



# Madagascar Food Security Monitoring System Quarterly Bulletin

2nd Quarter 2010

May 2010

## Updates

- The number of municipalities experiencing Severe Food Insecurity situation in the South has increased this year. In 2008, there were 10, which increased to 44 in 2009. This year 65 municipalities are expected to be in Severe Food Insecurity (SAP, 2010)
- THE MTS HUBERT reached the East coast in March 10, This region often faces floods in March. But this year rainfall has exceeded over 100-250% of its normal level in the affected districts.

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## Summary for 2nd Quarter 2010

- According to the World Bank, most operators are actually in a “wait and see” mood because of the general uncertainty in the economic and political environment.
- Private activities have rebounded compared to the first quarter 2009 but are still far from their pre-crisis levels.
- Lack of significant rainfall in the South has disrupted all current crops (short-crops).
- According to the majority of HH in this region, this year is worse than a normal year in term of crops and length of lean season.
- In Southeast districts affected by floods, major concerns are first damage in agriculture. Loss of rice crops was very important (more than 70%). These rice fields are silted or muddy. And in some districts, they are moved away. Important backfilling is necessary before re-plantings.
- Positive impacts on food consumption of activities held by the Cluster Food Security and Livelihoods are identified through impact assessment conducted in March 2010.
- According to the Early Warning System SAP, Foodstuffs are still available in southern markets. They come from municipalities out of SAP zone.
- In the flooded zone of the Southeast, the prices started to decrease in late April and has reached its level before the choc .
- Significant improvement of malnutrition status was noticed in seven districts in the South after multisectoral responses established by technical and financial partners since April 2009.

## Political and Economic Crisis

- Slow resumption of economic activities is noted through energy consumption, exports, and banking credits to the private sector from the second quarter of 2009 onwards.
- However, the situation remains fragile due to political instability. Humanitarian aid is limited and Government spending capacity is closely related to its tax performance, which has deteriorated since the beginning of the crisis, down by 30% on average per month between March 2009 and February 2010.
- Moreover, the domestic financial market is sending mixed signals which discourage operators. Up to mid-February, the exchange rate continued its slow depreciation vis-à-vis the US dollar and the Euro.
- According to the World Bank, most operators are actually in a “wait and see” mood because of the general uncertainty in the economic and political environment. Private investors are postponing their projects or, when possible, moving them abroad where context is more favorable.
- Over the past months, series of policy decisions have been taken by government as a step back in the liberalization process : in the communication, beverage, petroleum, and agricultural sectors through preventing new activities, price interventions, exchange rate guarantees, and tax favors. But these interventions seem to open the door to new lobby and distortions.
- Collecting economic and financial information –both from the public and private sectors is still difficult in the country. Except from the Central Bank, there are no updated financial reports available on public finance and real sector activities.

## Economic Conditions

**“After one year of political crisis, uncertainty remains the key word.”**

**(World Bank)**

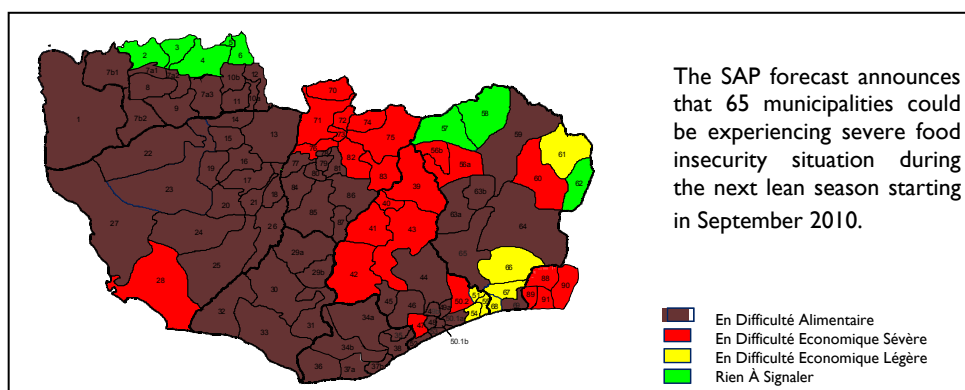
- Private activities have rebounded compared to the first quarter 2009 but are still far from their pre-crisis levels.
- The agricultural sector has been generally isolated by crises.
- Similarly, the food/beverage industry has been able to resist due to the relatively demand inelasticity for these items – people have to eat and drink independently of the political and economic context.
- The main losers by the crises are textile and tourism sectors. Prospects are not encouraging.
- According to the *Groupement des Entreprises Franches et Partenaires* (Export Processing Zone Industries and affiliates Association), 16% of their members’ employees were laid off since the AGOA suspension in January 2010.
- Unemployed or underemployed workers have been reconverting into informal trading in urban centers - a “safety valve” for many households over the past few months.

## Agricultural Production

**“Seventy-six municipalities in 8 districts of the Southeast have been affected by floods. The majority of affected municipalities are located along rivers or their tributaries.”**

- Lack of significant rainfall in the South has disrupted all current crop (short-crops) production. Deficits are very marked throughout the coastal strip of *Androy*, where strong, dry winds blew.
- According to the majority of households in this region, this year is worse than a normal year in term of crops and duration of lean season. For the next season of long-cycle crops, 88% of households expect a worse crop than last year, 6% the same crop as last year and 5% a better crop.
- During this campaign, the main problems that households have experienced are lack of rain (69%), followed by diseases and insects (14%, particularly in *Ambvombe*, *Bekily* and *South Betioky*) and lastly, land preparation (7-10% of households in *Toalagnaro* of *Bekily* and *Ambvombe*).
- As of mid-March, nearly 18% of households still had food stocks at home. This proportion had decreased by 7 percentage points compared to the same period last year. This stock lasts about 21 days, varying from one to two months in most districts. It is not sufficient for 89% of the population in targeted areas, to address extending gap until the end of June (month of the next harvest for long-cycle crops).
- In Southeast districts affected by floods, major concerns are first damage in agriculture. Loss of rice crops was very important (more than 70%). These rice fields are silted or muddy. And in some districts, they are moved away. Important backfilling is necessary before re-plantings.

### FORECAST IN SAP ZONE IN THE SOUTH MADAGASCAR

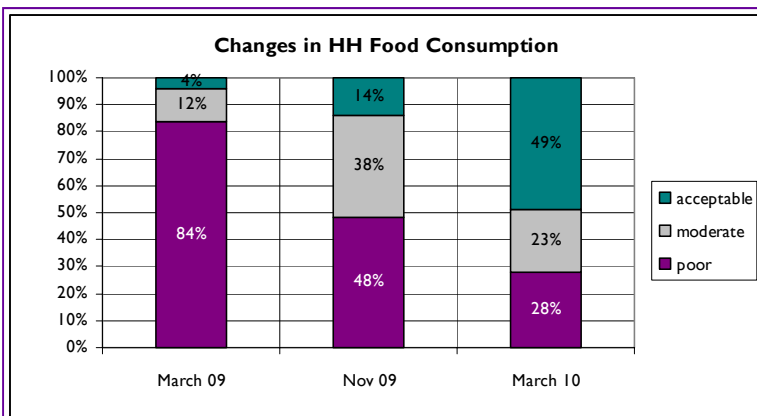


## Food Consumption

The positive effects of programmes conducted by the Food Security and Livelihoods cluster on household food consumption were measured through the impact assessment conducted in March 2010.

These activities began in October 2009 and aimed to sustain food security and agriculture in targeted communities in the South during the last lean season.

In these municipalities where the Cluster operates, household food consumption has improved compared to last year. The chart on the right shows the trends in household food consumption over time in the zone, where 84% had 'poor' consumption in March 09. This decreased to 48% in November 09 and down to 28% in March 2010. However, only 49% of the households had 'acceptable' consumption by March 2010.

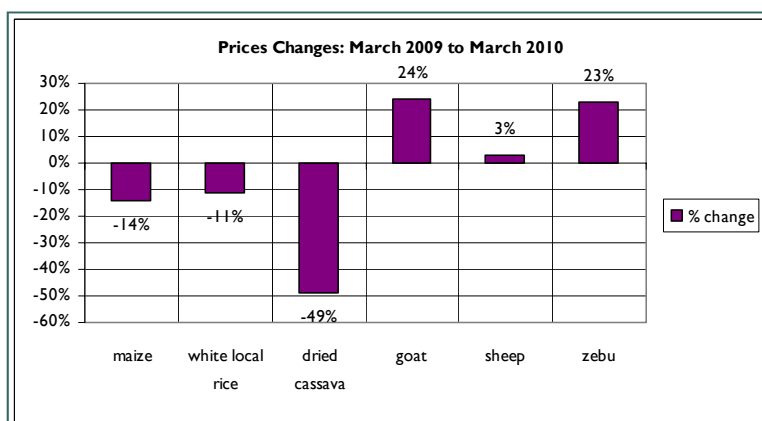


Household consumption in March 2010 is more diversified compared to November 2009. In fact, in November, households are consuming mainly tubers, with some fruits of cactus in two districts (*Betioky Sud and Ampanihy*). In March 2010, households were benefiting from more variety in their consumption due to the food assistance, which included cereals and peas. An important and unusual consumption of collected/wild products such as cactus fruits, wild vegetables or wild tubers is also noticed.

To prepare for the lean season this year, expected complementary sources of revenue for households are livestock sales, modest fishing in some coastal areas, collecting forest products (coal, firewood, planks, etc.) agricultural or seasonal jobs or remittances. Few labourers started to move from *Ampanihy, Tsihombe and Bekily* districts to habitual zones of migration: northwest or west Madagascar (*Nosy-Be, Ambilobe, Namakia, and Morondava*) to work as agricultural labourers, or to some larger cities nearby (*Mahafaly d'Itampolo*) for daily or informal jobs.

## Markets and Prices

The impact assessment in the South shows that 30% of visited localities have markets nearby. For the others, markets are located approximately 5km away the village. In these areas, markets are well supplied even if the diversity of items has diminished over time.



According to the Early Warning System (SAP), foodstuffs are still available in all markets. However, they mostly come from municipalities out of the SAP zone. Prices of rice and maize stand in a higher level than last year but are on the decrease. The same trend is noticed for cassava prices while livestock prices are slightly rising. The graph at the left shows variation of price of principal products from March 2009 to March 2010 in the SAP zone.

In the districts affected by floods in the Southeast, prices of basic food increased during the days following the shock. In fact, National Highway 25 connecting the capital to the affected districts was cut off and all these districts were completely isolated for about 3 weeks.

All major products were available even if some roads were inaccessible. The change in price due to the floods has been remarkable for rice (up from 27% to 69%). The price of sugar has also increased, but it was rather linked to a national increase than to a specific shock (up from 28% to 39%). The price of oil remained quietly stable. In end April, prices started to decrease and has reached pre-shock levels.

In the other parts of the Island, prices remains stable as compared to last quarter of this year. IMF expects an inflation rate of 9.6% ; last year it was about 9.5 percent.



## MADAGASCAR—Key Facts

*Madagascar, the fourth largest island in the world, lies in the Indian Ocean off the east coast of southern Africa and is renowned for its unique flora and fauna: it is home to five percent of the world's plant and animal species, 80 percent of which are found nowhere else on Earth.*



	2008
Population, total (millions)	19.1
Population growth (annual %)	2.7
Surface area (sq. km) (thousands)	587.0
Life expectancy at birth, total (years)	60.5
Mortality rate, infant (per 1,000 live births)	70.0
Malnutrition prevalence, weight for age (6-59 months) (NCHS/WHO)*	48%
Literacy rate, youth female (% of females ages 15-24)	68.2
GNI (current US\$) (billions)	8.9
GNI per capita, Atlas method (current US\$)	410.0

Source: World Development Indicators, Most recent data available, 2001-2008; \*Childinfo database

**Inputs were provided by the following sources:**

- UN WFP
- UNICEF
- FAO
- ONN
- Observatoire du Riz
- SAP
- IMF
- The World Bank

## Health and Nutrition

- In early 2009, malnutrition levels increased in the South. In April 2009, prevalence of wasting was above the alert threshold of 10% in seven districts. To address this emergency, technical and financial partners implemented multi-sectoral responses. Significant improvement was noticed since November 2009.
- In April 2010, there is still no significant deterioration of the nutritional status of the 6-59 mo population compared to November 2009. Nevertheless, due to crop failure the situation remains very fragile and to be monitored.
- The politico-economic context reduces Country capacity to face malnutrition. Resources allocated to health services have been drastically reduced. Treatment of severe acute malnutrition is now at payment.
- Reported mortality rate in hospitals CRENI (*Centre de Récupération Educationnelle de Nutrition Intensive*) have increased from 10 to 27 percent. Forty percent of patients dropped out of treatment, usually because of inability to pay. UNICEF will temporary provide CRENI with therapeutic milk and medicines for systematic treatment. Additional funds are needed to maintain this essential support to avoid a rise in mortality among children most vulnerable.



*The Spanish Government is providing financial support for the strengthening of Food Security Monitoring Systems in Southern Africa.*

Regions	Global Acute Malnutrition (GAM)	Severe Acute Malnutrition (SAM)
Anosy (2 districts)	8.7% (6.7 - 11.1)	1.0% (0.5 - 1.9)
Androy (3 districts)	7.2% (5.4 - 9.5)	1.7% (1.0 - 2.8)