Famine Early Warning Systems Network

Food security and early warning update

October 15, 2021
Macro-economic assumptions informing projections through March 2022

- Parallel market rates expected to continue driving pricing trends on the market
- Erosion of incomes to continue as the ZWL depreciates on the parallel market
- Inflationary pressures expected to remain
- Cost of living expected to continue increasing
Parallel market exchange rates mainly driving high price increases

- Most businesses applying parallel market rates for ZWL despite government directive
- Spiking USD parallel market rates between 70-130% above the official auction rate
- USD:ZWL parallel market exchange rates went up by more than 15% in September.
- Non-cash payments in ZWL (mobile money and electronic) are up to 30% above ZWL cash prices – eroding disposable incomes.

<table>
<thead>
<tr>
<th>USD : ZWL (official)</th>
<th>88</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD : ZWL cash</td>
<td>140+</td>
</tr>
<tr>
<td>USD : ZWL mobile</td>
<td>160+</td>
</tr>
<tr>
<td>USD : ZWL transfer</td>
<td>170+</td>
</tr>
<tr>
<td>ZWL cash : ZWL mobile</td>
<td>1.3 (e.g. 100:130)</td>
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Cost of living expected to continue rising

- ZIMSTAT food poverty lines and total consumption poverty lines both increased 4.8% in September
- Most household incomes in both formal and informal sectors below the poverty lines
- Household access to food on the markets very constrained
Markets assumptions informing projections through March 2022

• Above normal national maize supply expected to ensure national cereal self-sufficiency. No imports expected

• The GMB (and contractors) likely to remain main buyers of maize on the market

• Grain supplies on open markets expected to remain lower than normal in both surplus and deficit areas

• Maize prices in deficit areas expected between 50-100% higher than in surplus areas. ZWL prices above average.

• Maize meal expected to be readily available, unlike over the last few years. Yet ZWL prices above average
Livelihood assumptions informing projections through March 2022

- Own-produced food stocks in most surplus areas to last through March
- Own-produced stocks depleted / to deplete in deficit-producing areas by October and market reliance on staple cereal to increase
- Near-normal casual labor availability, especially in surplus-producing areas
- Below normal remittances (frequency and amounts)
- Easing of COVID-19 lockdown to improve households incomes; however land border closure to non-essential goods and services impacting related livelihoods
Livelihood assumptions informing projections through March 2022

• Increasing water availability and access challenges, esp. in semi-arid areas through November. Improvements anticipated in line with above normal rainfall forecasts

• Deteriorating pasture and livestock conditions in semi-arid areas through November. Improvements thereafter

• Humanitarian food assistance anticipated in some deficit districts starting from October through the peak lean season in early 2022. Population in need likely to be below normal
Agroclimatology assumptions informing projections through March 2022

- Above normal rainfall across all regions of the country

- Poor crop input and veterinary drugs access for a majority of small holder farmers due to below normal income and high prices. Govt expected to be a main source of crop inputs.

- Fertiliser shortages expected, though at below typical levels; partly due to govt initiatives

- Flooding, waterlogging, soil leaching expected in parts of the country; may reduce potential yields

- Above average green harvests and crop production anticipated
Projected food security outcomes: Oct 21 - Jan 22 (classifications under review)
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