



**The Famine Early Warning
Systems Network**

ZIMBABWE MONTHLY FOOD SECURITY UPDATE

September 30, 2003

Information in this report is valid as of the 19th of September and does not reflect changes that occurred thereafter.

Summary

- The total staple cereal gap for 2003/04 marketing season (1 April 2003 to 31 March 2004) remains high at about 738,464MT, of which 671,424MT is maize. Food aid and commercial imports achieved by mid September 2003 have covered only 28 percent of the 2003/04 marketing year's initial cereal deficit.
- The 2002/03 harvest is running out for most rural households, and purchased foods are selling at prices that continue to escalate far beyond the reach of the majority of poor households.
- Maize grain, cooking oil, rice and bread supplies continue to be stable in most areas of the country. Maize meal, which was becoming more visible on the formal market, has become less so following the Government's crackdown on major millers for selling the commodity at above government stipulated prices.
- WFP food aid distribution to about 1.164 million beneficiaries went ahead in August 2003 without any disruptions, despite fears that Government's new policy guidelines on humanitarian assistance would provide impetus for interference with humanitarian food distributions.
- Access is by far the biggest constraint to food security for the urban population throughout the country. Food access constraints are compounded by high inflation and national cash shortages which showed no signs of abating at the end of September 2003.
- Rainfall prospects for the 2003/04 rainfall season, as currently forecasted, are fair to good for the country. However, changes in the agricultural landscape and shortages of inputs including fertilizers, seeds, fuel, credit and spare parts, are all combining to severely limit potential production for the 2003/04 agricultural season.
- If current shortages of fuel, fertilizer, foreign currency, cash and maize seed persist, Zimbabwe will not be able to produce more than 1.2 million MT of maize (66 percent of national requirements) in the 2003/04 agricultural season, in the best of rainfall circumstances.

1. Current Food Security Situation

1.1. Diminishing Food Security Crisis

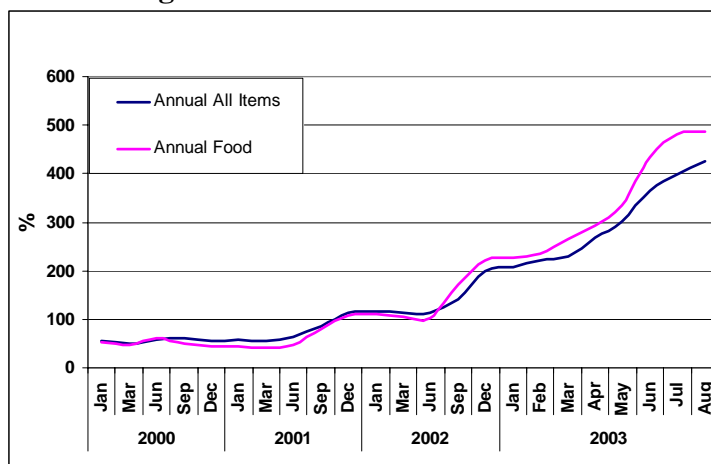
Maize grain, cooking oil, rice and bread supplies continue to be stable in most areas of the country. Maize meal which had become more visible on the formal market has now become less visible following a Government crackdown on major millers selling at above government stipulated prices. Ordinary wheat flour and sugar remain in critical short supply and can only be found on parallel markets. Meanwhile, cake flour is found in shops in relative abundance.

WFP food aid distributions to about 1.164 million beneficiaries went ahead in August 2003 without disruption, despite fears that Government's new policy guidelines on humanitarian assistance would result in interference with the distributions. These new policy guidelines, issued in August 2003, have been viewed by many, including NGOs, to involve replacement of the community structures in use for distributing food aid and agricultural inputs assistance, with local government structures considered to be loyal to the ruling party. In addition WFP, in partnership with Help German, provided supplementary food to about 200,000 malnourished children in Harare and Bulawayo.

1.2. Continuing Food Security Crisis

The 2002/03 cereal harvest is running out for most rural households, and purchased foods are selling at prices that continue to escalate beyond the reach of the poor majority. Food inflation, estimated at 487.3 percent in August, up 6.5 percentage points from July 2003, continues to be well above the "All-Items" annual inflation rate (Figure 1). The official rate of inflation measured by the Central Statistics Office (CSO) is lower than the actual rate of inflation being experienced by poor urban households. In the period August 2002 to August 2003, the value of the food basket for low income urban household of six persons, monitored by the Consumer Council of Zimbabwe (CCZ), increased by 769.4 percent. This increase is 342.8 percent above the official all items inflation rate for the same period.

Figure 1: Trends in Annual Inflation



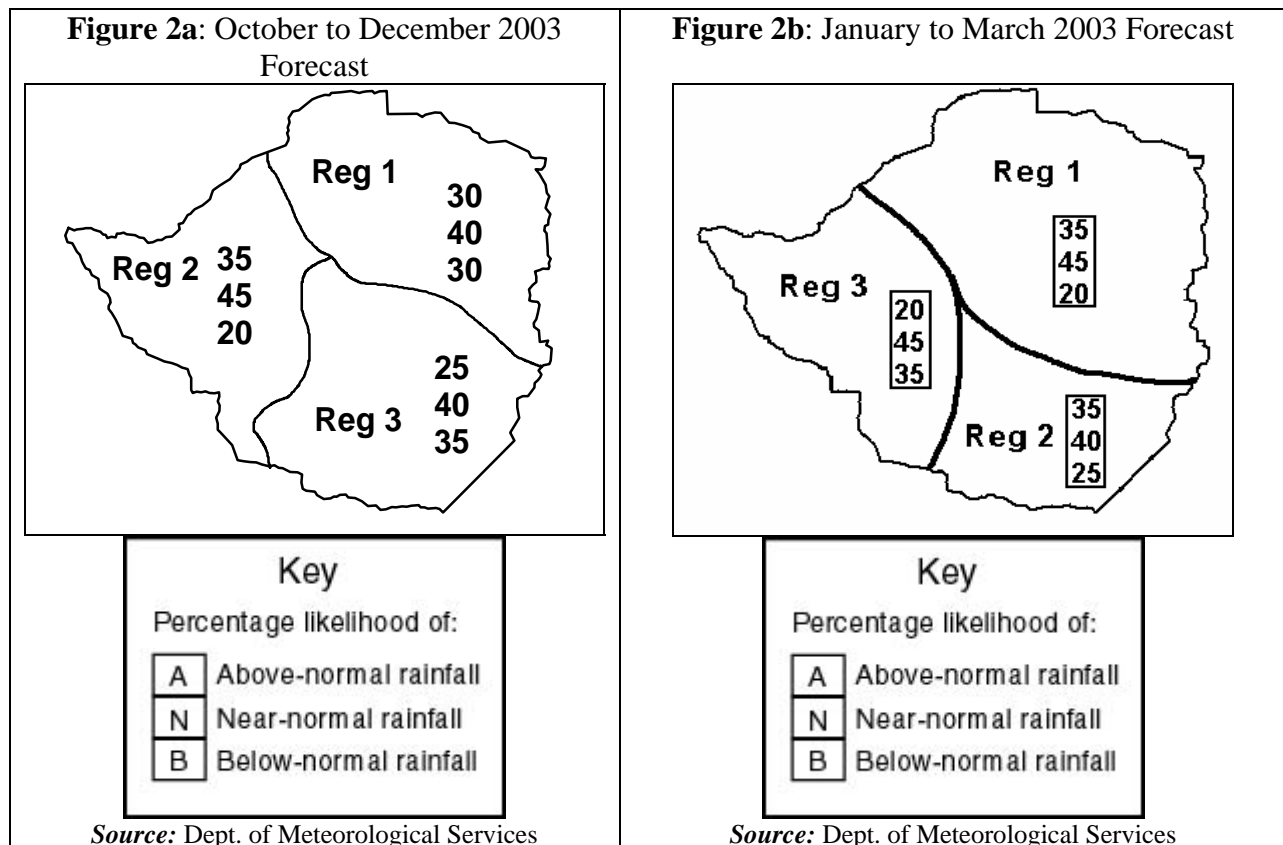
Source: Central Statistical Office

1.3. Emerging Food Security Crisis

1.3.1 The 2003/04 Rainfall Season Forecast

On 12 September 2003, the Department of Meteorological Services issued their forecast for the 2003/04 rainfall season. This forecast is heavily influenced by prevailing diminished El Niño conditions and the near neutral sea surface temperatures conditions. Therefore, the accuracy of

the seasonal outlook will depend on whether these neutral conditions persist. The forecast divides the rainfall season into two parts; October to December 2003 and January to March 2004. The country is also divided into regions for each half of the rainfall season. Each region is assigned three probabilities; (1) one for the likelihood of above-normal rainfall, (2) the second one for the likelihood of normal rainfall and (3) the third one for the likelihood of below normal rainfall. Figure 2a and b depict the 2003/04 rainfall forecast. For the October to December 2003 period (Figure 2a), Region 1 which covers most of the grain growing areas of the country and the eastern highlands have a high chance of normal rainfall. Region 2 covers much of Matebeleland North province and some Western parts of Midlands' provinces. Rainfall in this region is forecasted to be normal with a slight chance of above normal precipitation during the first half of the rainfall season. The Eastern half of Midlands, much of Masvingo and Matebeleland South provinces fall in region 3, which is expected to receive normal rainfall with increased chances of below normal rainfall (Figure 2a). This is not a good prospect for an area which usually does not receive sufficient rainfall for crop production.



The forecast for the second half of the season (Figure 2b) divides the country in a similar manner, except that Region 1 extends further southwards for the second half of the season forecast. Region 1 is forecasted to have normal rainfall with increased chances of above normal rainfall. The area covering Masvingo and parts of Midland and Matebeleland South provinces constitutes Region 2 in the January to March 2004 part of the 2003/04 rainfall season. This region is expected to have normal to above normal rainfall. Finally, Region 3 is forecasted to receive normal rains with a high likelihood below normal rains (Figure 2b).

Overall, rainfall prospects for the 2003/04 rainfall season, as currently forecasted, are fair to good for the country. However, changes in the agricultural landscape, shortages of inputs including fertilizers, seeds, fuel, credit and spare parts, are all combining to severely limit potential production for the 2003/04 agricultural season.

1.3.1 Seed Maize Shortage

Zimbabwe Seed Houses' estimate for total hybrid seed maize produced in the 2002/03 winter and summer production stands at 21,650MT. Open pollinated seed maize produced in the same production year is estimated at 4,800MT. In addition, an estimated 5,000 MT of hybrid seed maize are available for import by Zimbabwe within SADC. However, other countries may also want this seed. (See Table 1).

Currently, most districts in the country do not have seed from the usual sources. The FOSNET August report indicates that of the 49 districts they monitor, only 4 districts reported seed availability. If all the available seed maize gets to "true farmers" and is used

Table 1: Seed Maize Situation as at 2 September 2003

Type of Seed	Amount (MT)
Hybrid Seed Maize	21,650
Possible Hybrid Seed Maize Imports	5,000
Open Pollinated Seed Maize	4,800
Total	31,450

Source: Seed Cop

productively and replanting is kept to a minimum, about 1,258,000 hectares could be put under maize production in the coming season. Given the experience of last year when about 47,000MT of seed maize was sold but only about 1,200,000 hectares (64 percent of maximum possible) were put under maize, it is certainly optimistic to expect 1,258,000 hectares of maize to be planted in the 2003/03 agricultural season if the maize seed situation remains unchanged.

As new inexperienced farmers and farmers for the communal area farming sector replace experienced and well resourced large scale commercial farmers, national average maize yields are expected to simulate the communal area sector average yields of between 880 and 980kg per hectare

With these levels of yield, the maximum possible national maize production for the 2003/04 agricultural season might be between 1.1 million MT and 1.2 million MT. This translates to at least a 600,000 MT shortfall of annual national requirements.

Since land preparation will be compromised by shortages of tractors, spare parts, fuel and increased costs, the total area under crops is likely to be much less than the average for the 1990s. Given the shortage of good maize seed and fertilizer, coupled with the high cost of these inputs (fertilizer costs Z\$400 to Z\$1,200 per kg and maize seed Z\$300 to Z\$3000 per kg, according to FOSNET) and the shortage of credit, crop yields are expected to be significantly lower than the 1990s' averages. Consequently, the food security prospects for the coming year are gloomy so long as the agricultural input situation remains unchanged.

2. Food Security Conditions and Prospects

2.1. Current Food Availability at National Level

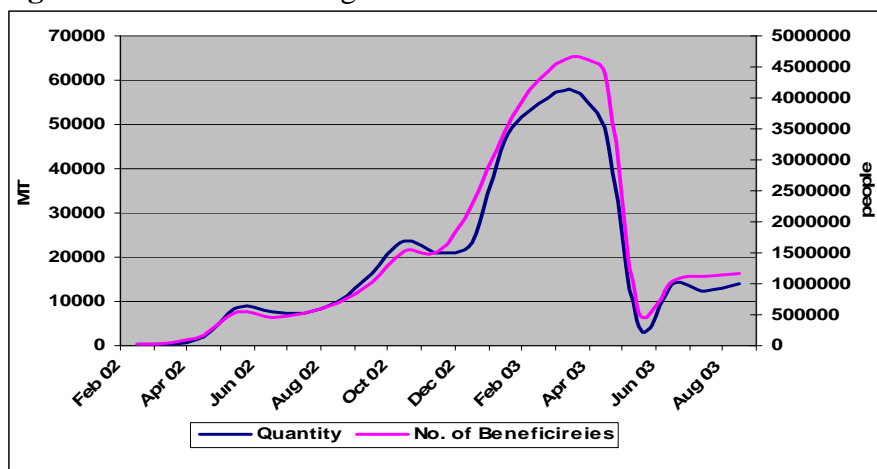
Basic food stuffs such as maize, salt, milk, bread, beef and farm produce are generally available in formal and informal markets throughout the country. However staple cereals from last year's harvest are running out and shortages will become increasingly acute. The situation is already critical in the traditional grain deficit areas of Matebeleland and areas that suffered poor harvests last agricultural season. Maize deliveries to the Grain Marketing Board (GMB) remain low despite strict enforcement of the law requiring farmers to sell their maize and small grains to the parastatal. There were, however, reports in the Government owned print media that there was an increase in maize deliveries to GMB following the Government increase of the official maize producer price in September 2003 to Z\$ 300,000/MT, from 1 April 2003.

2.2. Current Food Security Prospects at the Sub-national Level

2.2.1 Food Security in Rural Areas

The Zimbabwe Vulnerability Assessment Committee (ZIMVAC) estimates of people in need of food aid to reach a maximum of 2.744 million beneficiaries in rural areas and the amount of food aid required to reach 98,800 MT by the end of September 2003. By the end of August, WFP had managed to meet about 27 percent of the estimated rural food aid requirements for July to September and reached about 42 percent of the estimated peak number of beneficiaries for the period (Figure 3). WFP covered 44 of the total 57 rural districts in the country with general and targeted food aid programmes. While information regarding the Government's food for work programme is not readily available, it is understood to be operating in all districts of the country. GMB maize, though still inadequate, is currently more available in most rural areas than it was same time last year.

Figure 3: World Food Programme Food Aid Distributions



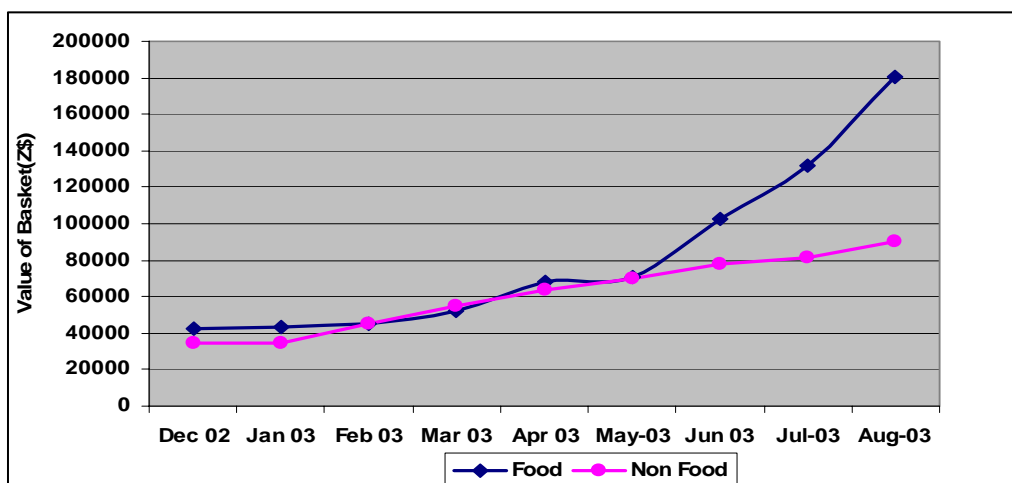
Source: WFP

2.2.2 Food Security in Urban Areas

Food security remains critical in urban areas, particularly amongst the poor households whose bread winners earn minimum wage. Between July and August, the minimum basket for an urban household of six monitored by CCZ increased in price by 27.1 percent to Z\$271,300 per month. From November to March, the 2002 the food and non-food components of the monitored basket were increasing at a monthly rate of about 12 percent. Since March, the food component of the

basket picked up pace and has increased by a monthly rate of about 20 percent, while the non-food component of the basket continues to increase at a steady rate of 12.2 percent (Figure 4).

Figure 4: Trends in the Food and Non Food Monthly Expenditure Basket for a Low Income Urban Household



Source: CCZ

The increases in the cost of food and other household items have forced some living in high density suburbs to relocate to peri-urban informal settlements. Many are forced to reduce number of daily meals consumed as income fails to match the ever-rising cost of living. At present, the cost of living is five times higher than the general minimum wage of Z\$47,695 per month stipulated by Government in Statutory Instrument 160 of 2003. Access to food is by far the biggest constraint to food security for the urban population throughout the country and is compounded by a shortage of local currency notes which by September has entered its fifth month, with no signs of waning.

2.3. Food Security Outlook for the 2003/04 Consumption Year

The period under review saw total cereal imports into the country of 80,000 MT, comprising 30,000 MT of wheat and 50,000 MT of rice donations from India to the Government of Zimbabwe. These imports reduce the total cereal gap from 818,464 MT to 738,464 MT of which 671,424 MT is maize (Table 3). Only 28 percent of the 2003/04 initial cereal deficit has been covered by food aid and commercial imports, as of mid September 2003. If outstanding imports amounting to 295,660 MT are eventually brought into the country, the total cereal gap will be reduced to about 443,000 MT. The recent Indian rice donation has pushed the national stock for the current marketing year to about 46,000 MT, beyond the national annual estimated demand of 11,700 MT. Meanwhile, Maize and wheat supplies continue to trail national demand for the current marketing year by about 375,764 MT and 112,953 MT, respectively.

Table 3: National Cereal Balance Sheet for the period April 2003 to March 2004 as at 16 September 2003

	Maize	Millets	Wheat	Rice	All Grain
A. Potential Domestic Availability	920,775	65,760	178,400	7,566	1,172,501
Formal Opening Stocks (April 2003)	26,000	-	28,400	7,566	61,966
Gross Harvest Production (estimate)	819,000	65,560	150,000	-	1,034,560
Winter maize and early summer maize harvest (estimated)	10,000	-	-	-	10,000
Available food aid Stocks as at 1 April 2003	62,775	-	-	-	62,775
Unmonitored Stocks : Farmers & other (estimate)	3,000	200	-	-	3,200
B. Annual Requirements	1,674,265	176,562	341,353	11,653	2,203,833
Gross Consumption Requirement	1,424,265	176,562	341,353	11,653	1,953,833
Livestock, other uses and losses	250,000	-	-	-	250,000
C. Domestic Balance (DB) (A minus B)	(753,490)	(110,802)	(162,953)	(4,087)	(1,031,332)
D. Cross Substitution	(95,802)	(95,802)	-	-	(191,604)
E. Cereal Exports to date (estimate)	-	-	-	-	-
F. Cereal Commercial Imports to date (estimated)	104,521	-	20,000	50,000	174,521
G. Private Sector maize imports for livestock feed (estimated)	-	-	-	-	-
H. Cereal Food Aid Imports to date (estimated)	73,347	15,000	30,000	-	118,347
Total Imports to date (as at 18 August 2003)	177,868	15,000	50,000	50,000	292,868
I. Forecasted Closing Stocks Before Additional Imports (March 2004)	(671,424)	-	(112,953)	45,913	(738,464)
J. Planned Food Aid Imports outstanding (estimated)	41,460	-	-	-	41,460
K. Planned Commercial Imports outstanding (estimated)	254,200	-	-	-	254,200
L. Total Imports outstanding (estimated)	295,660	-	-	-	295,660
M. Forecasted Deficit (Closing Stocks) after Imports (March 2004)	(375,764)	-	(112,953)	45,913	(442,804)
Assumptions					
Est. mid-year population	11,770,789	11,770,789	11,770,789	11,770,789	11,770,789
Est. Human Annual Consumption Requirement. (Kgs/Person)	120	13	29	1	163
Total Supply (excluding livestock)	1,394,303	80,760	228,400	57,566	1,761,029
Total Demand (Human Consumption excluding Livestock)	1,424,265	176,562	341,353	11,653	1,953,833
Balance (excluding Livestock and considering 3 months SGR)	-29,962	-95,802	-112,953	45,913	-192,804

Source: FEWSNET

3. National Trends Affecting All or Most of the Country: Hazard Information

3.1. Cash Crisis Persists

The shortage of local currency has entered its fifth month without signs of easing. The Government's efforts to address the crisis have yet to bear fruit. The Reserve Bank of Zimbabwe introduced local traveller's cheques with denominations ranging from Z\$1,000 to Z\$100,000 two months ago and have encouraged the use of plastic money. While the use of plastic money has increased tremendously over the past three months, use of travellers cheques has not been as successful with even major retailers rejecting them because they are difficult to authenticate. On 26 September 2003, new Z\$500 and Z\$1,000 notes were introduced and will be complemented by the yet another instrument of transaction settlement, the bear's cheques.

The shortage of cash is hurting the economy by slowing down business transactions, forcing loss of labour hours as workers spend hours on end in bank queues and increasing transaction costs as some businesses are charging higher prices for cheque payments or demand bank cheques that incur high bank charges. Consumer choice is also limited because not every business has facilities to use plastic money and not every business accepts travellers' cheques. The Zimbabwe Congress of Trade Unions has threatened to call for mass demonstrations if the Government allows the cash crisis to continue.