gitega Cities*

## The Impact of High Food Prices in Urban Areas of DRC

### I. Introduction

The Democratic Republic of Congo (DRC) is one of the poorest countries in the world, with per capita annual income of about \$300 in 2007. This is the result of years of mismanagement, corruption, and war.

High prices of both food and non-food commodities together with scarcity of some food commodities on the local markets are the more frequently shocks that affected households capacity to access food, according to a recent Urban study done by WFP in major DRC cities.<sup>4</sup>

The situation is worrying both in rural and particularly in urban areas where most people have to buy food in markets with a very weak purchasing power. According to an assessment by the Ministry of Social Affairs (2003), around 80% of people in DRC live with less than US\$ 0.50 per person per day (2001). The high food prices which can be translated into reduced access to food for the poorest is more likely to deteriorate their nutritional status and increase mortality. Data on admissions at feeding centers are being gathered to have an idea on the trend for the last 12 months. High food prices are also impacting children's education as families that are forced to increase their food expenses are tempted to withdraw their children from school.

To cope with these shocks, households have reduced the quantity and quality of meals; are now eating less preferred food; have cut what they consider non essential expenditures such as transport, to buy food; more households are now involved in additional little jobs such as petty commerce (selling food stuff in a very little quantity), vegetable gardening, taxi-velo/ moto transport, etc. to cover daily expenses.

### 2. Price Trends

An increase in all major food commodities prices have been observed during the last 6 months. The magnitude however differs from one city to another. In Kananga for example the price of maize has gone up from 400 FC in Jan to nearly 1,700 FC in July or more than 300% increase.

#### Indicators of Livelihoods

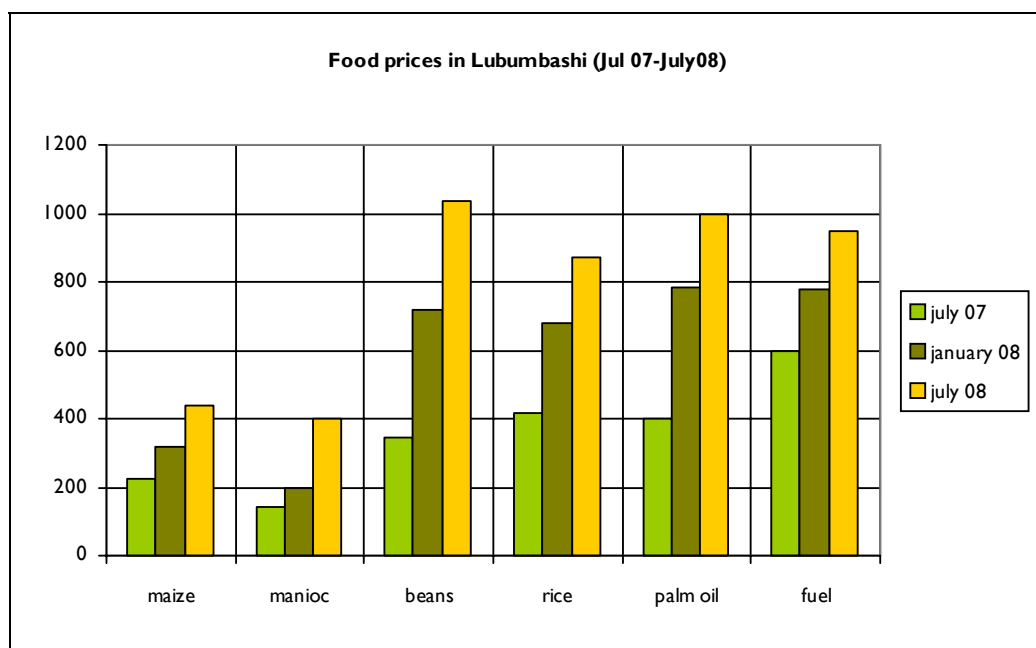
Population: **66.5 million**

GDP: **\$300/capita**

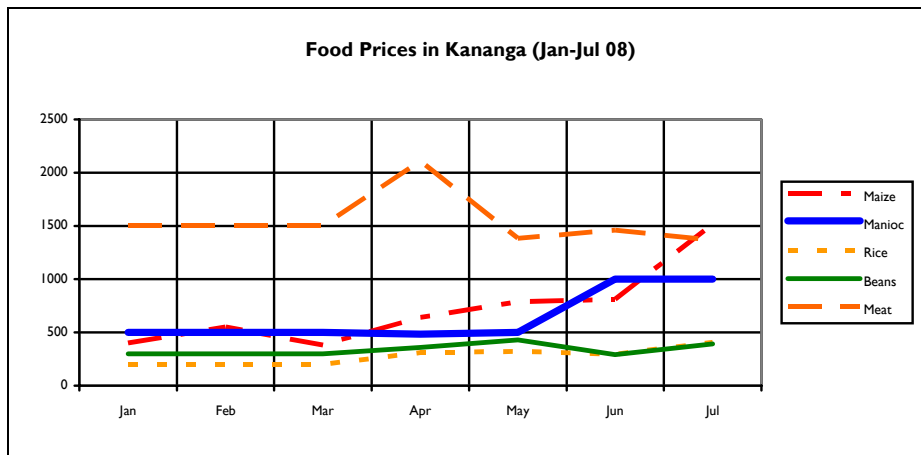
Poverty (prop below \$1/day) : **>90%**

Under five mortality rate: **207deaths/1,000**

Domestic cereal availability: **no reliable data**



<sup>4</sup> WFP DRC Assessment of high prices and their impact on urban dwellers in Kinshasa, Matadi, Mbandaka, Kisangani, Goma, Bukavu, Lubumbashi and Kananga.



### 3. Causes of high food prices

The main reason is a decline in production with an increase in urban population. City food markets in DRC are supplied by the neighboring rural and semi-rural areas and by imported food. Various reports have indicated a significant decline in local food production over the last decade due to various reasons such as the 1991-93 looting and armed conflicts. Imported commodities have been affected by informal taxes (corruption) and high fuel prices are reflected in high food and non-food prices. Production of manioc (cassava) has decreased by 23% between 1992 and 2006; banana plantain by 75% between 1990 and 2006; maize in Maniema and North Kivu by 22% and in Katanga by 12 percent. While production declined, the population in cities has increased from people migrating from rural areas to big towns in search of security and better life. Increases in fuel prices have come on top of an already ongoing high prices situation since 2000 for the same reasons as food price increases.

### 4. Impacts of High Food Prices

Analysis from qualitative research in Kinshasa shows that the **Better-off** which comprise business people account for 10% of the city population: high food prices have less impact on these people. The **Mid-Class** is a group comprised of all those households earning an income, though little, from various activities including agriculture, livestock, petty commerce, handcrafts, daily work, and salary work. This group can still cope with the price increase. However the more prices will increase the weaker their purchasing power will be. Households in this class can fall easily into the 3<sup>rd</sup> category of the poorest. This group represents an average of 40 to 50% of the city population. The **poorest** and most affected by high prices: Those with no income (jobless people), social groups with difficult access to jobs such as widows (heads of households) and handicapped people; orphans and abandoned children (street children). They represent 40 to 60% of the city population and live in poor neighbourhoods, very often in the peripheral parts of the city.

### 5. Analysis of responses in the context of the CFA

No specific responses to High Food Prices have been yet identified yet in DRC but the continuation of on going immediate food safety nets interventions serving immediate and resilience needs (Nutrition, School feeding and HIV and AIDS related programmes). WFP with FAO are also considering the implementation of Food for Work scheme in parts of Kinshasa (Nzele) to multiply cassava sticks and strengthen agricultural production.

### 6. Recommendations

To better understand the impact of high prices on households in urban areas, WFP should partner with various organizations, including the government, UN, NGOs and churches to monitor the situation of prices, admissions at feeding centers and/or charity centers, migration situation with IOM. A structured key informant questionnaire should be developed to capture changes.

Development of an early warning system and a contingency plan (maybe a prepared urban EMOP) could be helpful to monitor the situation before it reaches a critical point, triggering a crisis in these urban areas.

**References:** WFP DRC, *High Food Prices in Urban Areas of DRC*. July 2008.

## The Impact of High Food Prices in Djibouti

### 1. Introduction

The rapid global increases in commodity prices that started late 2006 have caused serious food and nutrition security concerns for people through out the world. Since the beginning of 2007, the global price of rice has risen the most by up to 165 percent followed by wheat at 88 percent. The high fuel prices, the use of food crops to produce bio fuels, the impact of weather, changes in consumption patterns as well speculation in commodity futures markets are some of the supply and demand factors behind the global food prices increase. For Djibouti, the impacts are more pronounced because of its hot and dry climate that does not support agriculture, especially cultivation of staple crops. Consequently, it relies on imported rice and wheat. In addition, the consecutive years of drought have reduced the condition of livestock and this has caused declining terms of trade for pastoralists.

#### Indicators of Livelihoods

Population: **0.8 million**

Number of refugees: **8,850**

GDP: **\$936/capita**

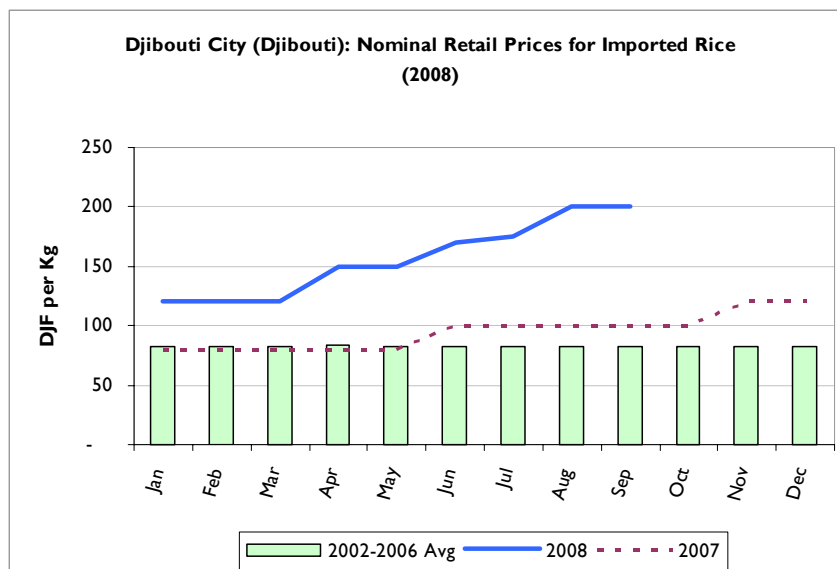
Poverty (prop below \$1/day): **45%**

Domestic cereal availability: **8%**

### 2. Price Trends

Since mid 2007, Djibouti has experienced high prices on all staples compared to the five year average levels. For example, between January 2008 and September 2008, the cost of imported rice almost doubled (Figure 1), while during the same period, the price of wheat shot up in March but has remained steady. Though international oil prices have declined over the last month, staple food prices remain high in Djibouti.

Figure 1: Djibouti city nominal imported rice prices



Source: FEWSNET, 2008

### 3. Causes of high food prices

Djibouti's high food prices emanate from several factors. Djibouti imports 100% of its food and fuel requirements from the European Union and Asia, making it highly exposed to the rise in international food prices. There is no agricultural production in the country save for some rural households that rely on livestock production. However, due to consecutive years of drought in recent years, households have suffered losses through livestock diseases and deaths. The 60% unemployment rate<sup>5</sup> is reducing the purchasing power of urban poor households. Further exacerbating the crisis are the high poverty levels with two-thirds of Djibouti's estimated 800,000 people living below the poverty

<sup>5</sup> [www.wfp.org/country\\_brief/indexcountry.asp?country=262](http://www.wfp.org/country_brief/indexcountry.asp?country=262)

line. Other drivers of high food prices have been caused by border conflicts with Eritrea and lack of resources by government institutions to provide basic services such as safe water for consumption.

#### 4. Impacts of High Food Prices

The impacts of HFP in Djibouti are spread throughout the country affecting both pastoral and urban livelihoods (see table 1)

**Table 1: Impacts of high food prices in 2007 and 2008**

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable population	Numbers in need of Assistance
North Western Pastoral South Eastern Pastoral Central pastoral	Declining livestock Terms of Trade and high mortality rates of roughly 50-70% reported, Increase in conflicts	Overall, 16.8% of children less than five years old were wasted, 2.4% severely (WFP, UNICEF & Ministry of Health, 2007)	<ul style="list-style-type: none"> <li>Rural populations (including pastoralists and households practicing market gardening)</li> <li>Refugees, IDPs</li> <li>Urban poor (Djibouti city), peri-urban areas</li> <li>Traditionally vulnerable groups</li> <li>Malnourished children</li> </ul>	<p><u>Regions in need:</u> Djibouti Ville, Ali-sabieh, Arta, Obock, Tadjourah, Dikhil</p> <p><u>Total number affected</u> 118,590 (with the BR the number is now 149,000)</p> <p>The <b>rapid Urban</b> EFSA conducted by WFP/FEWSNET/Mol estimated that 7,500 households are Highly Food Insecure and have a monthly deficit of 15,000 FDJ to fulfill their food needs. 42,000 households are moderately food insecure, currently managing but at risk if conditions further deteriorate.</p>
Urban areas	<ul style="list-style-type: none"> <li>Poor households face a critical food security situation.</li> <li>The cost of the minimum expenditure basket is currently 66% above the five-year average.</li> <li>Unemployment is currently 60% and wages will remain stagnant</li> </ul>	Severe acute malnutrition was most severe in the northwest and southeast pastoral livelihood zones and in Djibouti City (Djibouti Food Security Outlook-October 2008 to March 2009)		

Source: Government of Djibouti Appeal, 2008

#### 5. Analysis of responses in the context of the CFA

Responses are currently serving the immediate and resilience building needs of the affected areas, albeit at a small scale. Expanded partnerships with government will assist in resilience building in the water and sanitation sectors. In addition, current partnerships should be strengthened e.g. WFP/UNICEF because of the combination of factors that are causing high food prices.

<b>Immediate Packages</b>	<b>Institutions</b>
<ul style="list-style-type: none"> <li>Monthly food ration- <u>80,000 rural 55,000 urban</u></li> <li>Nutritious supplementary feeding- <u>5,500 children</u> under 5</li> <li>23 therapeutic &amp; supplementary feeding centers (urban and rural areas)</li> </ul>	<b>WFP</b> <b>WFP/</b> <b>UNICEF</b>
<ul style="list-style-type: none"> <li>Reduced tax on basic foods</li> <li>Re-export ban on major staples</li> <li>Price control strategy</li> <li>Subsidizing fuel for electricity facility</li> <li>Subsidy on local bakers</li> <li>Waiver of 8% customs tax on basic Commodities</li> </ul>	<b>Government</b>
<b>Resilience Packages</b>	
<ul style="list-style-type: none"> <li>School feeding (serving 40% of nutritional needs)</li> </ul>	<b>WFP</b>
<ul style="list-style-type: none"> <li>Assessment conducted- implementation planned with the Government</li> </ul>	<b>World Bank</b>
<ul style="list-style-type: none"> <li>Development of small agro-pastoral farms</li> <li>Improvement of animal health</li> </ul>	<b>FAO</b>

## **6. Recommendations**

Due to the impact of high food prices in Djibouti, it is necessary to evaluate the current food relief assistance in terms of caseload as well as therapeutic and supplementary needs in both urban and rural areas. In the long term, there is need for asset building social protection initiatives and responses that facilitate access to safe water for consumption. Regular monitoring and assessment of food security and nutrition conditions in both rural and urban areas is recommended.

### **References**

- FEWS NET and the Nutrition Survey on under-five children conducted by UNICEF/WFP/Ministry of Health, December 2007
- FEWSNET, 2008: Djibouti Food Security Alert September 12, 2008, [Djibouti@fews.net](mailto:Djibouti@fews.net)
- FEWSNET, 2008: Djibouti Food Security Outlook October 2008 to March 2009, [Djibouti@fews.net](mailto:Djibouti@fews.net)
- International Federation of Red Cross and Red Crescent Societies, 2008: Djibouti:-food Insecurity DREF operation MDRDJ001, 22 July 2008
- WFP, 2006: Djibouti Livelihood Zone In-depth Emergency Food Security Assessment September 2006
- WFP/FEWSNET/Ministry of Interior, Rapid Urban Emergency Food Security Assessment, October 2008, by Mark Gordon and Kayo Takenoshita

## The Impact of High Food Prices in Ethiopia

### I. Background

Ethiopia's economy is dominated by agriculture and livestock husbandry with agricultural sector contributing 46% of GDP. Teff, wheat, barley and maize are the main staple foods. Ethiopia has two agricultural seasons that include the **Meher** (major season) and **Belg** (short-cycle season). Since, agriculture is highly dependent on rainfall the impacts of climate variability on household and national food security are significant. It has been observed that although prices in Ethiopia have historically been affected by rainfall variability, recent significant increases have occurred despite relatively good harvests. For example, with the 2008 domestic cereal availability estimated at 98% relative to utilization, domestic prices would be expected to be low but this is not the case. This is against a background of increasing general inflation of 40.3% (October 2008), showing a 23.4% increase compared to the same time in 2007. Of this, food inflation accounts for 55.7 percent.

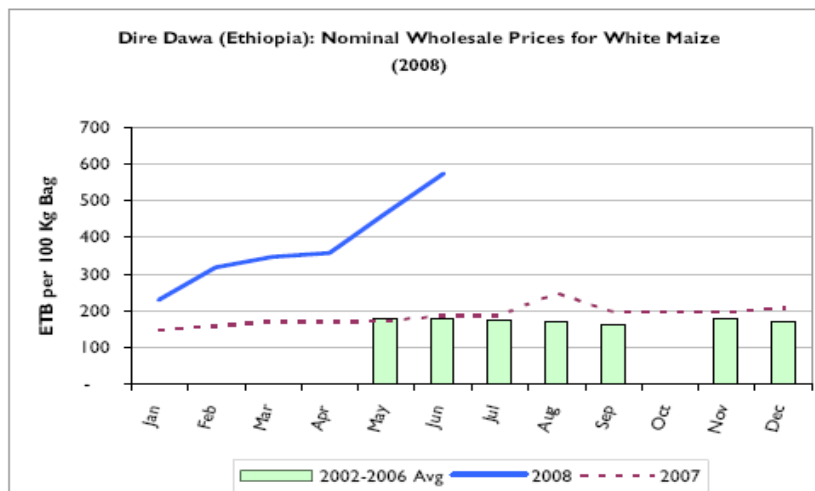
**Total population:** 73.9 million  
**IDP number:** 250 000  
**Refugees:** 78,650  
**GDP PPP US\$/capita:** 255.4  
**Poverty** (Pop below \$1/day): 37%  
**Under nourishment** (% of total pop): 32/46(HDI 2007)  
**2008 domestic cereal availability:** 98%

### 2. An analysis of price trends

- Escalating cereal prices

Prices of maize in 2008 have been above the observed five year averages (2002-2006) and those of 2007 (see Figure 1). The increasing cereal prices and poor livestock conditions have resulted in deteriorating Terms of Trade in the pastoral areas.

Figure 1: Nominal wholesale price for white maize

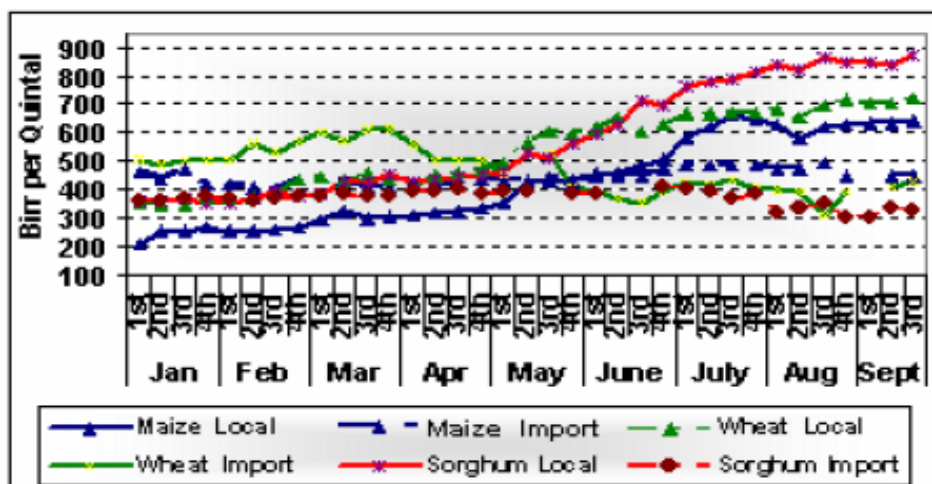


Source: FEWSNET Ethiopia

- Domestic prices above IPP

Studies indicate that domestic cereal prices in Ethiopia have been above the Import Parity Price since May 2008. For example, during September 2008, the local price was above the import parity price by 42.4% for maize; 68.5% for wheat; and 166.3 % for sorghum (Figure 2).

Figure 2: Local and Import price of Grain from 1<sup>st</sup> Jan- 3<sup>rd</sup> Sept 2008



Source: WFP, Ethiopia Market Watch 23 October 2008

### 3. The causes of high food prices

The main cause of high food prices in Ethiopia is not so much the impact of increasing global food prices but is vested in the malfunctioning of markets that are dominated by a lot of distortions, the increased demand especially from the urban population, increase in money supply and economy growth. Poor rains leading to reduced production, particularly in pastoral areas exacerbates the crisis as well as high and increasing fuel prices and trans-boundary animal disease in pastoral areas.

### 4. The impacts of High Food Prices

Table 1: Impacts of high food prices in 2007 and 2008

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable population	Numbers in need of Assistance
Oromiya, Somali, Afar Regions	Prices are rising with overall inflation at 25% and food inflation 35% percent in June 2008 Livestock prices have been declining.	Nutrition conditions deteriorate in parts of SNNPR, Oromiya, Somali, Amhara, Tigray and Afar regions; GAM as high as 19.5% in parts of SNNPR and 23% in parts of Somali Region	<ul style="list-style-type: none"> <li>Low income households</li> <li>Pastoralists</li> <li>Traditionally vulnerable households</li> </ul>	3.25 million people (43% of entire population)

The effect of a price increase is higher for low-income households because they devote more than 57% of their expenditures to cereals. In rural areas, households that are net buyers would be hurt by a price increase, while households that are net sellers would gain from food price increases.

### 5. Analysis of responses in the context of the CFA

Despite the fact that Ethiopia is one of the worst affected countries in the region, the response mechanisms are still currently inadequate to address the crisis. The price stabilization programme by Government is only a temporary measure which may not be sustainable in the future if prices continue to escalate. Urban price impact studies are currently being conducted to better identify the vulnerable populations and to recommend appropriate interventions.

Responses	Institutions
<b>Immediate Packages</b>	
<ul style="list-style-type: none"> <li>Price stabilization program (resumption of the distribution of subsidized wheat (at Birr 350/100kg) to urban cities,</li> </ul>	<b>Government</b>
<ul style="list-style-type: none"> <li>Continued food assistance relief</li> </ul>	<b>Government and WFP</b>



<b>Resilience Packages</b>	
• Nutrition interventions.	<b>Government, UNICEF</b>
• Increased agriculture production through inputs subsidies	<b>Government and FAO</b>
• Productive Safety Net Programme	<b>Government</b>

## **6. Recommendations**

Current interventions are limited in addressing the scale of the crisis. For example, from July 2008 due to the expanded needs arising from drought and price increases emergency food basket was reduced to two thirds of ration size. In order to address the increased food insecurity and nutrition situation there is need to continuously adjust the cash payment for the safety net programme inline with price increases; ensure that emergency food needs resulting from price increases such as the urban poor and the rural net buyers whose livelihoods and coping mechanisms have been under threat are met and also that nutrition conditions, are met through scaling up of the therapeutic and supplementary feeding interventions.

### **References**

FEWSNET: Ethiopia Food Security Outlook July to December 2008. [www.fews.net/ethiopia](http://www.fews.net/ethiopia)

Sileshi Tenna (2008: National Market Profile of Ethiopia: Food Security Perspective *Presentation at the Market Profiling Workshop, November 3-5 Nairobi Kenya*

WFP, 2008: Ethiopia Country Office Food Security Update *25th October 2008*

WFP, 2008: Ethiopia Market Watch, 23 October 2008

## The Impact of High Food Prices in Kenya

### 1. Background

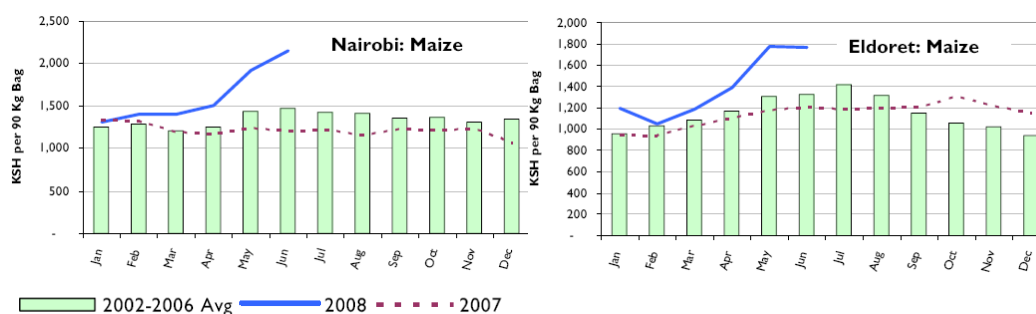
The rapid global increases in commodity prices that started late 2006 have caused serious food and nutrition security concerns. Of the common world staple foods consumed, the price of rice has risen the most, followed by wheat, with maize rising by a lesser factor. For example, since the start of 2007, rice has gone up by 165%, wheat 88%, soybeans 85%, and maize by 59 percent. The high food prices are expected to remain high in 2008 and 2009 and may then begin to decline, but are predicted to stay above the 2004 levels until 2015. High fuel prices, the use of food crops to produce bio-fuels, the impact of weather, changes in consumption patterns as well speculation in commodity futures markets are some of the supply and demand factors behind the global food price increases. This surge in global food prices has been transmitted to the Kenyan markets in varying degrees and impacts across population groups.

<b>Population:</b> 34.25 million
<b>IDPs:</b> 183,000-200,000
<b>Refugees:</b> 283,000
<b>Pop. Below US\$1/day:</b>
<b>2008 Cereal availability:</b>

### 2. An analysis of price trends

An analysis of maize prices (Kenya's staple food crop) show increasing trends particularly for the year 2008 compared to five year average (2002-2006) levels, a situation observed even in surplus markets like Eldoret (Figure 1). Since a large population of Kenyans (especially urban dwellers) depend on market purchases, the sustained increases will impact greatly on poor households.

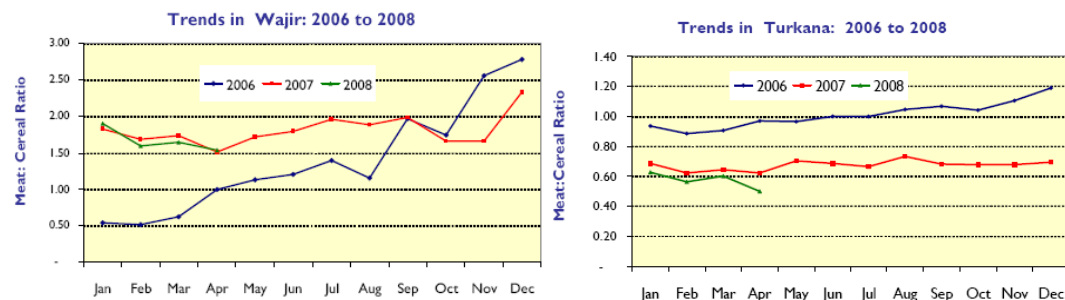
**Figure 1: Maize Price Trends in Nairobi (deficit) and Eldoret (surplus) markets**



Source: FEWSNET, 2008

In addition, pastoralists have also suffered from declining terms of trade as observed in Wajir and Turkana Districts (Figure 2) attributed mainly to the unprecedented rise in cereal prices. A number of factors have triggered the recent increase in food prices.

**Figure 2: Pastoral terms of trade in Wajir and Turkana**



Source: FEWSNET, 2008

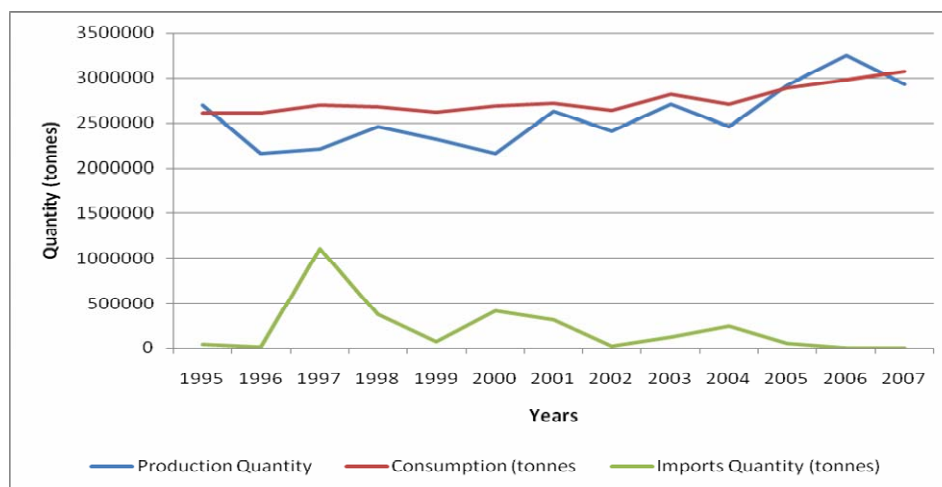
### 3. The causes of high food prices

The overall causes of high food prices in Kenya emanate from a combination of factors. The main factors hinge about the local supply and demand environment. For example, maize consumption has generally exceeded production levels since 1995 thus limiting supply (Figure 3). The situation has been made worse by Kenya's great dependence on maize. Moreover, imports experienced a sharp decline since 1997 and have fluctuated since then generally influenced by fluctuating production levels. The main sources for maize imports into the country have been South Africa, Italy, USA, and the

COMESA region, areas that have been heavily affected by food price surges. Other strong drivers of local food price increases have been:

- The overall rise in inflation, - rising to 31.5% in May and 29.4% in June 2008;
- Dramatic rise in fuel prices that has driven upward all other food and non-food prices, while wage rates remain largely stagnant.
- Policies such as setting NCPB producer prices above market rates, while close to 70 percent of the Kenya population are net buyers of maize

**Figure 3: Trends in maize production, consumption and imports in Kenya, 1995-2007**



Source: Tom Wmbua, 2008

#### 4. The impacts of High Food Prices

The populations most affected by high food prices in Kenya are those in urban areas and rural dwellers who rely on grain purchases. Displaced persons are also at risk as prices increase.

**Table 1: Impacts of high food prices in 2007 and 2008**

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable populations
<u>Urban</u> 90% rely on the market. 40% highly food insecure. 93% of maize needs from the market	-food and non-food prices have increased by up to 50% within six months -The population of the food poor* category increased from 7020 000 in 2007 to 9230 000 in June 2008 (an increase of 31%). - anticipated rise in school drop outs, incidents of food riots & heightened crime.	Reduction in frequency and composition of meals, which could lead to a rise in malnutrition and susceptibility to disease	-HIV affected -Wage labourers and petty traders
<u>Pastoral areas</u> Chronically food insecure, 80% of maize needs from market purchases. Rising dependency on food relief. <i>North west</i> (poor rains, conflict, lower livestock prices).	-Average cereal prices, more than 80% higher in north west and 50-60% higher in north east compared to other markets. -Poor category rose from 564 826 people in Dec 2007 to 669 527 in June 2008 (23% increase). -75% of population now food poor after price increases.	Rates of child malnutrition are above critical thresholds in localized areas of Manderla & Turkana districts with GAM rates of 22 and 29 percent, respectively.	-Destitute pastoralists (25-30 % of the population). -HIV affected
<u>Agro-pastoral</u> 62% of maize needs from market purchases.	-The poor category has risen from 109489 in July 2007 to 141 130 in July 2008 (29% increase). -School drop out rates and	Rates of child malnutrition remain below critical thresholds	-Rural poor Smallholders, -subsistence

	destitution rising.	but could rise,	farmers, -HIV affected
<u>Marginal agricultural</u> 51% of maize needs from market purchases.	-The poor category has risen from 2, 2108 in July 2007 to 2, 835 704 in July 2008 (28% increase). -Immediate food security stable but could deteriorate rapidly.		HIV affected
<u>High potential mixed farming:</u> Central & western areas of Kenya. 38% of maize needs from market purchases.			Over 80% of displacements. About 50,000 IDPs in camps vulnerable to water and vector borne diseases.

\* The food poor are populations whose daily consumption, converted into daily food expenditure fall below the minimum food requirement threshold (KFSSG).

## 5. Analysis of responses in the context of the CFA

Sustained relief food assistance in drought affected pastoral areas of the North West and North East Kenya may be minimising the impacts of high food prices. This is reflected in the lowest increase of people in the poor category compared to other areas (table 1). While urban vulnerability to food prices is increasing, this has not been met with adequate responses.

Immediate Packages	Institutions
<ul style="list-style-type: none"> <li>Provision of hot lunches to 60, 000 <u>school children</u></li> <li>9,000 <u>HIV affected</u> receive food rations</li> <li>Fortified nutritious hot porridge to 62 000 <u>pre-school children</u></li> </ul>	<b>WFP</b>
<ul style="list-style-type: none"> <li>Subsidising the price at which millers purchase grain from the National Cereals and Produce Board (NCPB).</li> <li>Setting two-tier retail price controls for milled maize</li> </ul>	<b>Government</b>
Resilience Packages	
<ul style="list-style-type: none"> <li>142, 000 people in unplanned <u>urban settlements</u>- providing agricultural inputs to <u>small-scale farmers</u></li> <li>Input vouchers for 2 000 <u>small-farmers</u></li> </ul>	<b>FAO/WFP</b>

## 6. Recommendations

The chronic rates of child malnutrition that have persisted in several pastoral livelihoods (prominently in Turkana, Mandera and South-eastern Marsabit) for a decade cannot be solely attributed to price surges. There is thus an urgent need for school feeding in these areas for preventing further deterioration. The ongoing relief food assistance in these areas needs to be maintained. However, immediate food assistance for urban households is required, particularly those affected by HIV and AIDS, wage labourers and petty traders. In the long-term, ensuring adequate access to nutrition education and safe water supplies will be critical.

### References

FEWSNET Kenya: [www.fewsnet.net.org](http://www.fewsnet.net.org)

The Kenya Food Security Steering Group (KFSSG), 2008: The impact of rising food prices on disparate livelihoods groups in Kenya.

Wambua, T (2008): An evaluation of market functioning in Kenya (draft paper).

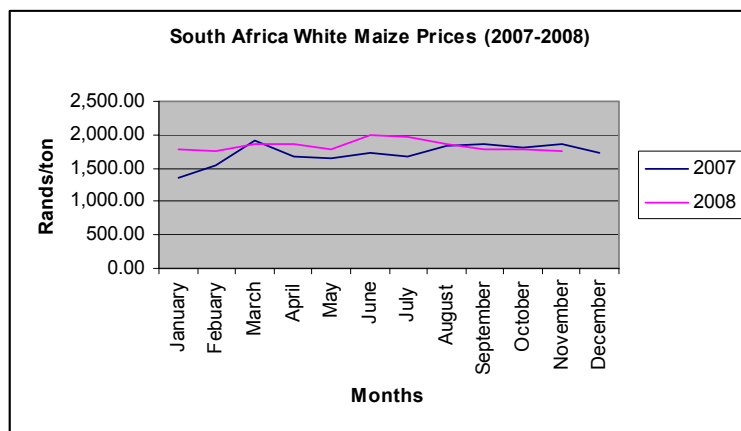
## The Impact of High Food Prices in Lesotho

### 1. Background

In southern Africa, Lesotho is one of the countries most affected by rising prices. The fact that the economy is very open, with imports amounting to about 90 percent of GDP, and is heavily dependent on inflows of workers' remittances from South Africa, intensifies the situation. Due to declining mining jobs for migrant workers in South Africa, unemployment rates are now around 45 percent. Since Lesotho's cereal availability from domestic production for 2008 is estimated at 27% with the rest of the food requirements coming from imports, the impacts are likely to be felt more. In fact, the food inflation has the largest weight (39.8%) in overall consumer price index (CPI).

### 2. An analysis of price trends

The prices of main cereals and fuel in Lesotho are heavily influenced by those on the South Africa

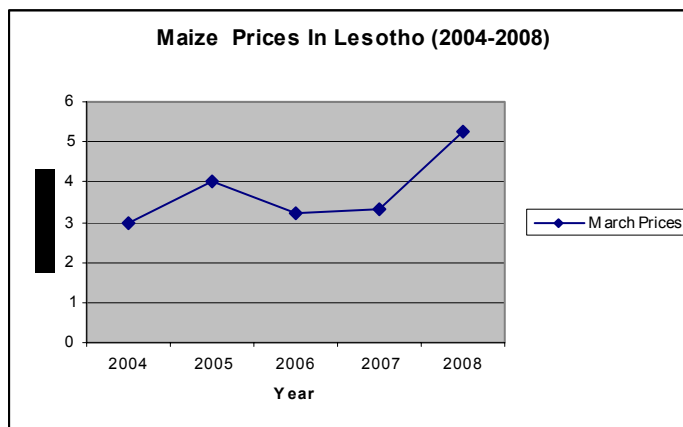


market. The white maize prices in the South Africa Futures Exchange (SAFEX) have been on the increase since 2007. For example prices in January 2008 increased 40% more than the same time in 2007 (Figure 1).

For Lesotho, the situation has been severe with the price of maize having increased by almost 60% for a package of 1 kg between May

2007 and July 2008 (Figure 2).

Although South African maize prices are recently showing a steady decrease following a reduction internationally as well as a strengthening Rand, it is unlikely that this will translate into immediate positive impacts in Lesotho. Fuel prices have also been increasing significantly in the past two years (Figure 1) influenced also by the South Africa price trends. For example, in July 2008, the price of petrol was 92% higher when compared to February 2007 prices while diesel increased by 103% while paraffin increased by 130 percent.



### 3. The causes of high food prices

The high food prices in Lesotho are caused by a combination of factors. A key factor is its reliance on commodity imports from South Africa. For example over 70% of maize in Lesotho is imported, indicating a high exposure and vulnerability to price increases. In addition, the impact of droughts and frost strongly influence harvests and thus domestic supply. A reduced level of remittances due to limited employment opportunities in the South African mines has affected the purchasing power of most households thus exacerbating the crisis.

### 4. The impacts of High Food Prices

The table summarises the impacts of high food prices in the urban areas based upon the Urban Vulnerability Assessment that was conducted by the Lesotho VAC with support from WFP in August

2008. The study was designed to compare households receiving assistance through HIV and AIDS programmes and a similar sample of non-assisted households.

**Table 1: Impacts of high food prices in 2007 and 2008**

Most affected Areas	General impacts	Nutrition situation	Vulnerable population
Thaba-Tseka, Mafeteng, Mofale's Hoek and Mokhotlong (high food),  Berea, Leribe and Maseru (high fuel)	Changes in consumption habits with less preferred foods.  Reducing both the amount of food eaten and the number of meals.  Impact of unusually high fuel prices: 68% non-assisted households and 53% of assisted households affected	Levels of Chronic malnutrition very high (40-50%) especially in mountainous areas.	Both assisted and non-assisted groups  Elderly headed households and those that host OVCs,  Poor households and households which depend mainly on petty trade, especially those living in urban areas.  All households in the pension/allowance livelihood group

## 5. Analysis of responses in the context of the CFA

The Lesotho Government, along with partners, has developed planned responses that are comprehensive and cover both immediate and resilience needs (Table 2).

**Table 2: Government planned responses on the impact of HFP in Lesotho**

Government Planned Responses	Total Budget
<b>Immediate Packages</b>	
Cash and Food Vouchers to vulnerable people	M120,654,190
Increase Grain Crop Production through input Subsidies	M799,000,132
Inputs' Trade Fairs and seed fairs	M751,300
Strengthening National Nutrition Surveillance System	M4,400,000
<b>Resilience Packages</b>	
Management of Severe Malnutrition for Inpatient and Outpatient	M463,142,245
Increase Old Age Pension by M50.00 and reduce age limit from 70 to 65 years of age	M124,449,600 additional every year
Up-scaling cultivation activities (CA) to reduce the impact of soaring food prices	Mechanized CA: M5,265,303 over 3 yrs; Ox-drawn and manual CA: M5,087,100 for 3 yrs.
Business development and supply chain intervention	M18,484,000
Control and eradication of animal diseases of economic importance	M56,000,000
	<b>M1,592,233,870</b>

Source: Government of the Kingdom of Lesotho, 2008. Responses to Soaring food prices (Draft)

## 6. Recommendations

Since the Government Action Plan is informed by urban HFP impact study, the Lesotho VAC assessment and others (e.g. CRS study), the responses have been designed with evidence on the ground. The challenge now remains with the implementation and coordination. It is also unclear where funding will be sourced for this action plan. An understanding of the role of WFP within this strategy would be useful. In addition, it is recommended market information generated by SAFEX in South Africa be used to update the understanding of the impacts of HFP in Lesotho and thus linkages with the Johannesburg procurement section should be strengthened to better monitor the situation.

## References

- CRS, June 2008: Rising Prices – How do people in Lesotho cope? *A rapid vulnerability assessment of the situation in the village of Bobete, Thaba Tseka*
- Central Bank of Lesotho, 2008: The Economic Review July 2008- “FFF” Conundrum: The Effects of Rising Prices of Fuel, Food and Finances. CBL Economic Review, No. 96. July 2008
- Government of the Kingdom of Lesotho, 2008. Responses to Soaring food prices (Draft)
- Vulnerability and Food Insecurity in Urban Areas of Lesotho: *An assessment of the impact of high prices on vulnerable households in ten major cities- Lesotho Disaster Management Authority (DMA), Lesotho Vulnerability Assessment Committee (LVAC) and the UN World Food Programme August 2008*

## The Impact of High Food Prices in Madagascar

### I. Introduction

Madagascar is an island nation that depends on rice as its main staple - per capita rice consumption is amongst the highest in the world. The country produces the majority of the rice consumed but it remains a net importer of rice. In 2008 around 200,000 Mt of imports will be required to meet domestic consumption requirements.

While registering a relative improvement in the macro economic context and progress in areas such as education and health, 66% of the population live in poverty. The average of household expenditure devoted to food is about 70%; a third of which is exclusively for rice.

#### Indicators of Livelihoods

Population: **19.4 million**

GDP: **\$923/capita**

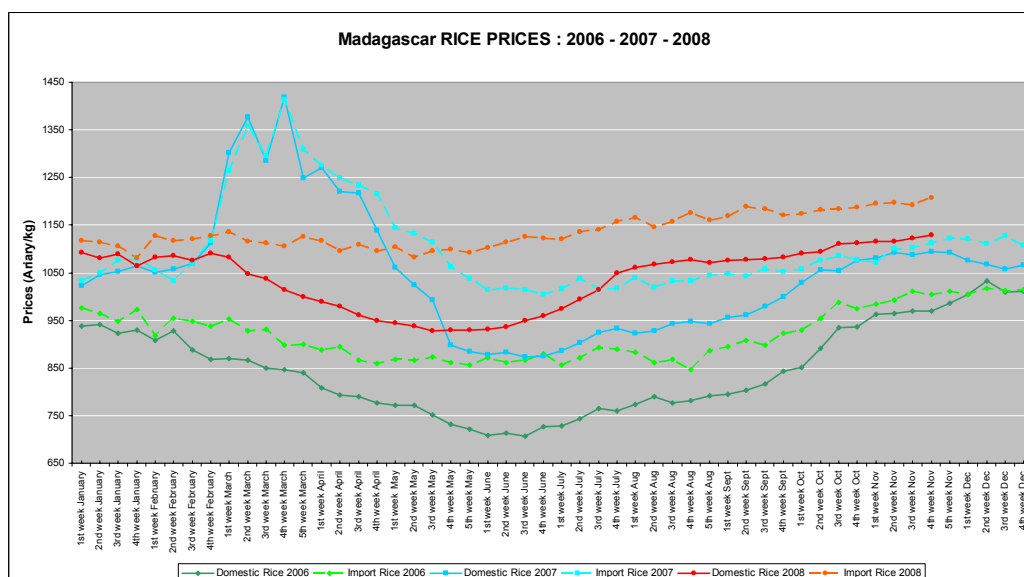
Poverty (prop below \$1/day): **66%**

Domestic cereal availability: **90%**

### 2. Price Trends

With the lean season (October to March), price of domestic and imported rice tend to converge, eventually aligning with the higher import parity price. During a normal year, this translates into a seasonal increase of approximately 25 percent. In the current situation, it is foreseen that the price will gradually increase by more than 42 percent.

Figure I: Madagascar Rice Prices: 2006-2007-2008



### 3. Causes of high food prices

Madagascar has not been spared from the international concern about rising food prices. Rice is the principal staple food in the majority of the country, and although the country produces 90% of the rice consumed, Madagascar is a net importer of rice, and imports account for over 40% of the rice which is commercially sold. Indeed, it is well documented throughout the country that during the lean season from October to March, even in areas where imported rice is not consumed, prices for both domestic and imported rice tend to be the same and to align with the import parity price. Therefore, during a normal year, the price of rice increases by approximately 25% in-country between the harvest and lean seasons. This is a normal function of the market, however it is also apparent that during years where not enough rice has been imported to cover needs, traders will hoard rice until the price rises as much as 50% above the import parity price (as in 2005)<sup>6</sup>.

<sup>6</sup> See Jean-Treyer, Olivier *La filière riz malgache face à la hausse des prix internationaux Situation actuelle, perspectives et actions envisageables* and the subsequent summary and update, and also Magnay, John *Market and Production Interventions for the Rice Crisis 2008-2009*



#### 4. Impact of High Food Prices

The negative impact of these price increases on households' welfare and food security will be severe. A 10% increase in rice price induces a decrease of 6.2% in consumption of rice by the rural poor and a 5.3% decrease for the urban poor. The overall increase on the poverty headcount will be particularly steep in urban areas where 87% of households are net purchasers of rice, against 66% in rural areas

#### 5. Analysis of responses in the context of the CFA

As early as June, the Government of Madagascar took a number of steps to mitigate the impact of high prices: VAT on imported rice was reduced from 20% to 5%, a temporary export ban was placed on maize and rice, and a finance bill was introduced that provided an additional budget of USD 25 million for subsidizing urban transport, boost agricultural production and strengthen safety nets in urban areas, particularly through school feeding and labour-intensive cash-for-work programmes.

Immediate Packages	Institutions
<ul style="list-style-type: none"> <li>Take home rations + mid-day snack for 85,000 primary school children in urban and peri-urban areas;</li> <li>Take-home rations for 30,000 other vulnerable individuals;</li> <li>Supplementary feeding for 7,000 pregnant/lactating women, children under five and TB patients</li> </ul>	<b>WFP</b>
<ul style="list-style-type: none"> <li>VAT on imported rice reduced from 20% to 5%;</li> <li>a temporary export ban placed on maize and rice;</li> <li>and a finance bill introduced that provided an additional budget of USD 25 millions for subsidizing urban transport, boost agricultural production and strengthen safety nets in urban areas, particularly through school feeding and labour-intensive cash-for-work programmes</li> </ul>	<b>Government</b>
Resilience Packages	
<ul style="list-style-type: none"> <li>Activities to support smallholder farmers in line with the Ministry of Agriculture's new strategy for a rapid and accelerated production and productivity increase</li> </ul>	<b>Min. of Agriculture/F AO</b>
<ul style="list-style-type: none"> <li>Dialogue with Ministry of Health &amp; Social protection to ensure consolidation of a comprehensive social protection framework</li> </ul>	<b>Min of Health/ UNICEF/ WFP</b>

#### 6. Recommendations

Recognising that there is significant complexity of targeting urban areas, the sites of the community-based nutrition network and other institutions, including primary schools in the slum areas, will be used as platforms to distribute daily take-home rations (rice and oil) to the most vulnerable urban dwellers.

An urban vulnerability assessment is underway, to confirm target groups and better inform the future modality of the interventions in the urban areas. Furthermore a feasibility study shall be carried out to explore appropriateness and scope of a food voucher programme to eventually substitute or integrate in-kind distributions. Meanwhile, secondary data is being utilised to inform programme design.

#### References

Joint FAO/WFP/IFAD mission, a plan of action encompassing both short and medium term interventions to address high food prices in Madagascar

Jean-Treyer, Olivier La filière riz malgache face à la hausse des prix internationaux - Situation actuelle, perspectives et actions envisageables

Magnay, John Market and Production Interventions for the Rice Crisis 2008-2009

WFP Madagascar 2-pager - Response to the High Food Prices

## The Impact of High Food Prices in Mozambique

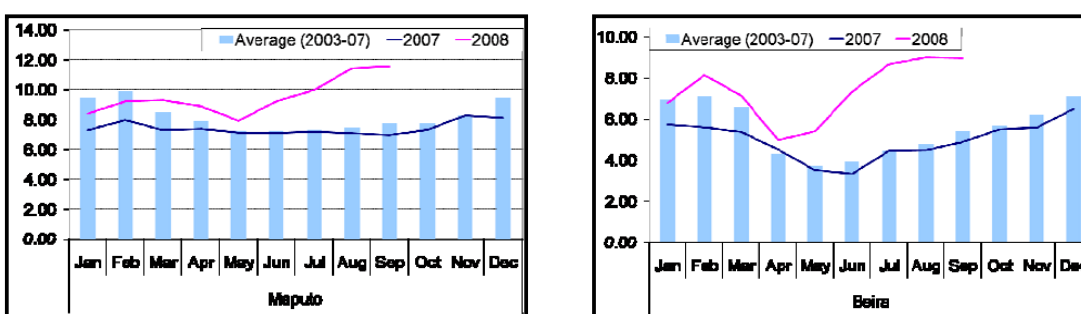
### 1. Background

Mozambique is an example of a successful post-conflict nation that has achieved macro-economic and political stability. It achieved strong economic growth of 8% between 2000 and 2006 due to large foreign investments and cancellation of IMF debt. The country remains dependent upon foreign assistance for much of its annual budget. Subsistence agriculture employs a large of Mozambique's population. However, vast amounts of land remain uncultivated with potential for more agricultural production. In addition, it relies on imports for fuel and food staffs particularly from South Africa. Even against this good outlook, Mozambique was not spared from the impact of global food price surges. The riots over bread and bus fare hikes that occurred in February 2008 marked the height of the series of price increases.

### 2. An analysis of price trends

An analysis of maize prices shows that prices have fluctuated since 2003. For example in 2008, maize prices were 50 percent above the five year average and 66 percent above 2007's average in Maputo. While in Beira maize prices were 65 percent above five year average and 83 percent above the same time in 2007.

Figure 1: Real maize retail prices in Maputo and Beira reference markets, in Meticais per kg



Source: [www.fews.net](http://www.fews.net)

### 3. The causes of high food prices

The current causes of HFP in Mozambique appear to be cyclical and seasonal depending more on climate extreme conditions such as frequent droughts, floods and cyclones. The southern part of Mozambique generally experiences high food prices because it is prone to droughts and the rural areas in this region are remote and isolated from markets. Other drivers include a decline in government grain reserves, high cost of fuel and increased demand for maize by small and medium scale milling companies.

### 4. The impacts of High Food Prices

An analysis of the impacts indicates that prices in Mozambique will have the greatest impact in urban areas and the southern region which is more prone to food insecurity.

Table 1: Impacts of high food prices in 2007 and 2008

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable population
Southern Region	<p>Average maize prices in mid-August were 25 percent higher than last year at this time and about 35 percent higher than the five-year average, limiting market access to food for the majority of households.</p> <p>High agricultural production losses.</p> <p>High staple food prices are likely to continue until February 2009</p>	Acute malnutrition levels are generally low. The levels of stunting in the northern provinces are among the highest in the region.	Poor households Urban households

Central region	August maize prices were almost double those of last year and the five-year average.		
Northern region	Food prices remain high but households remain relatively food secure Food availability is still adequate.		

## 5. Analysis of responses in the context of the CFA

A government inter-ministerial task force developed a HFP Action plan composed of economic and agricultural growth measures as well as social protection measures (Table 2). The responses are comprehensive in covering both immediate and resilience needs and across different groups of vulnerable population.

**Table 2: Current responses to HFP in Mozambique**

Responses	Institutions
<b>Immediate Packages</b>	
<ul style="list-style-type: none"> <li>Health and nutrition: nutrition rehabilitation of moderately malnourished children and HIV patients including new nutritious supplements for one year to 5, 000 beneficiaries</li> </ul>	<b>WFP and Government</b>
<b>Resilience Packages</b>	
<ul style="list-style-type: none"> <li>Social protection: support to OVC for one year to 10, 000 beneficiaries;</li> </ul>	<b>WFP and Government</b>
<ul style="list-style-type: none"> <li>Social protection: Community care for chronically ill persons for one year to 10, 000 beneficiaries</li> </ul>	<b>WFP and Government</b>
<ul style="list-style-type: none"> <li>Social protection: Cash/voucher for work programme for unemployed youth in urban centres to 5, 000 beneficiaries</li> </ul>	<b>WFP and Government</b>
<ul style="list-style-type: none"> <li>Education- Delayed phase out food support to selected schools in urban areas to 12, 275 beneficiaries</li> </ul>	<b>WFP and Government</b>

## 6. Recommendations

Current responses last only for a year and this may not be enough to hedge vulnerable population against future price increase. It is necessary to closely monitor markets by strengthening linkages with FEWSNET in Mozambique and other partners. Since the main driver to HFP Mozambique is more of climate and poor market infrastructure, responses will need to use this as early warning information in future responses.

### References

FEWSNET: Mozambique Food Security Outlook October to March 2009. [www.fews.net/mozambique](http://www.fews.net/mozambique)

## The Impact of High Food Prices in Somalia

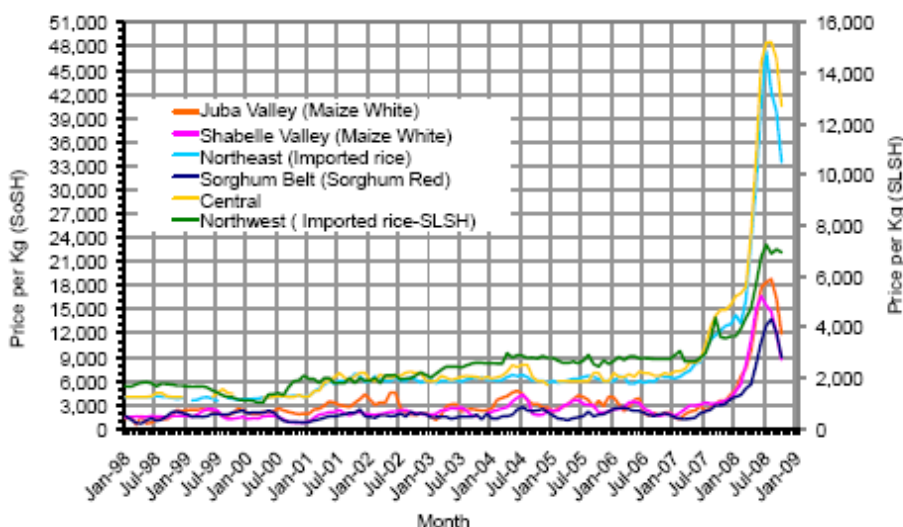
### 1. Background

Somalia comprises the self declared independent North West region (*Somaliland*), and the semi-autonomous North East region (*Puntland*) and the South Central region nominally led by the Transitional Federal Government (TFG). In general, Somalia is a private sector economy with minimal public sector involvement in economic management. The main staple crops for Somalia are maize (white), sorghum and imported rice and wheat. Livestock forms an important source of livelihood and export earnings. However, the global rise in commodity prices has exacerbated the food and nutrition security crisis caused by conflicts, civil insecurity, and natural disasters such as droughts and floods. The global rise in commodity prices is most worrisome considering that Somalia is a cereal deficit country that harvests no more than 40% of its cereal need. As such, most households, both urban and rural, heavily depend on markets for food.

### 2. An analysis of price trends

The prices of both local and imported cereals have reached historic levels and continue to be above the five year average prices. The price of imported red rice has increased nearly four-fold and that of red sorghum five-fold compared to prices at the same time in 2007<sup>7</sup>. For example, Mogadishu recorded a 365% price increase of red sorghum between August 2007 and August 2008, the greatest increase in the Horn of Africa<sup>8</sup>. A regional analysis also shows this rise in cereal prices with the greatest increases recorded for imported commodities from late 2006 to date (Figure 1).

Figure 1: Regional Trends in Cereal Prices (SoSh)



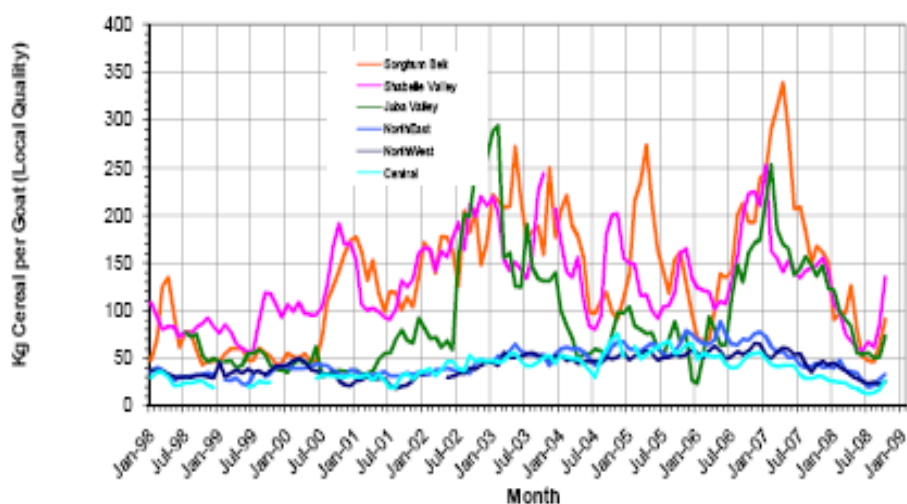
Source: FSAU, *Food and Nutrition Quarterly Brief: Focus on post Deyr season early warning*, November, 21 2008. [www.fsausomalia.org/fileadmin/uploads/1375.pdf](http://www.fsausomalia.org/fileadmin/uploads/1375.pdf)

The declining terms of trade have particularly been felt in the sorghum belt, Shabelle and Juba valleys from beginning 2007 (Figure 2). The recent improvements in terms of trade since July are still lower than 12 months ago.

<sup>7</sup> FEWSNET East Africa Regional Food Security Update: Staple food prices. [gha@fewsn.net](mailto:gha@fewsn.net)

<sup>8</sup> FEWS NET August 2008- Food security and nutrition conditions in the GHA, October 2008.

**Figure 2: Regional Terms of Trade – Cereal to goats**



Source: FSAU, *Food and Nutrition Quarterly Brief: Focus on post Deyr season Early warning*, November, 21 2008. [www.fsasomalia.org/fileadmin/uploads/1375.pdf](http://www.fsasomalia.org/fileadmin/uploads/1375.pdf)

### 3. The causes of high food prices

High levels of insecurity in Somalia underpin the high food prices experienced in recent years. For example, food prices (especially imported commodities) are generally high in areas of conflict and insecurity particularly in the southern and central parts of the country. Other causes include market distortions and seasonal price variations resulting from supply and demand factors mainly related to incidences of droughts and floods. Besides causing prices to rise, conflicts and insecurity hinder the implementation of responses, limits imports and domestic trade, induce road block, check points and illegal taxation of commodities. Thus, the effect of civil insecurity and resultant internal displacement and market disruptions is more pronounced than the combined effects of droughts and high international food prices. Other factors include the injection of *fake* Somali currency on the market which has resulted in high levels of hyperinflation as well as declining cereal production levels.

### 4. The impacts of High Food Prices

The impact of high food prices in Somalia is generally spread throughout the country. Worsening food insecurity, declining terms of trade, migration, sale of livestock for food are some of the major impacts (see Table 1).

**Table 1: Impacts of high food prices in 2007 and 2008**

Most affected livelihoods	General impacts	General nutrition situation	Vulnerable populations
South	Rising staple food prices continue to negatively affect terms of trade for drought-affected south-central Somalia,	Approximately 180,000 children are estimated to be acutely malnourished in South and Central Somalia, and among the IDP population in the north. Of this total, 26,000 are estimated to be severely malnourished, more than half in the Shabelle and Central regions and in many urban towns	<p>IDPs around Mogadishu, along the Shabelle River, in central regions, in Bossaso and Baidao</p> <p>Urban poor: Mogadishu, Dusamareb, Burao, Bossaso, Baidao</p>
Central	Worsened food insecurity among one million rural households		Riverine agriculturalists, agropastoralists with limited access to land
North West (Puntland)	Migration to Kenya and some to Yemen, Ethiopia and Djibouti	Poor dietary diversity among 40-60% of households in Bakool, the North East	Pastoralists and agropastoralists in Bakol, Gedo central

North East (Somaliland)	Sale of livestock to buy food	Very critical nutrition levels among agropastoralists. Global Acute Malnutrition of 25.2% in Bakool region	region and the Shabelle
Urban areas	Cost of minimum basket very high		

Sources: East Africa Regional Food Security Update: Staple food prices. [gha@fews.net](mailto:gha@fews.net), Somalia Food Security Outlook October 2008 to January 2009. [www.fews.net/somalia](http://www.fews.net/somalia), FSAU Somalia: Vulnerable groups [www.fsausomalia.org/fileadmin/uploads/1375.pdf](http://www.fsausomalia.org/fileadmin/uploads/1375.pdf)

## 5. Analysis of responses in the context of the CFA

Insecurity and lack of access to food and income has caused large population movements to Kenya, Yemen, Djibouti and Ethiopia<sup>9</sup>. In addition this context has affected the design and implementation of appropriate responses.

This environment of uncertainty has resulted in responses that are inadequate in terms of meeting food availability and access in the context of increasing food prices. WFP Somalia is providing relief assistance, Supplementary Feeding programmes and wet feeding but these are not in response to high food prices. Targeting urban households is recommended as it helps in easing the impact of price increases and lack of income. In addition, within Somalia there are some thoughts on how the impact of HFP can be tackled and this is provided in Table 2 as recommended responses. Due to the prevailing insecurity, most of these responses may not be possible but there is need for partners to discuss on the best way forward.

**Table 2: Analysis of responses in the context of the CFA**

Immediate Packages	
Ongoing Responses	Recommended Responses
Food relief assistance: WFP is currently distributing about 35,000 Mt of food every month and is providing for the first time relief food assistance in urban centres	Increase funding on food aid distributions; cash distributions
Resilience Packages	
Distribution of seeds and tools, health interventions to riverine agriculturalists	Urban agriculture; Income generating activities within agricultural sector, such as processing or marketing of foods; Market strengthening activities to increase competition
Drought preparedness programs. For example, provision of water and fodder and strengthening of animal health services	Facilitate access to meat markets; Improve functioning of food markets in pastoralist areas; Support to agriculture in marginal lands.
	One of the main issue relates to water conservation, clean water and improvement of irrigation canals

Source: Markets and Vulnerability Matrix, FSAU, Somalia

## 6. Recommendations

The HFP situation in Somalia is critical with the south and central regions worst affected. Since conflicts and insecurity are the major fuelling factors, the situation is likely to persist for a long time. Against this context, there is need for constant monitoring of the insecurity and price situation for contingency planning purposes. The ongoing FSAU market and nutrition assessments as well as the current WFP study on markets are positive measures. However, partners need to discuss and map strategies for dealing with urgent responses such as the need for strengthening school and supplementary feeding programmes as a way of addressing high levels of malnutrition. Obviously, issues of insecurity will limit the type and level of implementation of responses.

<sup>9</sup> Somalia Food Security Outlook October 2008 to January 2009 [www.fews.net/somalia](http://www.fews.net/somalia)

**References**

East Africa Regional Food Security Update: Staple food prices. [gha@fews.net](mailto:gha@fews.net).

FSAU Somalia: Vulnerable groups [www.fsausomalia.org/fileadmin/uploads/1375.pdf](http://www.fsausomalia.org/fileadmin/uploads/1375.pdf)

FSAU, Food and Nutrition Quarterly Brief: Focus on post Deyr season Early warning, November, 21 2008. [www.fsausomalia.org/fileadmin/uploads/1375.pdf](http://www.fsausomalia.org/fileadmin/uploads/1375.pdf)

Somalia Food Security Outlook October 2008 to January 2009. [www.fews.net/somalia](http://www.fews.net/somalia).

## The Impact of High Food Prices in Swaziland

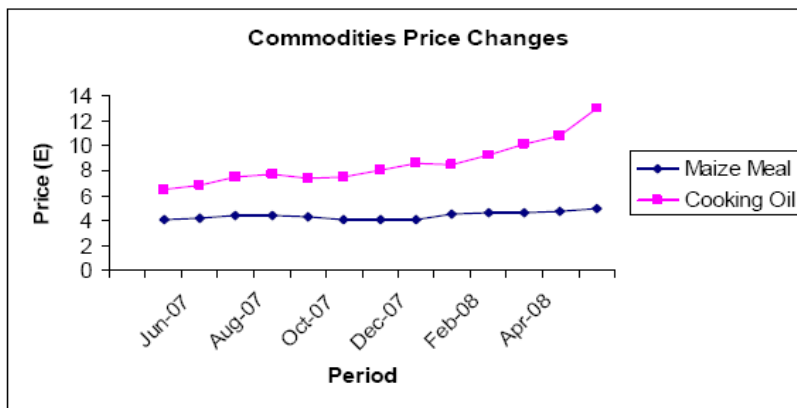
### 1. Background

The rapid global increases in commodity prices that started late 2006 have caused serious food and nutrition security concerns. Of the common world staple foods consumed, the price of rice has risen the most, followed by wheat, with maize rising by a less percentage. High fuel prices, the use of food crops to produce bio-fuels, the impact of weather, changes in consumption patterns as well as speculation in commodity futures markets are some of the supply and demand factors behind the global food price increases. The global surge in prices has been translated to the Swazi market with marked impacts. While the country has a small population of just over one million people, a large proportion of this (78%) is rural based and depended on rain-fed agriculture. The country also carries the highest burden of HIV and AIDS in the world with a national prevalence of 26 percent. The fact that Swaziland is highly depended on imports makes it more vulnerable to global rises in food prices.

### 2. An analysis of price trends

Swaziland's maize prices, the staple food are directly linked to the Futures Exchange SAFEX market of South Africa and they have been on the increase since 2007. For example prices in January 2008 increased 40% more than the same time in 2007. However, South Africa maize prices are recently showing a steady decrease following a reduction in international prices as well as a strengthening Rand, and this is expected to have positive impacts in Swaziland. For example, an analysis of prices of basic commodities shows that cooking oil increased by over 100% while the price of maize meal remained steady between June 2007 and April 2008 (Figure 1) but rice prices increased by over 100% during the same period<sup>10</sup>.

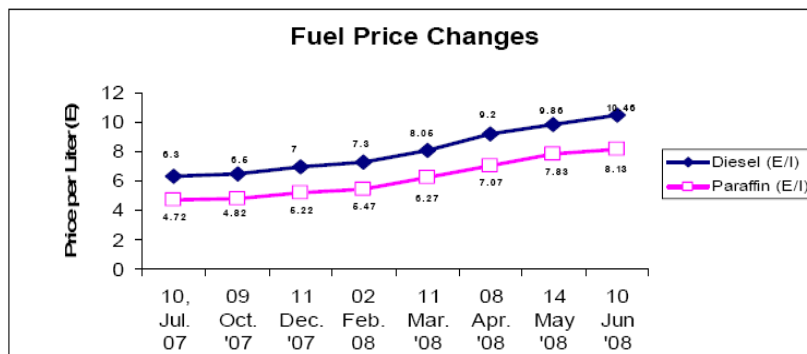
Figure 1: Commodities Price Changes in Swaziland (June 2007- April 2008)



Source: Swaziland Vulnerability Assessment Committee Report, June 2008

Fuel prices have also been increasing significantly between July 2007 and June 2008 (Figure 2) influenced also by the South Africa price trends.

Figure 2: Swaziland Fuel Price Changes (July 2007 – June 2008)



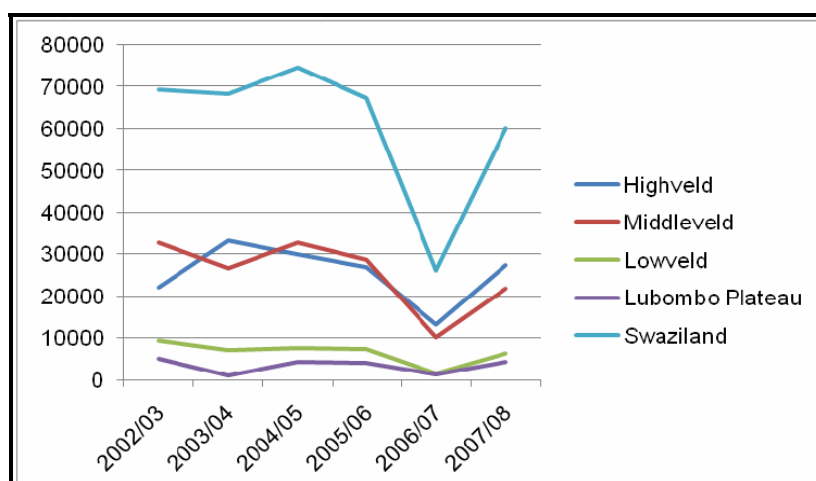
<sup>10</sup> Swaziland Annual Vulnerability Assessment Committee (VAC) Report, July 2008



### 3. The causes of high food prices

High food prices in Swaziland are caused by limited domestic supply of food caused by prolonged droughts, erratic rainfall, high temperatures. Since the country receives 90% of its food imports from South Africa, this direct linkage has exposed it to significant price increases. Another factor is the weak economic performance due to declining agriculture that has been experienced since 2002 (Figure 3). For example, year-on-year inflation rates for Swaziland for 2007 through March 2008 show a rising trend and food price inflation has risen much more rapidly than the general inflation. This has resulted in limited incomes for the poor and low-income groups who spend a large proportion of it on food.

**Figure 3: Swaziland maize production 2002/3- 2007/8**



Source: Swaziland Vulnerability Assessment Committee Report, June 2008

### 4. The impacts of High Food Prices

The Urban Vulnerability Study conducted by the Swazi VAC with support from WFP shows that when considering consumption, purchasing power and stress, the highest percentage of food secure households are found in Shiselweni urban areas (38%), followed by Lubombo (22%) and Hhohho (21%) with the least in Manzini (11%). In terms of livelihood groups, those relying on brewing, agricultural wage labour, remittances, pensions or gifts are the most likely to be vulnerable to urban food insecurity in Swaziland under the context of high food prices.

**Table 1: Impacts of high food prices in 2007 and 2008**

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable population
Urban households relying on brewing, agricultural wage labour, pension, gifts and remittances.	Almost all urban households sampled (94%) increased their expenditure on food in all regions 89% of sampled urban households in all regions increased their expenditure on energy Worst consumption levels in Lubombo (46% of households had good consumption)	Stunting in all regions remains above 35% Lubombo plateau- 51% and peri-urban 43%	Households affected by HIV and AIDS Households hosting orphans

Sources: Urban Impact assessment of high food prices in Swaziland and Swaziland Vulnerability Analysis Assessment Report, July 2008

## 5. Analysis of responses in the context of the CFA

Current interventions have been directed towards alleviation of food insecurity as well as the mitigation of the impact of droughts. The impacts of high food prices have been felt throughout the urban and rural areas because of reduced agricultural production and incomes. The need for boosting agricultural production and food availability in Swaziland is necessary to avert future price increases even if the global maize prices are declining.

<b>Immediate Packages</b>	<b>Institutions</b>
<ul style="list-style-type: none"><li>• Targeted relief food to vulnerable households in affected areas</li><li>• Short-term provision of agricultural inputs to farmers</li></ul>	<b>WFP</b> <b>FAO</b>
<b>Resilience Packages (Recommended)</b>	
<ul style="list-style-type: none"><li>• Crop diversification, especially production, processing and marketing of drought tolerant crops</li><li>• Conservation farming</li><li>• Small-scale irrigation schemes particularly in the Lowveld areas</li></ul>	<b>FAO/WFP</b>

## 6. Recommendations

Coordinated effort and partnerships should be strengthened as a way forward. To this end, various stakeholders need to discuss a strategy on how to deal with current and future vulnerability to high food prices. Social protection initiatives that target urban livelihoods such as those in small businesses and petty trade targeting, those relying on pensions will be necessary. In addition, nutrition interventions in the form of school feeding need to be expanded and strengthened particularly in the context of high impacts of HIV and AIDS.

### **References**

FAO/WFP Crop and Food supply assessment mission to Swaziland, Special Report, 4 July 2008

Swaziland Annual Vulnerability Assessment Analysis Report, July 2008

Urban Impact assessment of high food prices in Swaziland

## The Impact of High Food Prices in Zambia

### I. Background

The global rise in food prices has escalated the food and nutrition security crisis worldwide. Of the common world staple foods consumed, the price of rice has risen the most, followed by wheat, with maize rising by a smaller factor. For example, since the start of 2007, rice has gone up by 165%, wheat 88%, soybeans 85%, and maize by 59 percent. A combination of factors, including reduced production due to climate change, historically low levels of stocks, higher consumption of meat and dairy products in emerging economies, increased demand for biofuels production and the higher cost of energy and transport have led to surges in food prices. For Zambia, food prices and in particular maize has been rising rapidly since beginning of 2008 causing serious food and nutrition security concerns. In particular, for the Zambia context, the situation is exacerbated by the collapse in the revenues from copper mining leading to mass lay-offs of workers as well as de-valuation of the Zambian Kwacha and the relative retreat of foreign investment from the country.

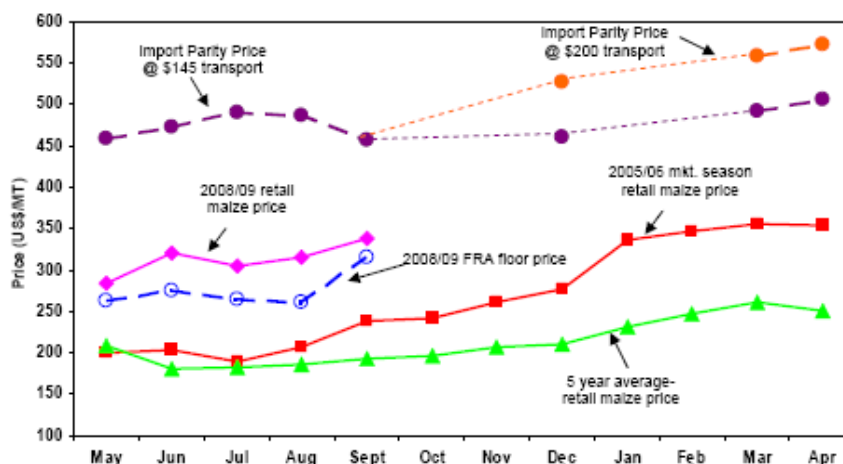
<b>Population:</b> 11.7 million <b>Refugees:</b> 120 000 <b>GDP (US\$/capita):</b> 1,023 <b>Pop. Below US\$1/day:</b> 64% <b>2008 Cereal availability:</b> 96%
--

### 2. An analysis of price trends

When comparing recent price trends to the past, some research conducted by the Food Security Research Project in Zambia indicates that:

- Current maize retail prices exceed “normal” levels when evaluated in US\$ terms (Figure 1), surpassing import parity levels
- Despite a current stable food security situation, August 2008 prices almost equal to the lean season highs of 2005/6
- Similarly, 2008 retail maize prices in nominal Kwacha are exceedingly high (Figure 2).

**Figure 1: Comparison of nominal US\$ Maize Prices & Import Parity Prices**

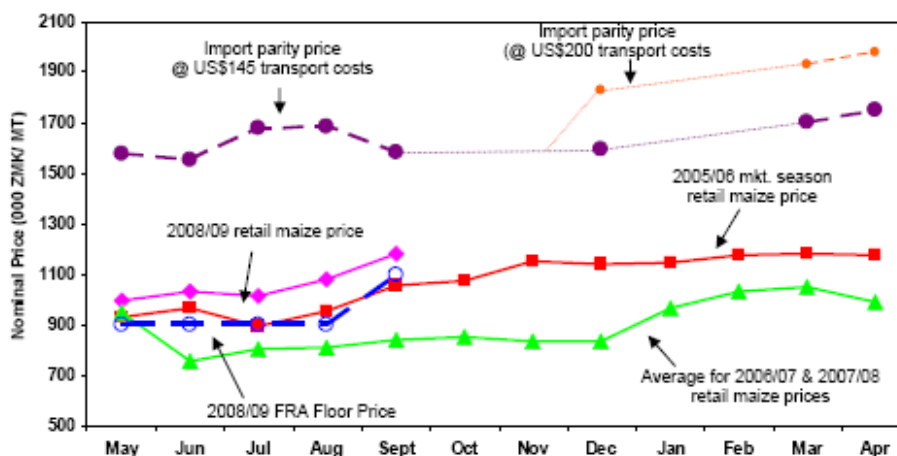


Source: Chapoto et al., 2008

It is predicted that in the future the following will occur:

- Zambia will face huge maize price increases between November 2008 and March 2009 due to expected low production.
- Indecision and delays in importing maize to offset the maize deficit will cause prices to increase.
- High transport costs from South Africa that has risen to over \$200/ton will increase maize prices.
- In addition, the amount of non-GMO staples available in South Africa is rapidly decreasing, and becoming a rare commodity.

**Figure 2: Comparison of nominal Kwacha Maize Prices & Import Parity Prices**



Source: Chapoto et al., 2008

### 3. The causes of high food prices

The overall causes of high food prices in Zambia emanate from several factors. The preliminary results from the recent Urban Vulnerability Assessment indicate increased transport costs due to the increased cost of petrol which rose by 41% in Lusaka, 40% in Livingstone and 32% in Ndola. In addition, income levels for most households are around ZKw 500, 000 or less while the basic food basket costs had risen to ZKw 686,350. The poor market performance that has hindered exports and caused uncertainty regarding maize imports by private traders has fuelled prices in the past as well as in recent years. The reduced purchasing power among these households exposes them to even greater vulnerability to high food prices.

Zambia's position on GMOs constrains the supply of highly sought after non-GMO maize from South Africa and this subsequently impacts of the domestic prices. The timing and implementation of import and export controls as well as the use of the Federal Reserve Agency as a price control mechanism has exacerbated the situation in the country. Moreover, the impact of climate extremes and in the past season that of floods in the southern region generated varied levels of impacts.

### 4. The impacts of High Food Prices

Table I below outlines the impact of high food prices in the country with most of the information coming from the Zambia Vulnerability Assessment Committee.

**Table I: Impacts of high food prices in 2007 and 2008**

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable population
Urban Areas	The prices of white maize increased in Livingstone by 75%, Ndola by 43% and Lusaka by 24%.	Prevalence of severe acute malnutrition was 2.3% while global acute malnutrition was 7.7%, an increase of 2.1% from June 2007.	Net food buyers and households already vulnerable to food insecurity Urban households with poor incomes levels Traditionally vulnerable groups Malnourished children Displaced households due to floods
Southern and Western Zambia	Localized food insecurity because of floods and water logging. The ban on livestock movement out of the province will limit livestock marketing and income options for livestock keepers.		

## 5. Analysis of responses in the context of the CFA

Of the interventions listed below, banning exports provides short-term relief and only serves to exacerbate price increases elsewhere. As such, such interventions cannot be maintained if this crisis continues in the longer term. Currently, there are limited interventions addressing immediate food assistance particularly for flood victims.

Immediate Packages	Institution
Banning maize exports	Government
Resilience Packages	
Agricultural production support programs, including input subsidies	Government

## 6. Recommendations

Close monitoring of markets in Zambia is recommended especially due to an anticipated maize production deficit. Although the country exhibited an average national harvest, the situation at sub-national levels and those areas affected by floods is mixed. Interventions are needed with broader coverage in the flood affected areas. For urban areas, there is need to adopt an appropriate mechanism (cash, food for work, food assistance) for addressing food and income capacity of urban households which will not affect these volatile markets.

At the policy level, the expansion of the fertiliser support programme and better management of the import and export controls are crucial. Lifting export bans can result in excess production by large commercial farmers. However, by supporting the more than 1 million small farmers that produce around 60% of the country's maize, overall food availability will increase and poverty will be reduced. However, dependency on maize is still a challenge both in Zambia and the SADC region.

### References

Chapoto, A; Haggblade, S; Shawa, J, Jayne T and Weber, M, 2008: Marketing policy options for consumer price mitigation actions in the 2008/09 maize marketing season in Zambia, <http://www.aec.msu.edu/agecon/ifs2/zambialindex.htm>),

Republic of Zambia Ministry of Agriculture and Cooperatives Kabwe Agriculture Market Information Service, *Bulletin No. 116 September 01 - 15, 2008*, KAMIS Bi-monthly Market Information Bulletin

Zambia VAC (2008): Multi-Sectoral In-Depth Vulnerability and Needs Assessment, June 2008

FEWSNET, Zambia Food Security Outlook through September 2008. [fewsnet@zamtel.zm](mailto:fewsnet@zamtel.zm)

## The Impact of High Food Prices in Zimbabwe

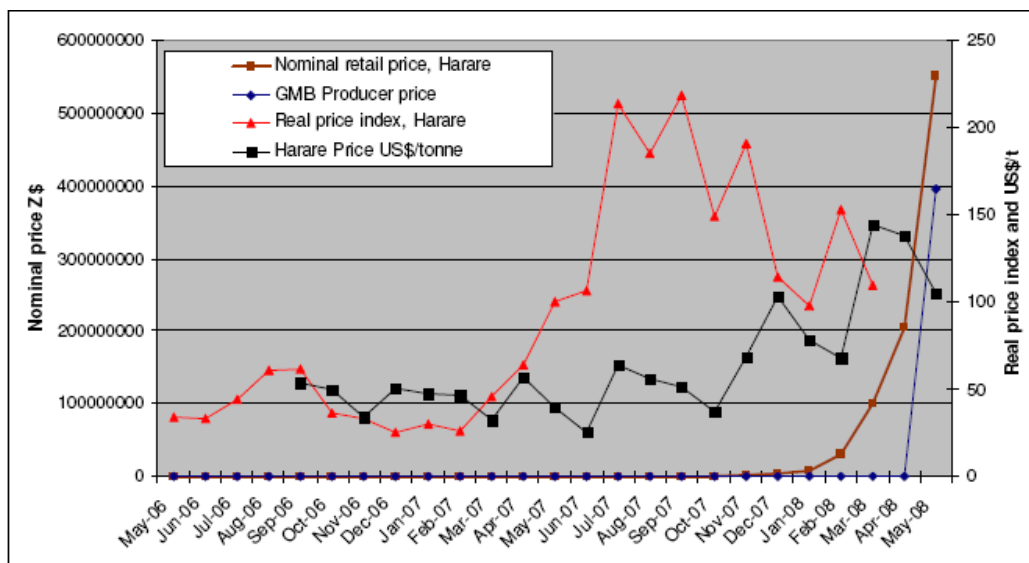
### I. Background

Commodity prices in Zimbabwe have been increasing since the high inflationary environment began around 2001. However, the recent surge in global food prices has even managed to compound the situation. The country's economic performance has remained negative in the last eight years owing mainly to political difficulties exacerbated by recurrent crop failure. For example, the year on year inflation rate for the month of July 2008 as measured by the all items Consumer Price Index (CPI) stood at over 230 million percent and is still rising. The purchasing power of the majority of people is declining as salary adjustments fail to keep pace with the increases in the cost of goods and services. This is against an environment dominated by non availability and shortages of basic commodities. Since, the government allowed some retail shops to sell goods in foreign currency, availability of commodities has improved but not reachable for the majority of people who get paid in Zimbabwean dollars. Restrictions in bank withdrawal limits coupled with retail shops demanding to be paid in cash have presented a desperate situation for even those in wage employment. The recent cholera outbreak that has caused more than 3,370 deaths as of February 6th<sup>11</sup> has exacerbated the financial and livelihood conditions of most Zimbabweans.

### 2. An analysis of price trends

The price of maize, the staple food for Zimbabwe has been increasing in nominal terms since February 2007 (Figure 1). In addition, the real price index rose from a low of 29 in February 2007 to a high of 218 in September 2007 due to crop failure caused by poor rainfall in much of the country<sup>12</sup>. In addition, maize grain prices recently increased by 100 percent from late August to end of September 2008<sup>13</sup>.

**Figure 1: Maize: Nominal price in Harare, nominal GMB producer price per bucket of 17.5 kg, and real price index (for Harare with May 2007=100) and USD equivalent price per tonne (for Harare)**



Source: FAO/WFP CROP and Food Supply Assessment mission to Zimbabwe, 18 June 2008

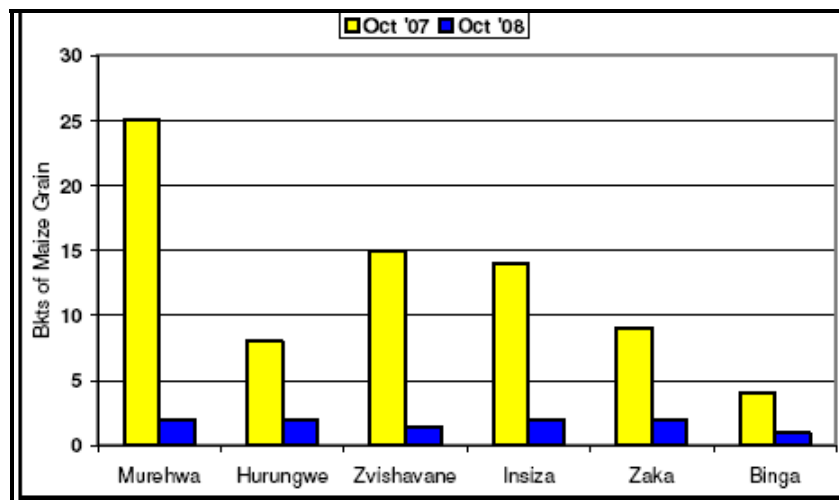
<sup>11</sup> OCHA Situation Report on Cholera in Zimbabwe, Issue No. 12, 6<sup>th</sup> February 2009. <http://ochaonline.u.org>

<sup>12</sup> FAO/WFP CFSAM Report - Zimbabwe, 18 June 2008

<sup>13</sup> Zimbabwe Food Security Update February 2008; [www.fews.net/Zimbabwe](http://www.fews.net/Zimbabwe)

A recent assessment of terms of trade of quantity of maize to goat in selected rural districts shows that they have declined dramatically between October 2007 and October 2008 (Figure 2).

**Figure 2: Terms of Trade - Qty of Maize Grain per Goat (October 07 – October 08 comparison)**



Source: ACWG Journal October 2008, Year III issue XI- number 32, [www.zimrelief.info](http://www.zimrelief.info)

### 3. The causes of high food prices

High food prices in Zimbabwe emanate from a combination of interrelated factors. The country's economy measured by the real Gross Domestic Product (GDP) has been shrinking by about 44 percent between 1998 and 2008<sup>14</sup>. This economic decline has combined with political uncertainty, recurrent crop failure due to irregular rainfall, disintegration of infrastructure (e.g. health, water, education and transport), and foreign currency and food shortages to produce an enormous humanitarian challenge for the country. The implementation of a contested land reform programme in 2000 has also contributed to a decline in agricultural production that is worsening the country's food and nutrition situation. As a result the country has increased its reliance on cereal imports and agricultural inputs from its neighbours, mainly South Africa and Zambia. For example, work by the Food Security Technical Working Group (FSTWG) shows a current deficit of about 550,000 MT of grains in the 2008/09 cereal balance sheet<sup>15</sup>, emphasizing that supply conditions are failing to meet demand. In addition, prevailing market and price distortions are hindering production and causing higher prices for consumers especially the poor in both urban and rural areas.

### 4. The impacts of High Food Prices

The table below outlines the impact of high food prices in Zimbabwe.

**Table 1: Impacts of high food prices in 2007 and 2008**

Most affected livelihoods	General impacts	Nutrition situation	Vulnerable population	Numbers in need of Assistance
<u>Urban</u>	Reduction in frequency and composition of meals, which could lead to a rise in malnutrition and susceptibility to disease	Main findings confirm that trends in child malnutrition are relatively static since 2003, with stunting at 27.6% and GAM just under 5%. Only one province	Peri-urban centres (Mt Hampden, Harare peri-urban, Epworth)	up to 5.1 million people – almost half of Zimbabwe's entire population

<sup>14</sup> CFSAM (2008)

<sup>15</sup> ACWG Journal November 2008, Year III issue XI- number 33, [www.zimrelief.info](http://www.zimrelief.info)

Rural	<p>Inadequate cereal supplies,</p> <p>Massive sharing of food between beneficiaries and non-beneficiaries,,</p> <p>Grain prices extremely high in real terms</p> <p>Households consumed seed and bartered fertilizer with grain,</p> <p>Transactions in foreign currency and barter trade,</p> <p>Income sources have dwindled.</p>	<p>(Midlands) is the 7% acute malnutrition national emergency threshold, at 7.4%.</p> <p>Malnutrition increases up to 24 months then falls off in older children. It also is higher amongst those children born with a low birth weight.</p> <p>All trends indicate a need to improve maternal health and nutritional status and targeting the children under 2 years of age</p>	<p>The elderly &amp; widows/ female-headed HH, child-headed households, the disabled, the chronically ill, HH caring for orphans, those with large families, and those with few resources. Ex-commercial farm workers</p>	
-------	---	--	---	--

Source: 1. Zimbabwe National Vulnerability Assessment Committee, November 2006 Urban Assessment Report, Urban Report 2; Source 2: Food and Nutrition Council and UNICEF Combined Micronutrient and Nutritional Surveillance Survey (Nov 2008). Special report, FAO/WFP Crop and Food Supply Assessment Mission to Zimbabwe 18 June 2008

## 5. Analysis of responses in the context of the CFA

Government responses to high food prices in Zimbabwe through price controls on basic food items have led to shortages on the formal markets, and inflated prices on the parallel markets. Furthermore, the Central Bank's authorisation for retail outlets to sell in US dollars has affected the poor households who have no access to foreign currency.

Immediate Packages	Institutions
<ul style="list-style-type: none"> <li>Imposition of price controls, through the National Incomes and Pricing Commission (NIPC)</li> <li>Authorised selected urban and peri-urban retail outlets to sell in US dollars.</li> <li>Basic household goods through the Basic Commodities Supply Enhancement Programme (BACOSI).</li> </ul>	<b>Government</b>
<ul style="list-style-type: none"> <li>From May 2008, WFP started the Protracted Relief and Recovery Programme 10595.0, which originally aimed to assist 1.8 million beneficiaries. Following the recommendations of the CFSAM 2008, the PRRO 10595.0 budget was reviewed in order to increase the emergency seasonal programme to 3.25 million targeted beneficiaries and lengthen the duration of food assistance. The PRRO now aims to provide assistance to 4.075 million vulnerable Zimbabweans.</li> </ul>	<b>WFP</b>
<ul style="list-style-type: none"> <li>From January to March 2008, CSAFE assisted an estimated 1.4 million people in both urban and rural areas with 31,000 tonnes of food. CSAFE will continue with a limited food distribution programme in areas with very high food insecurity.</li> </ul>	<b>CSAFE</b>
Resilience Packages	
<ul style="list-style-type: none"> <li>Agricultural Social Safety Nets Programme (ASSNP) and as at September 2008, about 200,000 households out of the targeted 500,000 households have been identified</li> </ul>	<b>Government</b>
<ul style="list-style-type: none"> <li>Agricultural assistance (fertiliser and seed, conservation agriculture, seed multiplication, tubers)</li> </ul>	<b>Various NGOs/FAO</b>

## 6. Recommendations

Ongoing responses are currently inadequate to meet the food and nutrition security challenges. However, in an environment of political uncertainty, economic decline and market distortions, it presents challenges on how to respond. In fact, adequate responses at this time are those that address livelihoods. To this end, immediate needs such as food relief assistance, school feeding, safe



water and sanitation are urgent. Stability in prices will be achievable if other underlying causes such as the political and inflationary environment are addressed.

**References**

ACWG Journal November 2008, Year III issue XI- number 33, [www.zimrelief.info](http://www.zimrelief.info)

ACWG Journal October 2008, Year III issue XI- number 32, [www.zimrelief.info](http://www.zimrelief.info)

Food and Nutrition Council (FNC) and UNICEF, *National Combined Micronutrient and Nutrition Surveillance Survey Report*, November, 2008.

Special report, FAO/WFP Crop and Food Supply Assessment Mission to Zimbabwe 18 June 2008

Zimbabwe Food Security Update February 2008; [www.fews.net/Zimbabwe](http://www.fews.net/Zimbabwe)

Zimbabwe National Vulnerability Assessment Committee, November 2006 Urban Assessment Report, Urban Report 2.

## Annex: Matrix of Activities and Issues for OMJ Countries in relation to High Food Prices

Country	Situation Analysis	Crop Production	High prices – indications/assessments	Nutrition situation	WFP Approved HFP Initiatives
<b>SOUTHERN AFRICA</b>					
Lesotho	<ul style="list-style-type: none"> <li>According to LVAC May 2008 Vulnerability Assessment the Rural and Peri-Urban Livelihood zone were found to have the highest level of aggregate food insecurity.</li> <li>LVAC and WFP are working with partners in monitoring prices in the country.</li> <li>The government did a crop assessment this year, followed by the LVAC.</li> </ul>	<p>The Bureau of Statistics (BoS) conducted a crop forecasting exercise in April – May 2008. The forecasting results show that an increase in area planted with maize which is 196,037 ha in 2007/08 compared to 153,751ha in 2006/07 agricultural season (an increase of 28%).</p> <p>The BoS forecasts production for maize to be approximately 69,000MT in 2007/08 agricultural season. This would imply a 5% drop from the 2006/07 production of 72,600MT.</p> <p>On the other hand, area planted for sorghum in 2007/08 stands at 42,712 ha compared to 130,232 ha planted in 2006/07 (a decline of 67%). The BoS also estimates sorghum production at 8445MT or 53% higher than 2006/07 production of 5496MT.</p>	<ul style="list-style-type: none"> <li>The GoL implemented a 20% subsidy on major food stuffs through specific retail outlets country-wide to mitigate the impacts of the recent food price increases.</li> <li>In July 2008, the price of petrol had gone up by 92% compared to February 2007, diesel by 103% and paraffin by 130%. However, Since August 2008, every month there has been a reduction in the price of fuel.</li> <li>Although the prices of fuel declined significantly, food prices remained high. The cost of maize meal has increased 45% since March 2007 while vegetable oil increased by almost 100%.</li> <li>From the WFP and the DMA undertook an urban assessment 13% of the urban population is highly food insecure, with Mafeteng, Mohale's Hoek, Mokhotlong and Thaba-Tseka</li> <li>Informal cross border trade monitoring to look at the inflow and outflow of major and minor food commodities in order to understand market behaviour against the backdrop of rising food prices is planned to take place in 2009.</li> <li>There is a need to link HIV/AIDS issues to HFP.</li> </ul>	<ul style="list-style-type: none"> <li>The National Nutrition Survey was conducted in November 2007. Levels of acute malnutrition were low in all districts.</li> <li>However, levels of chronic malnutrition or stunting were above 40% in some districts and especially in the Mountainous areas. In Thaba-Tseka stunting was 54%, Qacha's Nek, 47.3% and Mokhotlong, 45.9%.</li> <li>Crude mortality was at alarming levels in some districts, most likely due to the impact of high levels of HIV and AIDS in the country.</li> </ul>	<p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>To scale up the Support to OVCs through primary schools.</li> <li>Restart pre school group feeding Programme for children 3-5 years</li> <li>Expansion of food assistance to ART/TB patients to cover additional case load of vulnerable HHs in urban area</li> <li>Strengthen support to the national nutrition surveillance program</li> <li>Some 52,000 new beneficiaries targeted in 2008 and 110,000 in 2009.</li> </ul>
Madagascar	<ul style="list-style-type: none"> <li>Although the country was again heavily impacted by cyclones and flooding for the second year in a row, initial analysis of</li> </ul>	<ul style="list-style-type: none"> <li>Despite bad impact of cyclones, the island expects to produce 4 million metric tonnes (mt) of rice this year,</li> </ul>	<ul style="list-style-type: none"> <li>There is concern in the country about the rising food prices, especially since the staple food is rice and they still</li> </ul>	<ul style="list-style-type: none"> <li>Madagascar consistently has the highest levels of acute and chronic malnutrition in the region.</li> </ul>	<p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>Take home rations + mid-day snack for 85,000 primary school children in urban and</li> </ul>

	<p>the situation found that crops were indeed lost but there was no need for a serious food intervention.</p> <ul style="list-style-type: none"> <li>• This year cyclones Fame and Ivan brought very high winds and torrential rain that affected over 330,000 people, of whom 190,000 lost their homes.</li> <li>• WFP estimates that over 200,000 of Madagascar's 19 million people will need food aid into June, and an additional 100,000 in the arid south will need assistance by September.</li> <li>• The Madagascar VAC is still in its inception and did not organize a post-harvest assessment this year.</li> </ul>	<p>compared to 3.7 million mt harvested last year.</p>	<p>rely on imports.</p> <ul style="list-style-type: none"> <li>• In May, the government decides to ban rice exports to cushion Madagascar against spiralling global food prices.</li> <li>• WFP has led a mission to meet with key stakeholders to discuss how to best monitor the rising prices and determine the vulnerable groups.</li> <li>• Proposal for study on potential for local purchase to boost production as a response to high food prices being prepared by WFP. Will be used to support VAC formulation as well.</li> </ul>	<ul style="list-style-type: none"> <li>• It is important to consider increased demand for supplementary feeding programmes in light of the higher food prices.</li> </ul>	<p>peri-urban areas</p> <ul style="list-style-type: none"> <li>• Take-home rations for 30,000 other vulnerable individuals</li> <li>• Supplementary feeding for 7,000 pregnant/lactating women, children under five and TB patients</li> </ul>
Malawi		<ul style="list-style-type: none"> <li>• Increased accessibility and uptake of agricultural inputs through the Farm Input Subsidy Program seem to have resulted in good crops except in areas which were affected by floods or dry spells.</li> <li>• Available results from the second crop assessment that was carried out in January 2008 estimate maize production at 2,948,507MT (a 6.3% reduction from last year's record harvest) from a total area of 1,547,214ha (representing an 8% reduction from last year).</li> </ul>	<ul style="list-style-type: none"> <li>• Prices are collected regularly at nearly 40 main markets around the country.</li> <li>• Malawi is a country that is expected to be impacted by food price increases. However, there is a substantial amount of maize crossing into southern Malawi informally every year from northern Mozambique. This could cushion some potential price increases.</li> <li>• WFP is supporting a qualitative study on the impact of higher food prices on HIV affected individuals which took place in July.</li> <li>• Urban assessment to take place in September.</li> </ul>	<ul style="list-style-type: none"> <li>• AAH and the MVAC are working together to assess the nutrition situation in the country.</li> <li>• There is an extensive network of Nutritional Rehabilitation Units (NRUs) across the country, supported by WFP.</li> <li>• WFP is also supporting community-based supplementary feeding programmes in certain operational areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Targeted food distribution activities for 1.49 million beneficiaries (30% local purchases) in 17 districts</li> <li>• 103,200 pre-school children in 516 community-based childcare centres fed high energy biscuits during the lean season (Jan-Mar 2009)</li> <li>• Cash and Food Livelihood Pilot (CFLP) for 11,100 households in Machinga and Chiwawa districts.</li> </ul>
Mozambique	<ul style="list-style-type: none"> <li>• The MozVAC assessment found 302,664 people in need of immediate assistance until</li> </ul>	<ul style="list-style-type: none"> <li>• The overall crop harvest for Mozambique is reported to be fairly good despite the poor</li> </ul>	<ul style="list-style-type: none"> <li>• The price of maize in August 2008 was up to two and a half times higher than a year</li> </ul>	<ul style="list-style-type: none"> <li>• In general, acute malnutrition levels are low.</li> <li>• However, the levels of</li> </ul>	<p>In May 2008, the UN Country Team submitted a short- to medium-term high food price response proposal to</p>

	<p>March 09 with most coming from the flood affected areas along the Zambezia.</p> <ul style="list-style-type: none"> <li>• 242,615 more are at risk of food insecurity, depending on level of interventions and performance of the second crop season.</li> </ul>	<p>crop performance in the drought affected southern areas such as Maputo, Gaza and Inhambane, and areas lost due to the floods in central region.</p>	<p>earlier. October 2008 maize prices were 60 percent higher than the five year average.</p> <ul style="list-style-type: none"> <li>• Analysis conducted by the Government, World Bank and IMF indicate that price shocks will have greatest impact in urban areas and the southern region.</li> <li>• In April 2008, the Government developed a high food price Action Plan composed of two main strategies: economic and agricultural growth measures and social protection measures.</li> <li>• CO together with Government and partners conducted in October 2008 an urban market vulnerability study and an urban market assessment.</li> <li>• Also in October 2008, the government in close collaboration with WFP conducted a national market analysis which was an integrated part of a larger food security and vulnerability assessment.</li> </ul>	<p>stunting/chronic malnutrition in the Northern provinces are among the highest in the region which is ironic since it's the bread basket of the country.</p>	<p>the Government.</p> <ul style="list-style-type: none"> <li>• Support to 64,500 orphaned and vulnerable children for one year</li> <li>• Community care for 94,000 chronically ill persons for one year</li> <li>• Cash/Voucher for work programme for 7,000 unemployed youth in urban centres of Maputo/Matola for one year</li> <li>• Continued support to selected boarding schools in urban areas (5,040 children)</li> <li>• Nutrition rehabilitation of moderately malnourished children (wasting) and HIV patients including new nutritious supplements for one year to 5,000 beneficiaries.</li> </ul>
Namibia	<ul style="list-style-type: none"> <li>• Namibia traditionally relies on the commercial food production sector for most of its' cereal needs</li> <li>• The north-eastern region of Caprivi has experienced heavy rainfall which resulted in flooding. There are concerns that if heavy rainfall continues it may endanger the overall 2008/2009 prospects in the communal crop producing regions in the north</li> <li>• The country's aggregate 2007/08 cereal production is not significantly different from the 2006/07 harvest. NEWFIS estimates it at 121,309 tones, representing a 6% increase compared to the 2006/2007,</li> </ul>	<ul style="list-style-type: none"> <li>• The Namibia National Early Warning and Food Information System (NEWFIS) December 2008 report highlighted good showers have been falling in the northern communal crop producing regions since the beginning of the 2008/2009 crop season.</li> <li>• Most farmers in the communal areas have started preparing fields for cultivation while some have also started ploughing in hope that good rains will continue for the rest of the season.</li> <li>• Livestock condition in the northern regions is reported to have started improving due to improved pastures following the</li> </ul>	<ul style="list-style-type: none"> <li>• In order to mitigate the effects of the food price increases, a high level Government task force has introduced the lifting of a 15 percent VAT off some basic food commodities, namely beans, bread, cake flour, cooking oil and fat.</li> <li>• There are concerns due to lack of agricultural inputs, caused by increased costs of the same. A national subsidy programme is being rolled out to a limited number of communal farmers including seed, fertilizer, and ploughing/weeding subsidies.</li> </ul>	<ul style="list-style-type: none"> <li>• The findings from the nutrition component of the EFSA in the north were not very different from the WFP CHS conducted in July 2006 and May 2007 in the same areas with about 7.5-8.0% of the children acutely malnourished.</li> <li>• However, UNICEF finds a lack of suitable facilities and technical support for supplementary feeding in those areas.</li> </ul>	None

	which is considered to be a poor one. The 2007/2008 harvest is about 1% percent above the past six-year average (i.e.2001/02 to 2006/07).	onset of the rains.			
Swaziland	<ul style="list-style-type: none"> <li>According to the Swazi VAC, it is expected that about 287,000 people amongst the rural population will face a food shortage of 30,259 MT and there will be need to provide food aid and / or cash intervention to prevent a humanitarian crisis. This number might increase due to a number of factors including the effects of the HIV and AIDS pandemic and the rising food prices.</li> </ul>	<ul style="list-style-type: none"> <li>CFSAM results indicate the 2007/08 season total cereal harvest close to the average of past five years but a significant recovery from the last year's drought affected harvest. Overall, Swaziland faces more than 50% grain deficit each year.</li> </ul>	<ul style="list-style-type: none"> <li>Swaziland is the other case study country where a WFP consultant will assess the impact of higher food prices on HIV and AIDS.</li> <li>WFP is currently supporting the SwaziVAC for an urban study on higher food prices – to reduce the cost, the VAC Core Team members had agreed to collection the data alongside the CHS Round II data. These activities may be linked but will be supported through the VAC analysis of peri-urban livelihood zones.</li> </ul>	<ul style="list-style-type: none"> <li>The Swaziland National Nutrition Council (SNNC) in collaboration with other stakeholders conducted a nation-wide nutrition survey for the first time since 1983.</li> <li>The situation is stable in terms of acute malnutrition but underweight has tended to fluctuate in children.</li> <li>In addition, there are seasonal fluctuations in obesity/overweight in adult women.</li> </ul>	None yet
Zambia	<ul style="list-style-type: none"> <li>There is uncertainty about the amount of maize stock available in the country</li> <li>FRA has tendered to imported 35,000 MT of maize.</li> <li>By end of the first week of January, 2009, several millers had reduced the price of mealie meal after receiving subsidised maize from the Food Reserve Agency</li> </ul>	<ul style="list-style-type: none"> <li>During the first half of the 2008/09 rainy season, temporal and spatial distribution of rainfall has been conducive for crop growth and development with water requirement having been met.</li> <li>The most of the maize crop is at flowering stage and generally looks good.</li> <li>The second half of the season (Jan-Mar) is however becoming increasing water saturated and is characterised by continuous rainfall which is inhibiting critical agricultural activities such as weeding chemical spraying and fertiliser application.</li> <li>Delayed delivery of agricultural inputs in some areas of Southern, and Central provinces is also likely to affect crop yields in these areas.</li> <li>Zambia VAC conducted a rapid assessment in Dec 2008 in 34</li> </ul>	<ul style="list-style-type: none"> <li>Workshop planned to review the concept note and the survey instrument and budget for the comprehensive food security and vulnerability survey which will be integrated into the ZamVAC CVAA food security section and agriculture section.</li> <li>WFP, along with the National AIDS Council conducted a survey of HIV-affected households in 3 urban areas (Kitwe, Livingstone &amp; Lusaka) in March/April. The report is out and is being printed</li> <li>An urban Vulnerability assessment focusing on rising food and fuel prices has been undertaken. The draft report is out and only awaiting Government clearance before it can be shared publicly.</li> <li>The preliminary findings show that those who have hardest hit by the food and fuel increases are the low income</li> </ul>	<ul style="list-style-type: none"> <li>The urban assessment of HIV-affected households found 7.5% wasting, 25.3% underweight and 48.2% stunting.</li> <li>R11 of CHS (Oct 08) has findings show that out of 420 children aged 6-59 months who were assessed, 7.4% were wasted, 28.8% were underweight and 54.0% were stunted.</li> <li>The findings also show that the percentage of undernourished women (BMI &lt;18.5kg/m<sup>2</sup>) had decreased as compared to March 2008.</li> </ul>	<p><b>Proposed but not yet approved</b></p> <p>The UNCT Task Force on rising food prices has submitted to Government the UN planned activities in response</p> <ul style="list-style-type: none"> <li>Malnourished children visiting Maternal and Child Health Centres will receive daily rations of 180g per person of CSB and 10g each of vegetable oil until they are discharged.</li> </ul>

		<p>districts and found that 29 out of 34 of the sampled districts had run out of food from own production; Increased prices of the staple food in markets (68% increase between Dec 2007 (58,000ZK per 50kg bag) and Dec 2008 (98,000ZK); and livestock availability had declined within households due to a combination of diseases such as FMD, CDPP, Newcastle and increased sales.</p>	<p>household who earn less than ZMK 500,000 (US\$ 100) per month who accounted for 34 percent of the population in the surveyed areas.</p>		
Zimbabwe	<ul style="list-style-type: none"> <li>Data collection and analysis for the ZimVAC urban assessment is complete. Presentation of findings is expected by the 10<sup>th</sup> of February and will complement the upcoming rural assessments.</li> </ul>	<ul style="list-style-type: none"> <li>A pre-harvest Crop Assessment currently underway will give indication to the performance of the 2008/09 agricultural season. The report is expected in two weeks time.</li> </ul>	<ul style="list-style-type: none"> <li>Since the beginning of the 2008/ 09 consumption year, cereal prices have been on the rise owing to supply bottlenecks on the formal and informal markets.</li> <li>Zimbabwe dollar prices have been rising on daily basis due to depreciation of local currency, resulting in traders charging their products in foreign currency. These prices are above regional prices for cereal.</li> <li>Of concern, most rural households do not have access to foreign currency.</li> <li>Terms of trade for barter transactions have deteriorated and remain unfavourable for those purchasing cereal.</li> <li>The budget statement on the 29<sup>th</sup> of January states that all commodities will now be taxed in foreign currency. This will have inflationary pressure on prices of basic goods and services. Changes in fuel process will also translate to a price surge across the board.</li> </ul>	<ul style="list-style-type: none"> <li>Findings of the November 2008 Nutrition Surveillance survey show stable acute malnutrition rates below the international emergency threshold. Only Midlands has an acute malnutrition rate over the national threshold of 7 percent.</li> <li>With stunting at 29%, the survey confirms that chronic malnutrition is an increasing concern.</li> <li>Probable causes for the stable acute malnutrition rates are yet current existence of multiple coping mechanisms, as well as the massive food assistance seasonal programmes implemented since 2002 by the humanitarian stakeholders.</li> <li>Follow-up assessments by the Ministry of Health and other UN Agencies will be conducted by mid-year.</li> </ul>	<ul style="list-style-type: none"> <li>None yet</li> </ul>

## EASTERN and CENTRAL AFRICA

Country	Situation Analysis	Crop Production	High prices – indications/assessments	Nutrition situation	WFP Planned HFP Initiatives
Burundi	<ul style="list-style-type: none"> <li>CFSVA in rural areas nearly completed and includes market analysis</li> <li>Rate of return of Burundian refugees continues to be high</li> </ul>	<ul style="list-style-type: none"> <li>Despite improvements in the 2008B harvests, the country is still faced with a cereals deficit of close to 400,000 mt.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment completed in 4 urban areas showing a chronically poor population being affected by price rises</li> </ul>	<ul style="list-style-type: none"> <li>The levels of wasting, stunting and underweight were, respectively 8.4%, 52.7%, and 26.5% (CFSVA)</li> </ul>	CO working on proposal
Djibouti	<ul style="list-style-type: none"> <li>Recent EFSA found 120,000 people in need of emergency assistance due to drought</li> <li>Drought, high prices and border clashes affecting food security</li> </ul>	<ul style="list-style-type: none"> <li>Rains during July were below the threshold for pasture regeneration and although prospects are promising for the remainder of the <i>Karan/Karma</i> season (July to September), only marginal improvements in the food security situation are expected in pastoral areas.</li> <li>Limited pasture and critical water shortages causing livestock deaths</li> </ul>	<ul style="list-style-type: none"> <li>Extremely high staple food prices: 51% above average</li> <li>Urban assessment planned for October</li> </ul>	<ul style="list-style-type: none"> <li>GAM is 16.8% and up to 25% in pastoral and sub-urban areas</li> </ul>	<b>Approved activities</b> <ul style="list-style-type: none"> <li>Scale-up of targeted food distributions from 44,500 to 80,000 beneficiaries</li> <li>Assistance to 55,000 urban dwellers, including 35,000 nomads who had migrated to slums</li> <li>Nutrition activities to 5,500 children &lt; 5 years of age at risk of malnutrition</li> <li>Possible implementation of voucher programme in urban areas. A BR has been submitted to cater for this</li> </ul>
DRC	<ul style="list-style-type: none"> <li>Security situation in North and South Kivu still remains unstable.</li> <li>Over 1.4 million people continue to be displaced in eastern DRC</li> </ul>		<ul style="list-style-type: none"> <li>Recent qualitative assessments indicate that the number of urban poor affected by higher prices is increasing</li> </ul>		None yet
Eritrea	<ul style="list-style-type: none"> <li>Drought, conflict and high food prices are the main issues</li> <li>Around 37% of the population is chronically food insecure and highly vulnerable</li> <li>Sources indicate that 500,000 people may be affected by the current drought and if the situation deteriorates, up to 2,000,000 could be affected</li> </ul>	<ul style="list-style-type: none"> <li>Wide spread poor harvest and, in many cases, complete crop failure from the March-May short season have been confirmed.</li> <li>Furthermore, late start of the long season rains which account for 80% of total annual crop production continue to be poor and erratic.</li> <li>Due to limited pastures and water, pastoralists have begun migrating.</li> </ul>	<ul style="list-style-type: none"> <li>Prices of staple foods and basic commodities continue to rise, this limiting access by market dependent poor households</li> </ul>	<ul style="list-style-type: none"> <li>UNICEF is supporting therapeutic and supplementary feeding to children and pregnant and nursing women at targeted health centres.</li> </ul>	None yet
Ethiopia	<ul style="list-style-type: none"> <li>The overall food security situation in the country, especially in the eastern half of the country, has deteriorated due to very poor</li> </ul>	<ul style="list-style-type: none"> <li>Very low output of the Belg season</li> <li>Very dry conditions continue in Somali region, the lowland</li> </ul>	<ul style="list-style-type: none"> <li>Food prices remain high and are increasing</li> <li>Prices are rising with overall inflation at 44.4% and food</li> </ul>	<ul style="list-style-type: none"> <li>Worsening of nutrition situation in parts of SNNPR, Oromiya and Somali regions. Alert in areas of Amhara,</li> </ul>	None yet

	<p>performance of the rains, an unprecedented hike in staple food prices and limited income opportunities.</p> <ul style="list-style-type: none"> <li>• After Meher assessment, some 5 million people need emergency assistance, together with scaling up of safety net assistance for 7.3 million people.</li> </ul>	<p>of Oromiya, SNNPR, and Afar</p>	<p>inflation at 60% as of Decmber 2008.</p> <ul style="list-style-type: none"> <li>• Recent urban assessment of Addis Ababa completed and a draft report now available and is being finalized And will be available in a week</li> </ul>	<p>Tigray and Afar.</p> <ul style="list-style-type: none"> <li>• Urgent need to scale up therapeutic and supplementary feeding interventions</li> </ul>	
Kenya	<ul style="list-style-type: none"> <li>• Poor long rains in parts of the country, insecurity and livestock diseases reducing production</li> <li>• Displaced households remain food insecure, with pockets of humanitarian emergency</li> <li>• More than one million people will require humanitarian assistance with possible increases in the coming months</li> </ul>	<ul style="list-style-type: none"> <li>• Poor harvest in early 2008 and below-normal long rains in coastal, marginal agricultural areas</li> <li>• Animal diseases, poor pasture conditions remain in the northwest</li> <li>• Government plans to import 140,000 mt of cereals.</li> </ul>	<ul style="list-style-type: none"> <li>• Urban assessment planned for Nairobi</li> <li>• Food prices continue to increase and will be exacerbated by the reduced production (-10%) expected in 2008.</li> </ul>	<ul style="list-style-type: none"> <li>• Critical child malnutrition levels are found in the north (20% or more GAM in many areas)</li> </ul>	None yet
Republic of Congo	<ul style="list-style-type: none"> <li>• Political instability in the Pool region contributes to food insecurity in that area.</li> </ul>	<ul style="list-style-type: none"> <li>• Poor harvest due to disease of cassava (mosaic) reduced production of the main of meal of population</li> <li>• Total of livestock in the Pool region has been destroyed during the several conflicts</li> <li>• CO plans to carry out the EFSA from April up to June 2009</li> </ul>	<ul style="list-style-type: none"> <li>• High food prices continued to reduce the level of access to food. To counter this, Government abolished import tax on rice and reduced tax on other food commodities.</li> <li>• The food security cluster has been activated; WFP is working with UNICEF and FAO to monitor the evolution of food prices in the main markets of the country, especially in the urban centres.</li> <li>• WFP undertakes monthly surveys to evaluate the food commodity prices trends.</li> </ul>	<ul style="list-style-type: none"> <li>• UNICEF is supporting supplementary feeding to children, pregnant and lactating women at targeted health centres</li> </ul>	None yet
Rwanda	<ul style="list-style-type: none"> <li>• As the dry season continues, there are food security concerns in isolated areas that received poor 2008B season harvests</li> <li>• As a result people are relying more on casual labour.</li> </ul>		<ul style="list-style-type: none"> <li>• Prices continue to rise steadily. A markets assessment is planned.</li> </ul>	<ul style="list-style-type: none"> <li>• Nutrition assessments to take place in the refugee camps</li> </ul>	None yet
Somalia	<ul style="list-style-type: none"> <li>• Worst conflict and civil insecurity situation in the last 17 years; more than 1 million displaced.</li> <li>• Humanitarian space is shrinking, limiting access to the 3.25 million in need of assistance.</li> </ul>	<ul style="list-style-type: none"> <li>• Gu rains largely failed in pastoral areas of Bakool, Hiran and central regions.</li> <li>• The latest FSAU results show that the overall crop production is expected to be</li> </ul>	<ul style="list-style-type: none"> <li>• Hyperinflation drastically reducing access and capacity to cope</li> <li>• Food prices, both local and imported, are at record levels and still climbing</li> </ul>	<ul style="list-style-type: none"> <li>• Rates of 20% or higher acute malnutrition in parts of Bakool, Gedo and IDP populations – as high as 27.9% in Bossaso IDP camps.</li> <li>• Increasing rates in the</li> </ul>	None yet



		below normal, although better than originally expected.	<ul style="list-style-type: none"> <li>Poor and middle income households are affected</li> </ul>	Central and North of the country	
Tanzania	<ul style="list-style-type: none"> <li>Despite the favorable national aggregate food balance with self-sufficiency slightly above 100%, failure of short rains in bimodal areas and continuous increase in food prices above the 5 year average has resulted to some areas experience food shortages and hence in need of food and seeds assistance.</li> <li>Consequently, the government has reinforced the export ban for cereals, which was imposed earlier last year in view of regional food shortages.</li> </ul>	<ul style="list-style-type: none"> <li>Food production in last (2007/08) season was above normal.</li> <li>However, this season (2008/09) in bimodal rainfall areas, below normal and erratic rains have resulted to poor harvests with livestock condition deteriorating.</li> <li>In uni-modal areas, the season is progressing amid pockets of severe droughts and wilting</li> <li>Several areas are hard hit and currently receiving food and seeds assistance from the government.</li> </ul>	<ul style="list-style-type: none"> <li>With high fuel prices, food prices have remaining high and are likely to remain high before next harvests in June.</li> <li>Food prices are monitored at the CO level through the food security thematic group.</li> <li>The planned rapid vulnerability assessment planned in mid February will focus on the impact of high food prices on resource-weak households.</li> </ul>	<ul style="list-style-type: none"> <li>A national Demographic and Health Survey (DHS) is currently on plan for implementation later this year. Also a nutritional and situation analysis of women and children is underway, being lead by UNICEF.</li> </ul>	<ul style="list-style-type: none"> <li>Currently being discussed within the food security thematic groups that include WFP, FAO and IFAD with close collaboration with WB and AfDB.</li> </ul>
Uganda	<ul style="list-style-type: none"> <li>Gradual return of IDPs continues; 211,000 were phased out in January 2009 based on a comprehensive Phase Out Planning jointly undertaken with stakeholders. 768,000 remain in camps or in transit sites.</li> <li>Since the heightened violence in DRC, the CO is assisting additional 29,000 refugees settled in 2 camp sites and one transit site.</li> <li>970,000 people in Karamoja require emergency assistance till next harvest in October-November 2009</li> </ul>	In Karamoja: <ul style="list-style-type: none"> <li>Poor cropping seasons in 2006, 2007, 2008</li> <li>WFP is planning to start an EMOP for 970,000 beneficiaries from Feb 2009 for 9 months</li> <li>PPR has killed 550,000 small ruminants since early 2007</li> </ul>	<ul style="list-style-type: none"> <li>Crop prices 20 to 65 percent above normal</li> <li>Prices recorded some decline from Aug to December, but expected to once again rise from January</li> <li>Livestock prices declined by up to 30%</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary findings from CFSVA (Oct 2008) indicates deterioration in Nutritional Status of children in Karamoja.</li> <li>A significant proportion of the households in Karamoja has poor dietary diversity</li> </ul>	<p><b>Approved activities</b> For all activities, commodities will be purchased from surplus areas in Uganda</p> <ul style="list-style-type: none"> <li>Activities to target 159,000 subsistence farmers on the verge of becoming net sellers with a safety net programme.</li> <li>Programmes include vouchers-, cash-, and food-for-assets programmes.</li> </ul> <p><b>Upcoming Projects (after getting EB approvals)</b></p> <ul style="list-style-type: none"> <li>PRRO 2009-2011: For the IDPs in the north and refugees in West and Southwest.</li> <li>CP 2009-2014: Covering most of Uganda; focusing on activities on Food and Nutrition Security and Agriculture and Market Support</li> <li>Purchase for Progress</li> </ul>