

FSL Cluster

FAO/FEWSNET/WFP

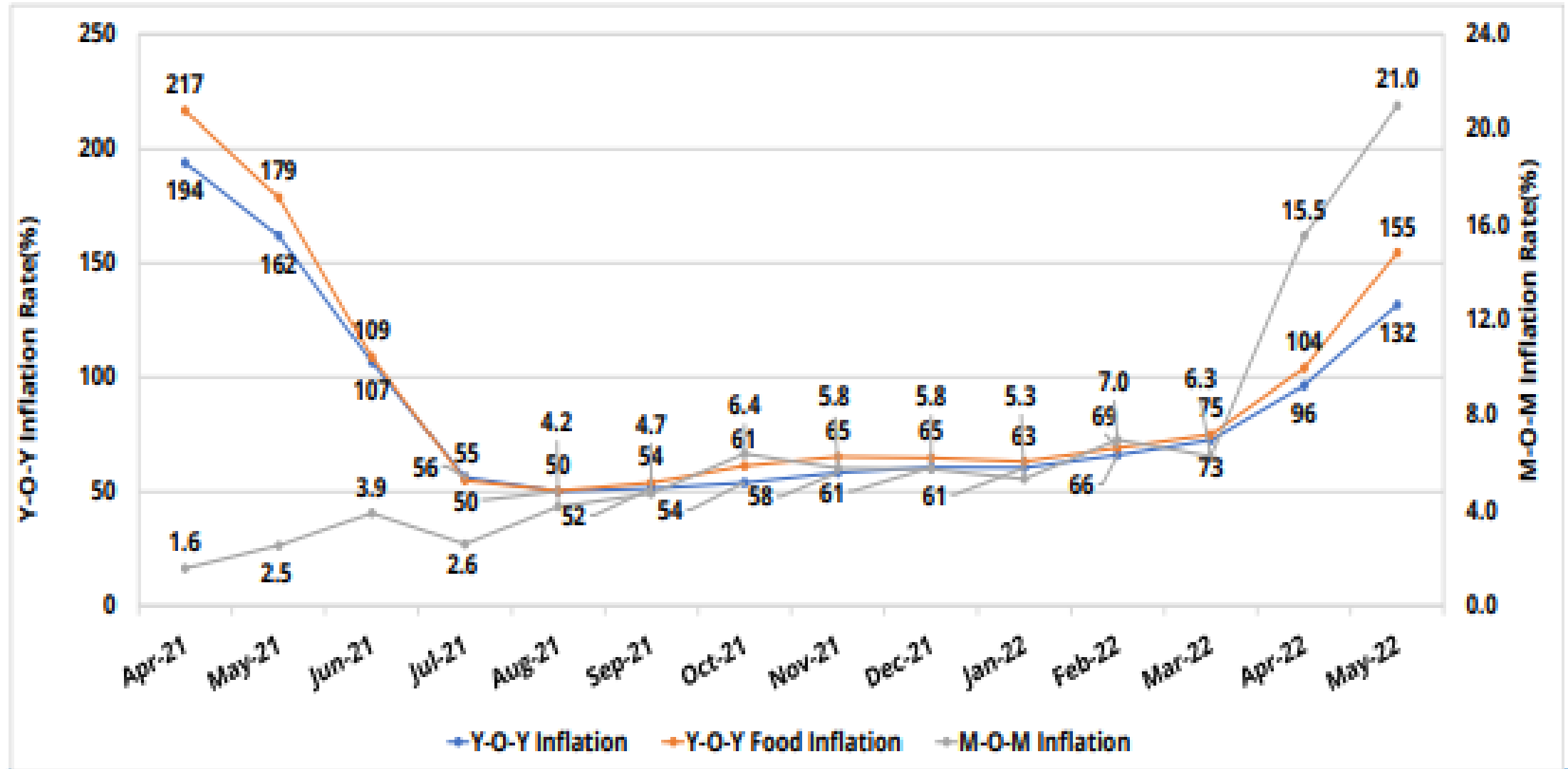
Food Security and Livelihoods Update

June 24, 2022

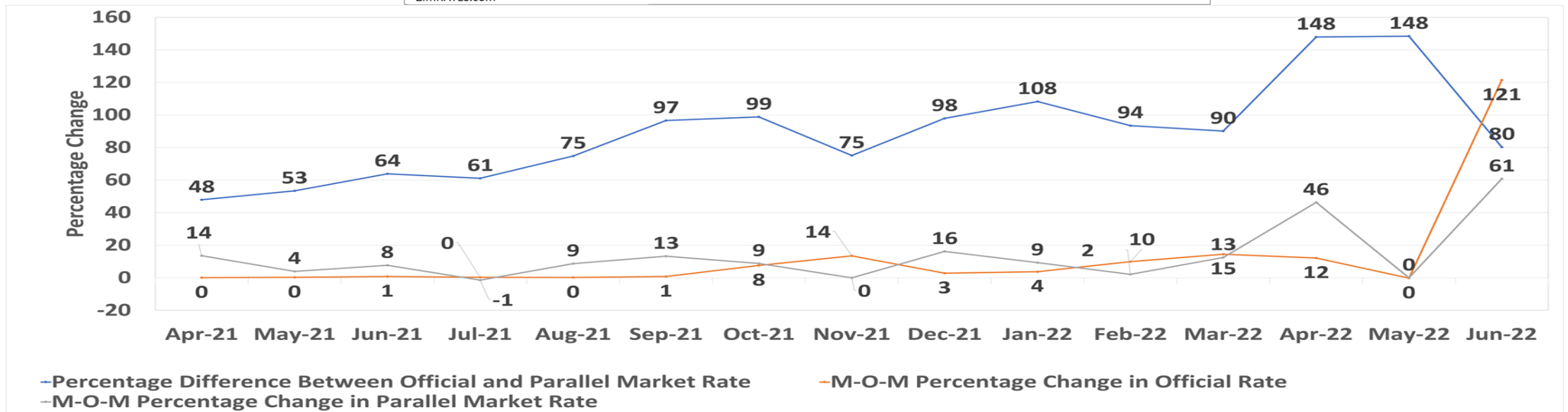
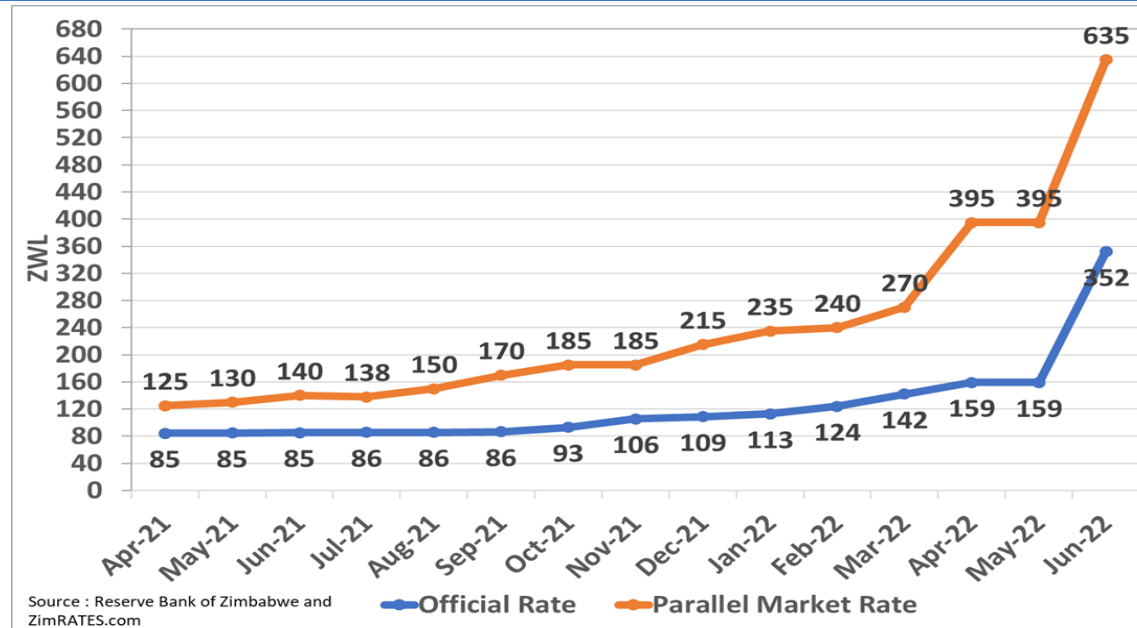
Key Highlights

- Macro-economic Situation – inflation & exchange rates
- Market Conditions – availability & prices of food, NFI & ag. inputs
- Livelihoods update
- Food Consumption & Coping
- Food Security Outcomes
- 2022/23 seasonal forecast

Macro-economic Conditions - Inflation



Macro-economic Conditions – Exchange Rates



Macro-economic Conditions

- Continued shortages of ZWL cash are forcing consumers to use mobile money and electronic ZWL payments; however, high premium charges are attracted, of up to 40 percent above cash prices.
- These high charges have continued to erode disposable income for consumers, especially poor households.
- Payments in ZWL in both formal and informal markets are set at prohibitively near or above parallel market rates, making the basic commodities and services out of reach of low-income households.

Market Conditions – Availability

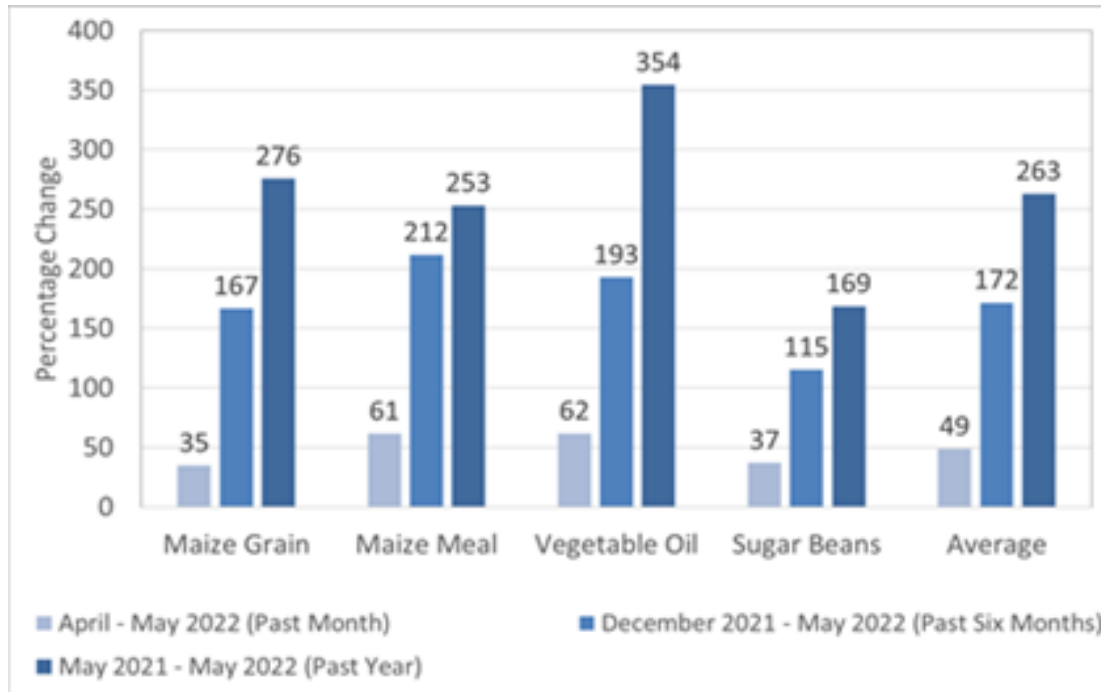
Commodity	Rural Markets (April)	Urban Markets (May)
Maize Grain	0%	14% (→)
Maize Meal	100%	71% (↓ from 81% in April)
Sugar Beans	50%	88% (→)
Vegetable Oil	100%	81% (→)

→ = remained stable

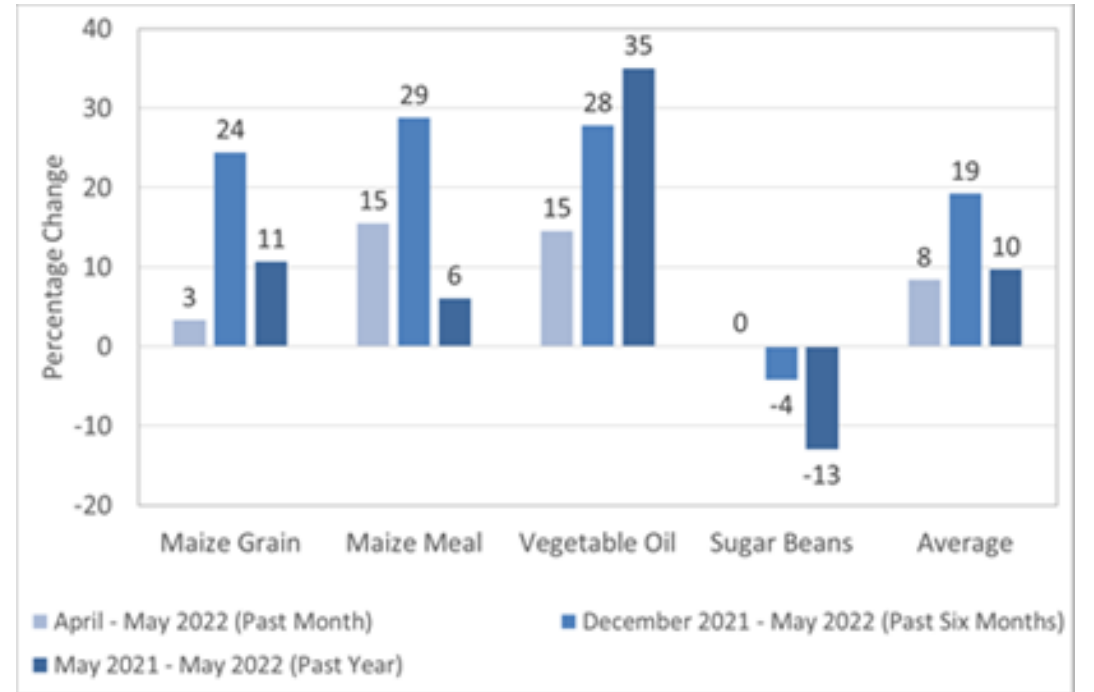
↓ = decreased

Market Conditions – Urban Food Basket Prices (May)

% change in prices of basic food basket commodities (ZWL)



% change in prices of basic food basket commodities (USD)



Market Conditions

- Low grain deliveries to the GMB, due to the general below-average production and pricing.
- Govt has put up incentives and measures for farmers to increase early deliveries such as:
 - ✓ 90 USD per MT on top of the 75,000 ZWL/MT producer price for early deliveries through July
 - ✓ Delivering grain with moisture content above 12.5%
- Anticipated grain imports by the private sector after lifting of the import ban
- Grain availability is atypically low on open markets in both surplus and deficit areas.

Market Conditions cont...

- Basic commodity shortages since May and govt lifting of an import ban and instituting duty-free imports for selected commodities for 6 months starting May 17;
- Anticipated availability of cheaper imported brands esp in border areas; still poor HHs access remains constrained despite the anticipated increase in basic commodity imports.
- Some basic commodities are more readily available in informal markets (USD) than in formal supermarkets.
- In June Diesel and petrol increased in USD by 3 and 5% from May. Hence increasing the cost of production, transportation costs, prices, and services charges which constrain access for poor households.

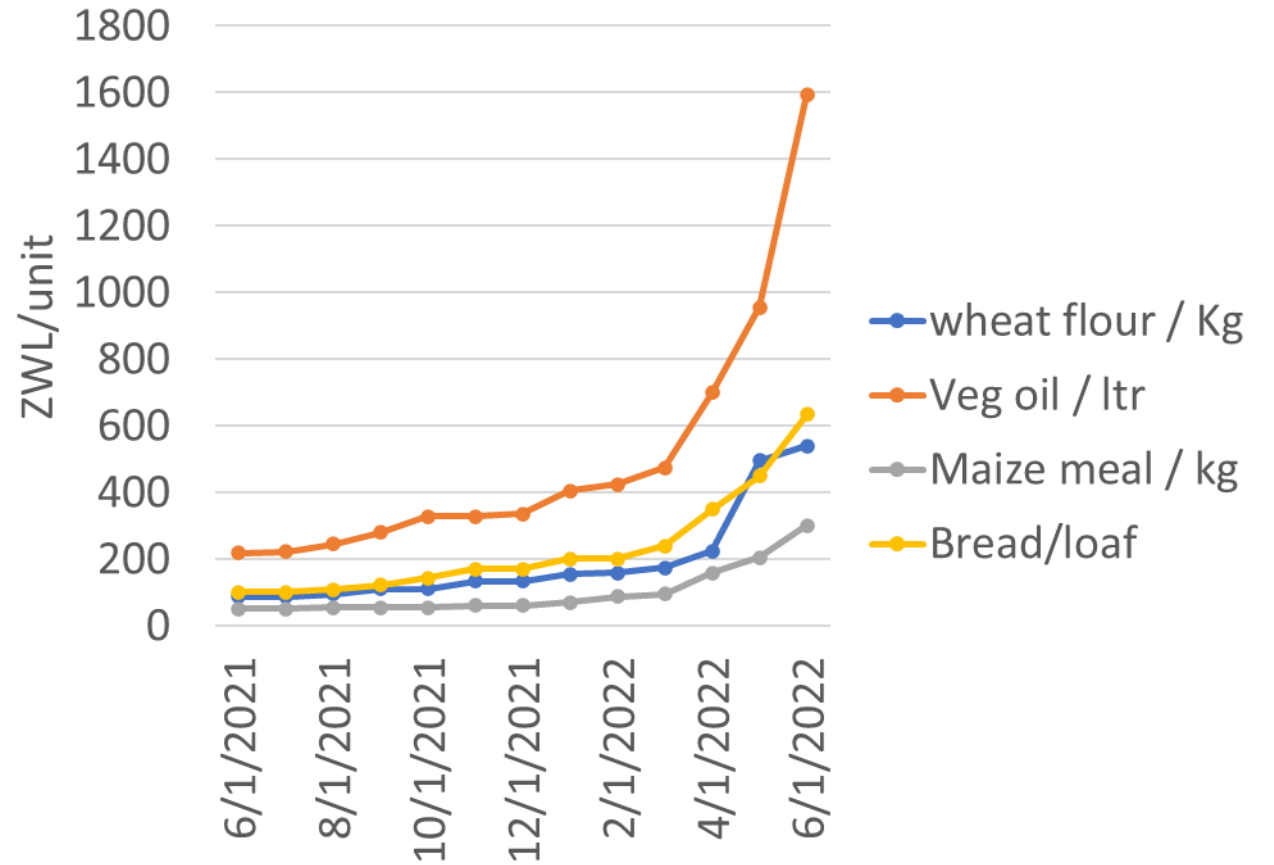
Market Conditions – Prices of other food commodities & NFIs

Availability and prices of other food commodities in Urban areas, May 2022

Commodity	Availability			Price in USD			Price in ZWL		
	April	May	% change	April (\$)	May (\$)	% change \$	April (ZWL)	May (ZWL)	% change ZWL
Rice Urban	100%	100%	0%	\$ 0.96	\$ 0.96	0%	ZWL 246.59	ZWL 326.53	32%
Salt Urban	100%	100%	0%	\$ 0.54	\$ 0.52	-4%	ZWL 134.49	ZWL 173.50	29%
Sugar Urban	83%	84%	1%	\$ 1.23	\$ 1.33	8%	ZWL 306.67	ZWL 466.34	52%
Kapenta Urban	64%	76%	19%	\$ 10.90	\$ 10.39	-5%	ZWL 4,263.97	ZWL 3,926.00	-8%

Spiking food prices

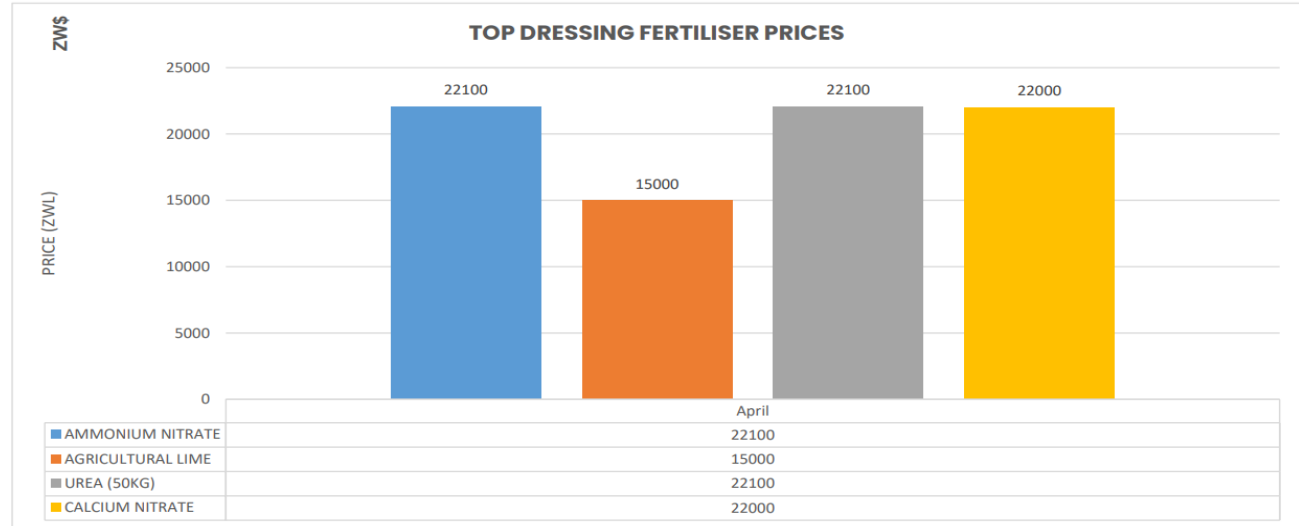
All commodities increased by about and more than **500%** from the same time last year (June 2021)



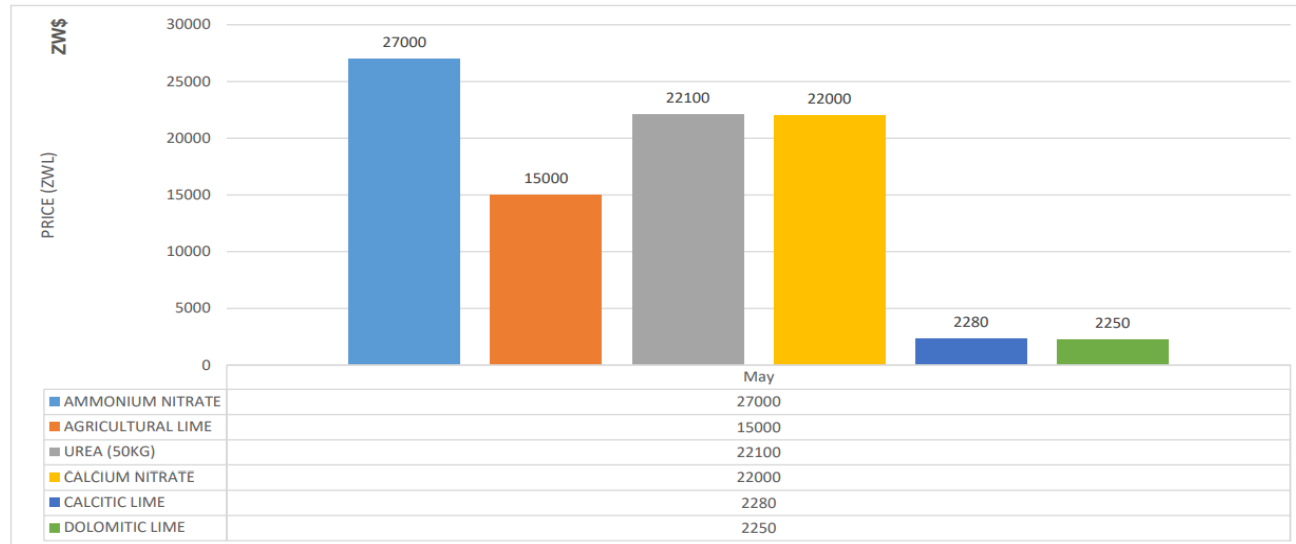
Input price Trends – Lime and Nitrate-Based Fertilisers



Source: Survey Data, March 2022

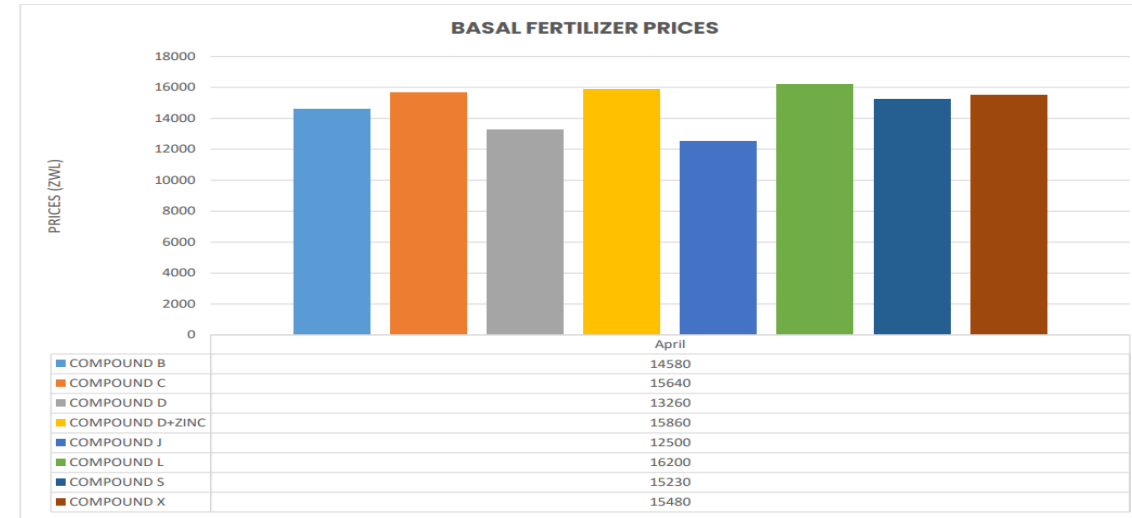
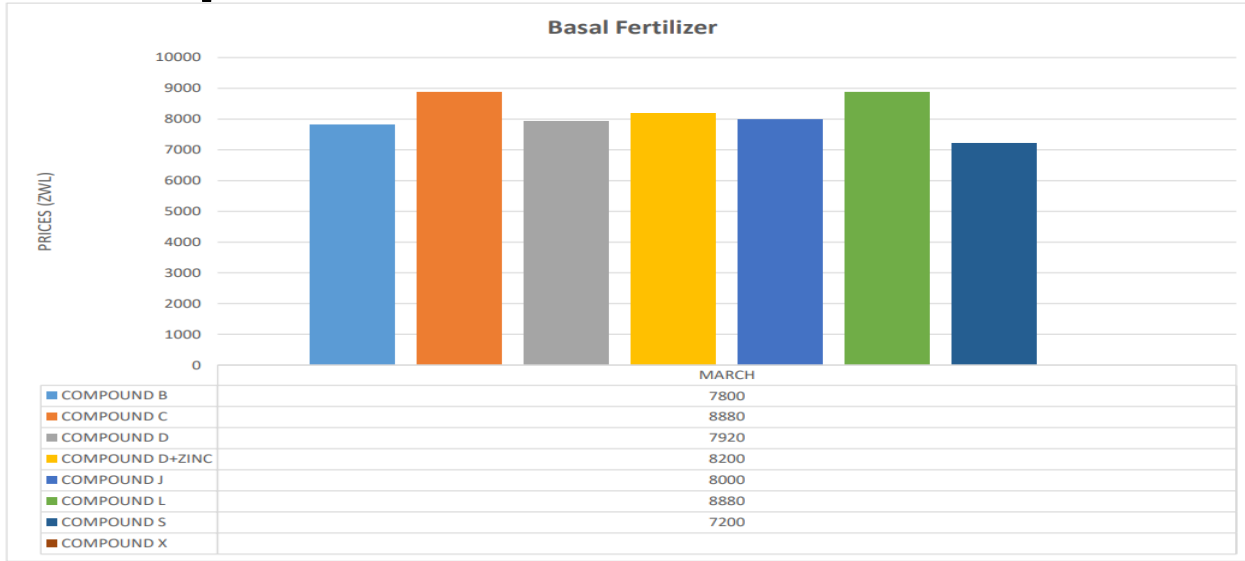


Source: Survey Data, April 2022



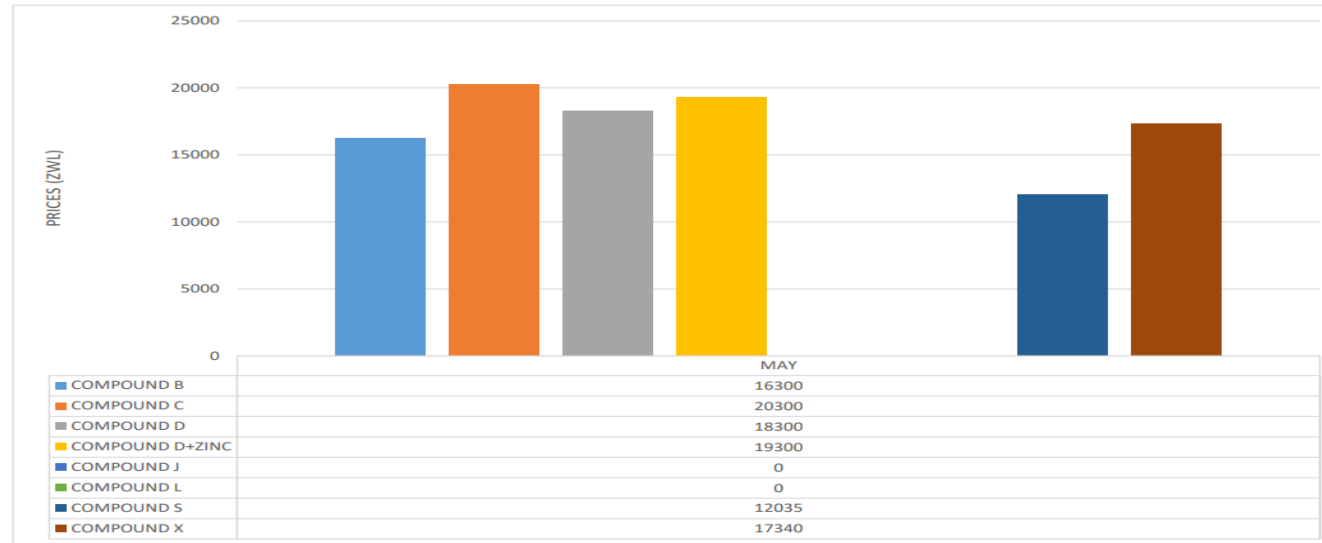
Source: Survey Data, May 2022

Input Price Trends – Basal Fertilisers



Source: Survey Data, March, 2022

Source: Survey Data, April 2022



Source: Survey Data, May 2022

International Commodity Prices (SAFEX) at @13 June 2022

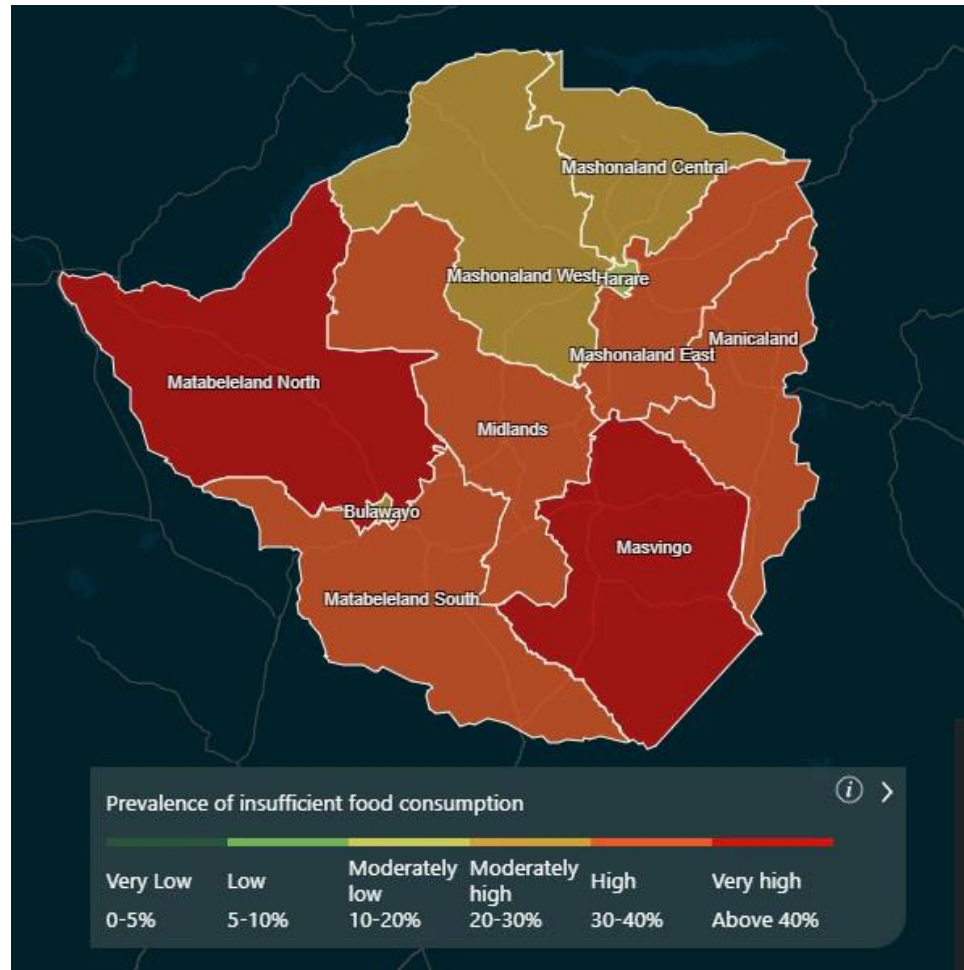
	Market Price Changes USD per MT in (Week 1 versus Week 2 in June)	
Commodity	SAFEX Price Wk 1 (June)	SAFEX Price (Wk 2 June)
White maize	US\$284.08/mt	US\$285.97/mt.
Yellow Maize	US\$286.40/mt	US\$290.82/mt
Wheat	US\$392.70/mt	US\$403.72/mt
Soya Beans	US\$627.95/mt	US\$638.26/mt,

Food Consumption & Coping

- Current harvests have recently improved food consumption and dietary diversity, particularly in typical surplus-producing areas.
- However, improvements are likely to be marginal and short-lived in worst-affected areas in the east, south, west, and extreme north-east

Food Consumption & Coping

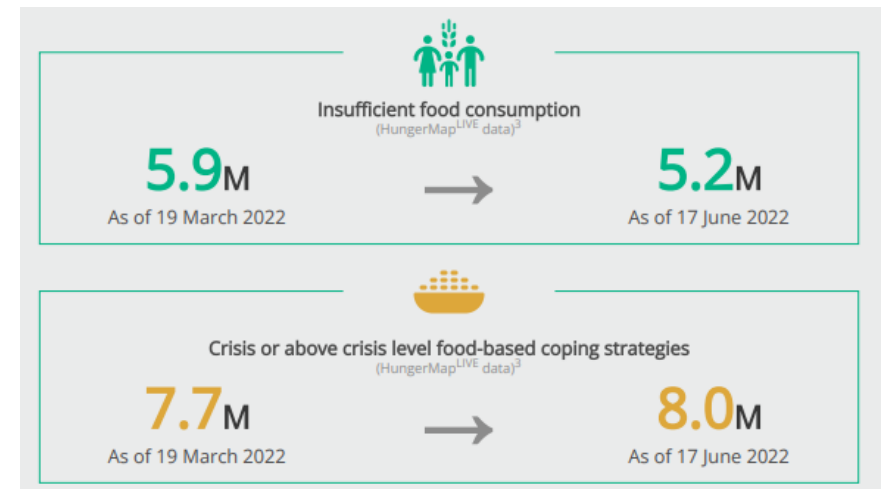
Current estimated prevalence of insufficient food consumption



Estimated prevalence of food-based coping, March-June 2022



National estimation of insufficient food consumption and coping March-June 2022



Source: WFP HungerMap LIVE - <https://hungermap.wfp.org/>

Livelihoods update

- Most current livelihood strategies are below normal levels.
- Casual labor opportunities (agricultural and non-agricultural) and self-employment have been negatively impacted by poor harvests and ongoing macro-economic challenges.
- Poor disposable income and demand as well as livestock diseases are affecting livestock sales and income.
- Cross-border trade and international remittances have not recovered to pre-COVID-19 levels despite the reopening of land borders.
- Petty trade on the rise as well as artisanal mining.

Anticipated Food security outcomes through January.

- Surplus producing areas – Currently IPC Phase 1; June-Spt IPC Phase 1 and IPC Phase 2 through January
- Deficit areas – Mainly IPC Phase 2 through July; emergency of IPC Phase 3 from end July/August through January; earlier than normal start to the 2022-23 lean season
- Urban areas – mainly IPC Phase 2 through January

Early 2022-23 rainfall season forecasts

- Current forecasts indicate above-average rainfall is most likely across much of Southern Africa between October 2022 and January 2023 and that a normal start to the main agricultural season is likely.