








## Food Security Situation Update for June 2020

Updated 14/07/2020

### Highlights:

-  COVID-19 cases in Zimbabwe have increased from 149 cases reported at the end of May to 985 cases by the 13<sup>th</sup> of July 2020. This is an indication that the country has not yet reached its peak. Although some restrictive measures have been relaxed, business is still low and households require more time to recover.
-  The year on year inflation increased from 766% in April to 787% in May 2020, while the month-on-month inflation decreased from the 18% in April to 15% in May 2020. Food remains the main driver of inflation estimated at 954% in May 2020, an indication of increased vulnerabilities.
-  Winter cropping season started in May and according to the Ministry of Agriculture by end of June 2020, the area planted to winter wheat was recorded as 37,708Ha. The early planted wheat crop was reported to be at late vegetative (stem elongation) stages. The late planted crop was at early vegetative (tilling stages). The wheat crop condition was reported to be ranging from fair to good in all provinces.
-  Maize grain availability remains poor due to a combination of factors including the poor 2019/2020 harvest, lack of foreign currency to import adequate maize grain quantities and slow movement of trade due to COVID-19 pandemic and restrictive measures to contain the spread of the disease.
-  Prices of basic food commodities increased by an average of 22% over the month of June 2020, with maize grain recording the highest percentage increase of 122%, a good indicator of supply shortages. These price increases are against a backdrop of decreasing income due to the COVID-19 pandemic and economic challenges.

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## 1. Update on the COVID-19 Situation and Impacts on Food and Nutrition Security

Globally, the number of COVID 19 cases continues to increase and is estimated at 13.1 million people by 13<sup>th</sup> of July 2020. Meanwhile, in Zimbabwe, during the month of June the number of COVID-19 cases rose steeply by 285% from 149 cases reported at the end of April to 574 on the 29<sup>th</sup> of June 2020. This number has since increased to 985 cases and 18 deaths by the 13<sup>th</sup> of July 2020. Although most of the cases were reported at quarantine centres across the country which host returnees from other countries, the number of cross transmissions has recently increased. The World Health Organization projected potential increase in the number of cases as until August 2020 at the start of summer, as was observed in other countries. Different models have placed the peak of the pandemic transmission in Zimbabwe to happen between July and August 2020.

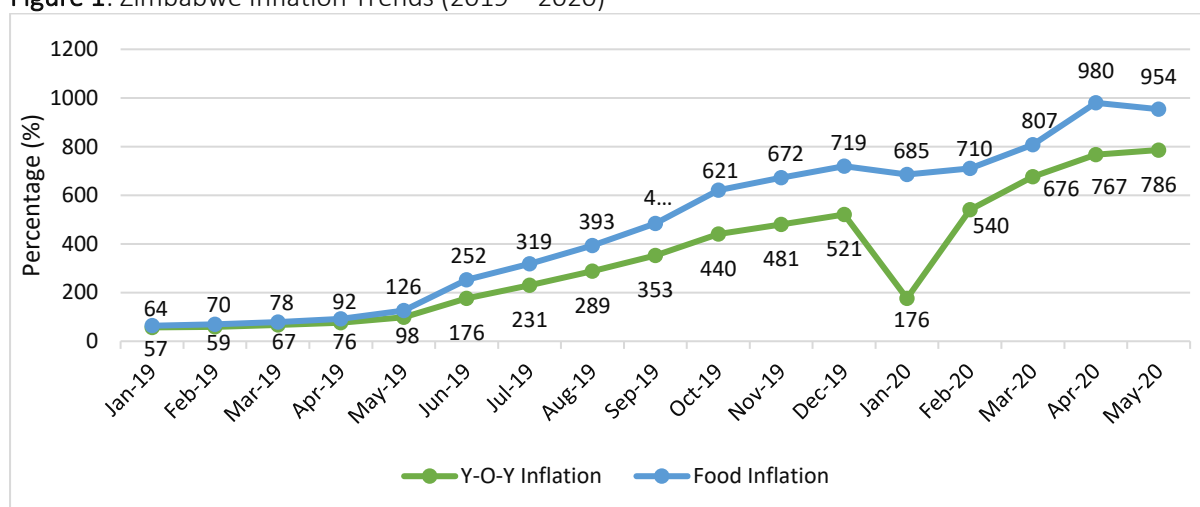
The pandemic has increased exposure to economic shocks (mostly loss of livelihoods activities) especially for the most vulnerable in both rural and urban settings. Given the projections of an upsurge in the number of cases, the impacts of the pandemic on the livelihoods of the vulnerable populations will continue to be felt for a longer period. The main impacts of the outbreak on the household food security situation are summarised below:

- With the increase in the number of cases, vulnerable households in both rural and urban contexts are faced with poor hygiene and sanitation conditions with districts like Gokwe North (46%), Binga (35%), Gokwe South (33%), Kariba (31%), Epworth (21%), Chipinge (21%) and Chimanimani (21%) reporting prevalence above or close to that of the national average of 45% in rural context and 40% in urban context (ZimVAC, 2019). Any COVID outbreak in these areas is likely to spread faster if not contained immediately due to the poor sanitation and hygiene standards. This has a potential to impact negatively on the livelihoods and health conditions of the poor and vulnerable people in these areas.
- Remittances, one of the most important sources of income for 13% of the households in rural and 7% for urban context, has been seriously affected since disposable incomes for those remitting from the diaspora has dwindled due to loss of employment opportunities as a result of COVID-19. Physical food access has drastically reduced due to closure of rural and urban open eating places /informal kiosks and reduced operational time for formal shops as well as limited trade flows. Most of food retail in both rural and urban informal settlements take place in open markets, through kiosks or open market stalls using nonstandard units of measurement. These marketplaces are currently affected by the stringent lockdown measures.
- The informal cross border trade plays a vital role in complementing commercial food imports given Zimbabwe's dependency on imports. Informal trade feeds the informal markets and serves the most vulnerable populations who cannot afford the prices and standard units of sale practiced by the formal market. Historic information (Joint reports from FEWSNET and WFP) reveals that in deficit seasons the informal cross border trade can import into Zimbabwe several tens of tons of maize, rice, beans, etc. from neighboring countries (mainly SA, Zambia and Mozambique).
- At national level, the country has been a net importer of both food and non-food commodities and has started experiencing shortages and acute week-on-week price increases averaging at 8%. Households that rely on the market for basic food commodities are increasingly finding it difficult to access adequate food quantities. Although the government relaxed some measures aimed at controlling the spread of the diseases, business is reported to be still very low, with most of the informal sector struggling to kick start again. Vulnerable households continue to require support to save lives and protect livelihoods.

## 2. Macro-Economic Conditions Update

The macro economic situation in Zimbabwe continues to deteriorate and the country has been operating in an inflationary environment with annual inflation reported at 786% in May 2020 and food inflation at 954% (RBZ, 2020). **Figure 1** below shows a general trend of increasing inflation from two digits reported at the beginning of 2019 to the current three digits which are close to four digits. The Reserve Bank of Zimbabwe in a bid to control the run-away inflation which is driven by the exchange rate among other factors, introduced a foreign currency weekly auction in June 2020. This has seen the temporary stabilization of the parallel market exchange rate while the formal market has been increasing steadily. The main aim of the auction system is to curb illegal parallel market exchange rate activities.

**Figure 1: Zimbabwe Inflation Trends (2019 – 2020)**



Source: RBZ, 2020

The Reserve Bank of Zimbabwe fixed the official exchange rate between the ZWL and USD at 1USD: 25ZWL since March 2020. However, the introduction of the foreign currency auction saw a steady increase from the 1USD:25ZWL to 1USD:57ZWL during the third week of June and eventually to 1USD:64ZWL by close of the month. The Old Mutual Implied Rate (OMIR) which is based on market performance and hence a better indicator of the country’s economic performance pointed to a temporarily stable situation at 1USD: ZWL123 at the start of the month to 1USD:ZWL118 at the end of the month. However, by the first week of July 2020, the government delisted the Old Mutual from trading on the Zimbabwe Stock Exchange, a move whose impacts are still to be fully understood. The parallel market rates increased by more than 41% from 1USD: ZWL71 at the start of the month to 1USD:ZWL100. This deteriorating macro-economic conditions points to eroded households purchasing power leading to deteriorating food security conditions.

The households, as described above, are losing potential income due to the impact of COVID-19, restrictive measures being enforced to contain it, harsh economic conditions and the failure by some households to convert part of their produce to cash income, a normal practice by small holder farmers.

## 4. Winter Cropping Season and Livestock Condition Update

Zimbabwe practice winter cropping to increase food security by complementing the summer crop harvests as well as to take advantage of crops that thrive in winter conditions e.g. some horticulture crops, wheat, maize, tobacco nurseries etc. Winter cropping season normally starts in May. The crops grown under irrigation schemes largely depend on harvested water availability.

According to the Ministry of Agriculture by end of June 2020, the area planted to winter wheat was recorded at 37,708Ha with the early planted crop being at the late vegetative (stem elongation) stages. The late planted crop was at early vegetative (tilling stages). The wheat crop condition was reported as fair to good in all provinces. Information regarding other crops could not be found and will be included in the next bulletin. Preparations for the summer cropping season have also started with farmers growing tobacco nursery for transplanting during the summer cropping season.

Livestock condition was reported to be currently fair across all the provinces in the country. Availability of grazing and water was reported to be fair although some areas that received low rainfall the condition has started to deteriorate and according to the Ministry of Agriculture Second Round Crop and Livestock Report, the situation is expected to become very poor by September 2020.

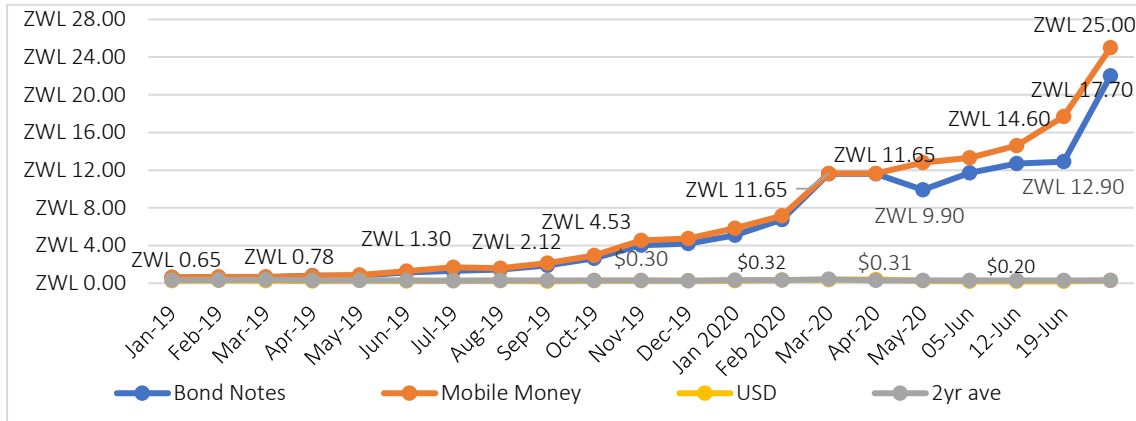
## 5. Market Performance Update

### Maize grain availability and price

Maize grain availability remained low through the month of June from an average of 7% reported during the first week closing at an average of 4% during the last week of the month with urban markets reported slightly more availability ranging between 8 to 10%. The low availability is atypical of this time of the year due to unusual underlying factors which include i) the late harvest mainly expected in June as a result of late onset of the rains ; ii) slow movement of the commodity from surplus producing areas due to the outbreak of COVID-19 and measures to contain it and iii) low imports as a result of slow movement of commodities across borders and general economic challenges. The poor availability in rural formal markets was also attributed to households consuming from own production for those who harvested something and also relying more on farmer to farmer sales which are not captured by the Harmonised Markets Monitoring as they occur at household level.

Maize grain prices were mainly collected from urban centres and at most 5 rural districts which reported availability over the reporting month hence the averages might not be representative of the whole country. However, the average price for the commodity in USD terms remained stable at an average of \$0.23/kg, a price which is similar to the \$0.25/kg reported in May and 29% below the two-year average of USD0.29/kg. In ZWL terms, the average price for the commodity increased by 122% on average from the ZWL9.90/kg reported during the last week of May to ZWL22/kg reported during the last week of the month (**figure 2**). Mobile money payments attracted an average premium of 19% selling at an average of ZWL17.65/kg for the month. Given the poor harvest, this increase in price of the commodity in ZWL terms, points to a high likelihood of an increasingly challenging situation faced by vulnerable households in accessing adequate quantities of the commodity.

**Figure 2: Maize grain price trends**



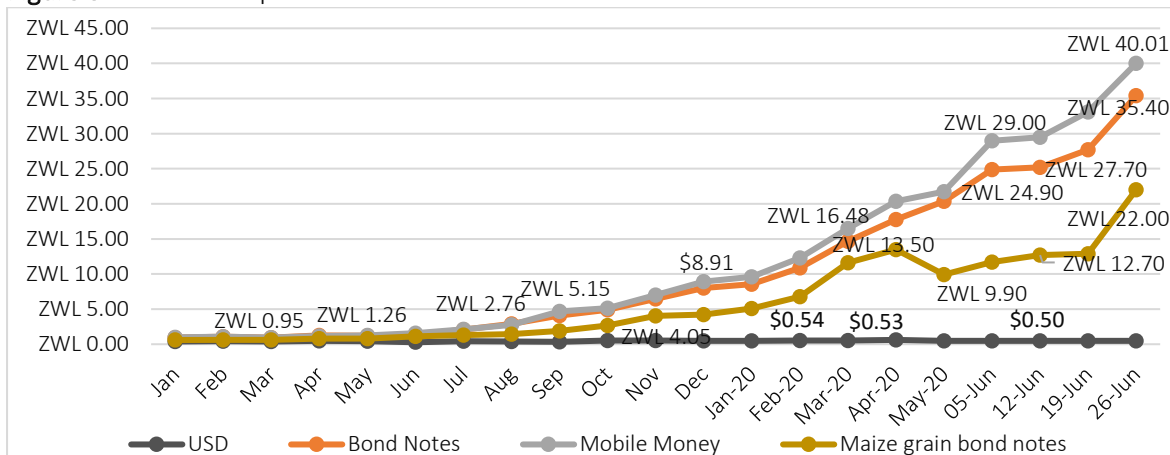
Source: Harmonized Markets Monitoring

### Maize meal availability and prices

Maize meal is the closest substitute for maize grain, was more readily available but costing more than 61% the price of maize grain, making it more difficult for vulnerable households to meet their minimum food threshold requirements without external assistance. The sale of maize meal continues to be decentralized to discourage large gatherings and at the same time reaching out to more households. The commodity was mainly sold on a door to door basis in both selected rural and urban context hence its availability on the formal market was reduced. However, on average more than 55% of the traders reported availability of unrefined maize meal compared to the 45% reported in May. The commodity was more readily available in urban markets at an average of 58% over the reporting month in comparison with an average of 52% of the rural markets. Refined maize meal was readily available in urban markets reported by more than 90% of the markets but priced at more than 20% higher compared to the unrefined version.

During the last week of June 2020, the unrefined maize meal sold at an average of ZWL35.40/kg during the last week of June 2020, an increase of 65% from the ZWL21.50/kg reported during the last week of May 2020 (figure 3). Mobile money payments were charged at an average of ZWL 32.90/kg a price which is 16% higher than the bond notes average price.

**Figure 3: Maize meal price trends**



Source: Harmonized Markets Monitoring

The current bond notes price of ZWL 35.40/kg is 61% higher than the maize grain price of ZWL 22/kg. Considering the poor availability of maize grain, vulnerable households might find maize meal priced beyond their reach and fail to access adequate quantities, rendering them food insecure.

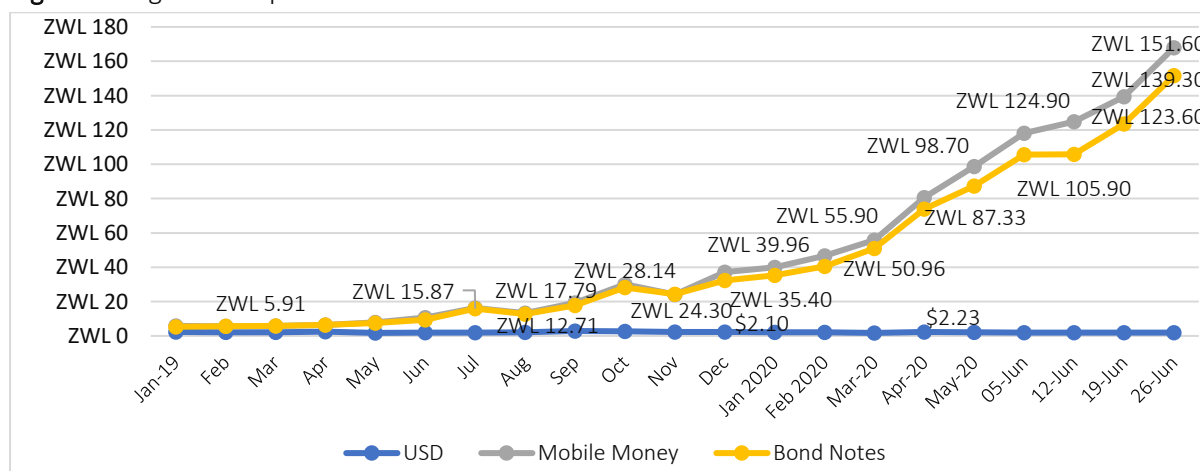
Highest maize meal price was reported in rural settings at an average of ZWL 36.10/kg for the fourth week of June which is 4% higher than the rural settings with an average of ZWL 34.80/kg for bond notes. As the commodity is a staple for the nation, the government continues to put measures in place to ensure constant availability of the commodity. The government also subsidizes the price for the local produced unrefined maize meal brands resulting in the exported brands being more expensive compared to the locally produced brands.

### Sugar beans availability and prices

Sugar beans availability increased over the month of June from 59% reported during the first week of the month to 73% in the last week. The increase could be attributed to the coming in of the harvest, a situation which is likely to continue into July 2020. Although production was reported to be low, households usually trade a portion of their harvest to obtain cash to cover other basic needs.

The commodity was selling at an average of ZWL 151.60/kg during the last week of June which is 74% higher than the ZWL 87.33/kg reported during the last week of June 2020 (**figure 4**). The same commodity was selling at an average of ZWL 167.90/kg for mobile money, a price which is 11% higher than that of bond notes. The average USD price of \$2/kg is 9% below the long-term average of \$2.2/kg.

**Figure 4:** Sugar beans price trends

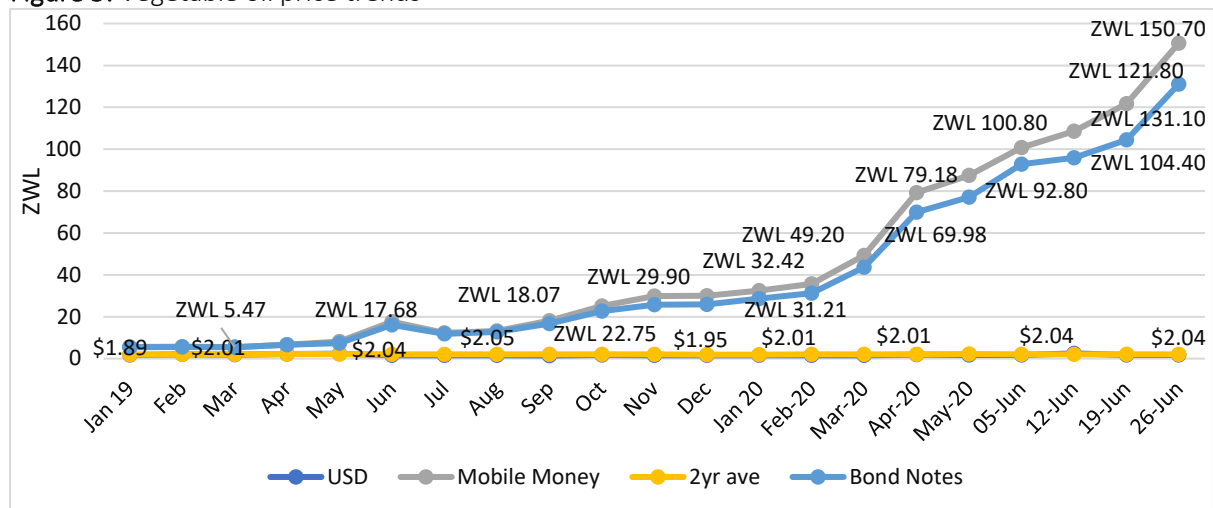


Source: Harmonized Markets Monitoring

### Vegetable Oil availability and prices

Vegetable oil availability was stable at an average of 91% across surveyed markets over the reporting month, a slight improvement from the 86% reported in May. The commodity was selling at an average price of \$1.90/L, a price which is 7% higher than the \$1.78/L reported in May 2020. In ZWL terms, bond notes price of ZWL 131.10/L during the last week of June which is 58% higher than the ZWL83.20/L reported during the last week of May 2020 (**figure 5**). The commodity was selling at ZWL150.70/L for mobile money payments during the last week of June, a price which is 15% higher than that of bond notes.

Figure 5: Vegetable oil price trends



Source: Harmonized Markets Monitoring

### 3. Recommendation

Among the key recommendations emanating from the analysis above include;

- i. Scaling up of current food assistance levels with focus on strengthening the urban interventions.
- ii. The ZimVAC to provide preliminary national food insecurity estimations to allow for planning and programming. Given the outbreak of COVID-19, participating in face to face surveys is being discouraged for the UN staff in line with WHO guidelines and recommendations. The UN is advocating for piloting of other hybrid methodologies which include use of available secondary data and remote monitoring to collect essential household data where gaps exist to replace the traditional survey approaches. Remote monitoring collects near real time data and is faster and cheaper. It would provide preliminary estimations for planning whilst awaiting the comprehensive and indepth ZimVAC data that will be collected once the conditions in the country allow. WFP's mobile Vulnerability Analysis and Mapping (mVAM) initiative involves conducting mobile surveys through live telephone interviews. Through mVAM high-frequency data is collected from households and key informants (e.g. traders). The initiative was piloted in 2013 and scaled up in 2014 to Guinea, Liberia, and Sierra Leone in support of WFP's Ebola emergency response. Adoption of mVAM tools has been rapid, and the approach is now being used by WFP in over 40 countries, including in response to Level 3 emergencies. Since 2018, WFP has implemented the mVAM remote monitoring systems to provide continuous updates on food security, nutrition and other key indicators in countries facing food crises. This system is now active in 14 countries, with a plan to scale-up to 30 countries by the end of 2020.

Mobile surveys are conducted through call-center based, live telephone interviews – also known as Computer Assisted Telephone Interviewing (CATI). WFP has contracted Mobile Accord Inc. (GeoPoll) under a Long-Term Agreement (LTA), alongside other regional and national call centers, to manage the calls using trained operators in local call-centers. Such outreach can also be conducted over short, text messages, but the response and completeness rates from text messages have been observed to be lower than those of voice calls. The findings of the preliminary assessment will be used in targeting assistance to Zimbabwe’s most vulnerable communities

- iii. WFP to continue monitoring the food security situation.