Zimbabwe Monthly Food Security Outlook:
January 2020

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Most SADC countries are likely to receive below normal harvests given the poor performance of the 2019/20 rainfall season, characterized by erratic and below normal rains. The Zimbabwe economic conditions remain gloom and are not showing any signs of recovery aggravating vulnerabilities levels for the 2020/21 consumption period.

Prices of basic food commodities increased by 22% over the month of January, with maize grain recording the highest percentage increase of 53%. Scarcity of maize grain on formal markets deepens with only 9% of the surveyed markets reporting grain availability typical for peak lean seasons—a situation compounded by low harvests in the preceding year and reduced commercial imports due to foreign currency shortages. Without external assistance, vulnerable households are likely to face difficulties in accessing adequate food.

The government and partners are conducting a Rapid Lean Season Assessment to update the findings of the 2019 ZimVAC which projected about 5.5 million people to be food insecure for the period January to March 2020 and 3.5 million people found in IPC phase 3 and 4 during the October to December 2019 period. Given the deteriorating economic environment and poor performance of the rainfall season, the vulnerability levels are likely to have risen. The findings of the exercise are expected by end of February 2020.
WFP Global Hunger map (https://hungermap.wfp.org/) classified Zimbabwe to be experiencing very high prevalence of insufficient food intake (above 40% of the population). The survey is based on real time food security monitoring triangulated with markets price data (figure 1).

WFP Zimbabwe internal IPC compatible analysis conducted in January 2020 for the period of January to April 2020 estimated about 4.1 million rural people to be in IPC phase 3 (Crisis) and 4 (Emergency) in need of emergency food assistance. The analysis also classified ten rural districts to be experiencing IPC phase 4 outcomes (one additional district to the previous findings). All indicators ranging from the deteriorating macro-economical conditions, poor rainfall performance, price volatility and stagnant income levels are pointing towards a deteriorating food security situations.

The Government, UN agencies and partners are currently conducting a rapid rural lean season assessment to update the findings of the May/June 2019 findings where 5.5 million rural people were estimated to be food insecure from January to March 2020 with 3.5 million people in IPC phase 3 (Crisis) and 4 (Emergency) food security outcomes during the Oct to December 2019 period. With support from GSU the IPC will be updated for the period January to April 2020. The findings of the exercise will be disseminated by end February 2020.

Economic Conditions

The country continued to face challenging economic conditions in January 2020, characterized by high inflation rates, cash liquidity challenges, shortage of basic goods and services (fuel, electricity, health services and water) and high unemployment rate.

Year-on-year inflation reached 521% in December 2019, up from 480% in November 2019 (Reserve Bank of Zimbabwe, 2019). Meanwhile, month-on-month inflation remained relatively stable at 16.6% in December 2019 , slightly down from the 17.5% reported in November 2019 (figure 2). Food inflation remains the main driver of general inflation with food prices estimated to have risen by 719% compared to December 2018. The food price increases undermines the purchasing power of vulnerable households leading to increased food insecurity in IPC 3 and 4 phase outcomes.

The ZWL remained relatively stable over the month of January depreciating only by 3% against stronger currencies, from an exchange of ZWL16.8:1USD to ZWL17.4:1USD at the end of the month (figure 3). However, this relative stability did not translate into stabilisation of prices of basic commodities which rose by 20% during the same month.

Figure 1: Global Hunger Map

Source: WFP HQ

Figure 2: Food inflation trends

Source: RBZ; Trading Economics

Figure 3: ZWL interbank exchange rate against the USD

Source: Reserve Bank of Zimbabwe
The accumulated seasonal rainfall since the start of the season in October 2019, remains below normal compared to the long term mean (Meteorological Department of Zimbabwe). The spatial and temporal rainfall distribution remains poor to date. Farmers failed to timely access adequate agricultural inputs resulting in significant reductions in area planted.

**Figure 3: Water Retention Satisfaction Index (Extended)**

The Water Retention Satisfaction Index (WRSI), an indicator of crop performance based on the availability of water to the crop during a growing season, shows that most of the planted maize crop ranges from failure in the south to average in the northern parts of the country, a dominant situation in southern Sahara (figure 3).

The Ministry of Agriculture and partners are currently conducting the First Round Crop and Livestock Assessment to estimate the area planted, crop conditions and potential yields. The findings of this exercise are usually shared in March for planning purposes.

**Market Performance**

**Maize grain availability and pricing**

Maize grain remains available in only 9% of the monitored markets similar to the December 2019 findings, typical for peak lean seasons. The poor performance of the current season has been aggravated by the poor harvest of the preceding year as well lack of commercial grain imports due to foreign currency shortages. Low availability of grain on formal markets signals households’ failure to access maize grain. However, maize grain is also traded in the informal market – directly between farmers or through mobile traders – potentially without being captured by the monitors.

Districts in which monitors have not been able to find any maize grain trader to interview in the formal markets are shown in dark red colour on the maps (to distinguish them from those where maize grain traders have been interviewed but with grain being unavailable). Most districts maize grain traders were not available on the market which is an indication that the commodity is not readily available on formal markets. Gokwe North is one of the districts that consistently report availability in comparison to other districts.
Maize meal availability and prices

Maize meal availability on formal markets has been affected by middle men that purchase bulk quantities at subsidized price for resale on the informal market at higher prices. Over the month of January maize meal was available in at least 62% of the markets monitored. Although maize meal is the closest substitute for maize grain, it cost on average more than 65% higher than maize grain selling at an average of ZWL8.56/kg for bond note cash. The product was selling at 12% higher for mobile money at an average of ZWL 9.58/kg (figure 5). Compared to December, the commodity increased by an average of 12% from the ZWL8.02/kg for bond note cash.

The highest maize meal bond note cash prices were reported in Masvingo (ZWL13.42/kg), Hwange (ZWL13/kg), Mbire (ZWL12.30/kg) and Buhera (ZWL12.12/kg). The current USD prices are stable and in line with the two and five-year averages. Districts like Masvingo and Mbire reported highest prices for both maize grain and maize meal a possible indication that households might be facing challenges in accessing adequate staples.

Sugar beans availability and prices

Sugar beans was available in at least 64% of the markets over the month of January 2020 similar to the 60% reported in December 2019. The commodity was selling at an average of ZWL35.40/kg for bond notes and 13% at an average of ZWL39.96/kg for mobile money (figure 6). During the rain season, the commodity is also sold informally from vegetable gardens which could explain the drop in availability from the 80% reported in November 2019. Although not preferred, sugar beans remains the main source of protein for vulnerable households who are not able to purchase other common sources of proteins like meat.
Conclusion and Recommendation

Vegetable Oil availability and prices

Vegetable oil was available in 96% of the market monitored at an average price of ZWL 28.58/L for bond notes and 13% higher for mobile money at ZWL 32.42/L (figure 7). In comparison to December the price of the commodity increased by 8% from the ZWL30.09/L reported in December 2019.

Although traders accept all forms of payments for the commodity, increasingly traders are reported requesting payments in USD for vegetable oil compared to the previous months. USD payments are stable when compared to the two-year and five-year average at USD1.65/L in January.

Figure 7: Vegetable oil price trends

Source: Harmonised Markets Monitoring

Conclusion

- The ongoing Rapid Lean Season Update will provide an indication of the levels and severity of food insecurity in the country.
- Given the poor performance of the 2019/20 rainfall season and the inflationary environment, vulnerability levels are likely to increase for the coming consumption year for both urban and rural communities.
- The prices of basic commodities continue to increase inline with the ZWL exchange rate against stagnant incomes, an indication that households are increasingly facing difficulties in accessing basic commodities mainly cereals.
- The whole region is likely to receive below normal harvest which can lead to increased vulnerabilities for both rural and urban commodities.

Recommendations

- Reassess the estimates of food insecurity i.e. IPC severity (ongoing).
- Review prioritisation and targeting criteria to ensure assistance reaches those in most need (ongoing).
- Review markets and food security monitoring strategy (IPC 4 districts need more) - (ongoing).
- Regular updates on crop condition and other sources of livelihoods to enable refinement of the analysis of those in need for planning.