The Prime Minister, launched the CAADP process in Lesotho on the 26th May 2011. This was done concurrently with the launch of LENAFU (Lesotho National Farmers Union).

The Lesotho Vulnerability Assessment Committee (LVAC) preliminary results estimate that 513,774 people will be food insecure in 2011/12.

The BoS crop estimates show poor harvest this year, with production of maize and sorghum estimated at 60% and 80% less than last year respectively.

Fuel prices fluctuated in the second quarter, but remained significantly higher than the previous quarter. Compared to the previous quarter, 8% increase was noted in petrol prices, while diesel and paraffin prices increased by 5%.

Although fuel prices increased significantly this year, food prices remained almost the same as last year at this time.

A combination of high prevalence of stunting in the country, estimated at 39% with the mountain districts having the highest prevalence of above 40% and high levels of food insecurity due to the heavy rains resulted in the implementation of blanket feeding in the four operational districts; Berea, Thaba-Tsek, Mokhotlong and Qacha’s Nek.

The Lesotho agricultural census was carried out in July 2010 and data analysis is still ongoing. This census is carried out once in ten years and will provide updated agricultural data. It is also expected to provide some indication of progress in the implementation of agricultural priorities in the Poverty Reduction strategy.

The SACU revenue which has been the main revenue source for the government dropped significantly in 2009-2010 from an estimated 35% of GDP to about 14% of GDP in 2010/11. The status of the SACU revenues is however expected to improve.

**Update on Policy**

- FAO engaged a consultant to facilitate the agriculture chapter that includes food security and nutrition.
- The UN conducted training for the Technical Team on aspects of UNDAF in preparation for the development of the new framework which will be linked to the National Strategic Development Plan. The UN will engage the consultant to evaluate the current UNDAF and carry out the stakeholder analysis. The UN retreat is planned to take place in September with the intention of identifying key priority areas for UNDAF.
Economic Conditions

- The inflation rate, measured by a change in the consumer price index (CPI) was estimated at 4.3% in April which was slightly higher than the 4.1% recorded in April. At the end of June, it was estimated at 4.7%.
- The food inflation rate, which makes the biggest share of the average consumer basket also increased. In June it was 6.6%, a 1 percentage point increase from the 5.6% recorded in May (Bureau of Statistics, CPI Reports).
- The 2011/12 Budget Speech revealed that total domestic revenue declined by 30% with 50% reduction in South Africa Custom Unions (SACU) receipts. However, it is expected that SACU revenue will increase from M2,161.9 to M2,752.6 million next year. In 2012/13 and 2013/14 the SACU revenue is expected to be M4,287 million and M4,480.1 million.
- At the end of the third quarter of 2010, manufacturing employment increased by 5.2% compared to the previous year and provided jobs to over 45,000 people, mainly women. However, the contribution of textile industry to GDP fell from a high of 20.6% in 2002/3 to 14% in 2009/10. In the first to third quarters of 2010, the number of Basotho mineworkers declined by 1.9 percent from 43,092 to 42,252 (Budget speech, February 2011).

Agricultural Production

- 77% of the total population make a living from subsistence agriculture.
- Agriculture contributed 10% to GDP in the last decade, and it has now declined to 7.9% in 2009/10.
- Crop production is the main contributor to the decline as its contribution fell from 4.8% in 2000/01 to only 1.8% in 2009/10.
- Livestock contributes 4.5% to GDP.
- The chart below shows that in 2009/10 maize production increased significantly by more than 100% despite the fact that area planted was 8% lower than the previous season (BoS, 2011).
- Production of other crops; sorghum and wheat was also significantly high by more than 100% as well.
- Meteorological Services reported that the 2010/11 rains came late at the end of the planting season.
- The BoS estimates maize production at 51,506mt or 40% of last season’s production. Sorghum production is estimated at 4,838mt which is 20% of last season’s production.
- Reasons for poor production this year as captured in the Post Disaster Needs Assessment led by DMA with support of World Bank, European Union and UN; as well as the government-led Rapid Assessment conducted immediately after the heavy rains include among others; poor crop germination following the heavy rains, reduced field operations and prolonged water-logging.
- Due to the unseasonal heavy rains that have extended well beyond the end of the summer, the MAFS advised FAO to provide summer cropping inputs instead of inputs for winter cropping due to water-logging in most fields.
Markets and prices

- Prices of fuel increased significantly in April and May, dropped in June, but remained higher than the previous quarter.
- Petrol prices dropped by 1% compared to May prices, while diesel and paraffin prices dropped by 4% each.
- On a quarterly basis, an 8% increase was noted in petrol prices, while diesel and paraffin prices increased by 5%.
- Compared to last year in December, petrol prices increased by 28%, diesel by 26% and paraffin by 30% (source: Petroleum Fund).
- Despite significant increases in fuel prices, prices of food remained stable with the cost of 12.5kg bag of maize meal (main staple food) estimated at M45.00 in April compared to M44.60 in March (source: Bureau of Statistics). Prices of staple food have remained stable since last year.
- Prices of other food commodities such as pulses, bread and cooking oil also remained stable.

Livelihoods

- According to the VAC poor households rely mostly on casual labour and brewing. They engage in sharecropping as they cannot afford to cultivate their fields.
- Other households rely on crop and livestock production, crop and livestock sales, wool and mohair.
- Crop production this year is poor following the heavy rains especially in the northern region which is considered the food basket of the country.
- The impact on livestock production is also significantly high, implying loss of income and draught power for many households.
- Poor people are most affected as they lost opportunities to agricultural casual labour.
- By livelihood zones, the northern districts; Berea, Leribe and Butha-Buthe are the most affected in terms of food production.
**LESOTHO—Key Facts**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Value</th>
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<tbody>
<tr>
<td>Population, total (millions), 2006 census</td>
<td>1.88</td>
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<tr>
<td>Population growth (annual %), World Development Indicators, 2009</td>
<td>0.8</td>
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<tr>
<td>HDI rank (out of 169 countries), 2010 HDI report</td>
<td>141</td>
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<tr>
<td>HDI value, 2010 HDI report</td>
<td>0.427</td>
</tr>
<tr>
<td>GDP (current US$) (billions)</td>
<td>1.6</td>
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<tr>
<td>GNI per capita, (Atlas method (current US$), 2010 HDI</td>
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<td>External debt stocks (% GNI)</td>
<td>33.7</td>
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<tr>
<td>Surface area (sq. km) (thousands)</td>
<td>30.4</td>
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<tr>
<td>Agricultural land (% of land area)</td>
<td>76.9</td>
</tr>
<tr>
<td>Life expectancy at birth, total (years), 2010 HDI</td>
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<tr>
<td>Mortality rate, under-5 (per 1,000), 2009 DHS</td>
<td>117</td>
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<tr>
<td>Maternal Mortality Ratio (per 100,000), 2009 UNDP-HDI</td>
<td>960</td>
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<tr>
<td>Malnutrition prevalence, weight for age (% U5), 2009 DHS</td>
<td>13.2%</td>
</tr>
<tr>
<td>Prevalence HIV, total (% pop aged 15-49), 2009 DHS</td>
<td>23%</td>
</tr>
<tr>
<td>School enrolment, primary (% net), UNDP</td>
<td>83.9%</td>
</tr>
<tr>
<td>Education—mean years of schooling (adults), 2010 HDI</td>
<td>5.8</td>
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*Source: World Development Indicators where not quoted.*

*Most Recent data available 2001 – 2010*

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**Health and Nutrition**

- **HIV and AIDS** have devastated sub-Saharan Africa. Lesotho has the third highest prevalence rate in the world after Swaziland and Botswana. It is estimated at 23% by the Demographic Health Survey (2009), while in 2004, it was estimated at 23.2% (DHS, 2004). More than 210,430 children have been orphaned and made highly vulnerable by HIV and AIDS (MDG Report, 2010). In 2000, His Majesty King Letsie III declared HIV and AIDS a national disaster, highlighting the seriousness of the epidemic and the government’s commitment to dealing with the impacts.

- **Malnutrition** can occur even when access to food and healthcare is sufficient and the environment is reasonably healthy. The social context and care environments within the household and the community also directly influence nutrition. Factors influencing nutritional status include poor feeding practices, poor maternal hygiene, morbidity and HIV and AIDS.

- Malnutrition trends in Lesotho in particular **stunting** (height for age) amongst children below five years seems to be at an alarming rate of 39% as reported by Demographic Health Survey (DHS), 2009. Stunting is a chronic form of malnutrition and is highest in the mountain districts ranging from 47% in Qacha’s Nek to 51% in Thaba-Tseka. Stunting is associated with decreased survival, childhood and adult health, learning capacity and productivity (A&T Technical Brief, Issue 2: September 2010).

  - 2009 DHS estimated wasting at 3.8% and underweight at 13.2%.

  - The nutrition baseline survey conducted in Thaba-Tseka, Mokhotlong, Qacha’s Nek and Berea showed that the majority of people living with HIV had acceptable body mass index. However, about 19% in Berea were undernourished and needs support (FNCO, 2011).

  - WFP will implement blanket feeding to 31,900 children <2 years, 1,610 pregnant women and 14,540 lactating mothers in Berea, Thaba-Tseka, Mokhotlong and Qacha’s Nek. The intention of this intervention is to prevent malnutrition in target groups considering high levels of food insecurity this year. This intervention will be implemented through the joint UN nutrition project and will run from June until the next harvest in 2012.