



Food Security Situation Update

WFP Zimbabwe September 2020

Highlights:



The rural ZimVAC estimated that about 56.2% or around 5.5 million rural people will be food insecure at the peak of the hunger season from January to March 2021. This food insecurity prevalence is one of the highest the country has recorded in the recent past and indicates that households continue to require support to avoid slipping into chronic food insecurity.



Daily new infections of COVID-19 cases in Zimbabwe are on the decrease since the start of August 2020. However, the number of total infections increased from 7,298 cases and 210 deaths reported on the 08th of September to 2020 to 8,011 cases and 230 deaths by the 12th of October 2020. The government relaxed some of the restrictive measures to allow households to engage in livelihood activities, however, incomes remain depressed rendering many households vulnerable across the country.



The year on year inflation decreased from 838% in July to 761% in August 2020, and the month-on-month inflation from 36% to 8%. Food inflation, the main driver of inflation, also decreased from 977% to 866%.



Prices of basic food commodities increased by an average of 10% over the month of September 2020. The relative stable price trends in ZWL terms is in line with stabilized foreign exchange rates.



The National Climate Outlook Forum presented a rainfall forecast that assigned higher chances of normal to above normal rainfall during the period October to December. Some parts of the country received rains during the first week of October 2020 of up to 25mm.



World Food Programme Zimbabwe

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1. Update on the COVID-19 Situation

Globally, the number of COVID-19 cases increased from the 27.2 million cases by the 8th of September 2020 to the 35.7 million people by the 6th of October 2020. Some countries including the US, Brazil and India have started reporting a resurgence in COVID-19 cases after successfully slowing outbreaks early in the year which has raised fears of a possible second wave of the virus.

In Zimbabwe, the number of daily new cases is reducing after peaking with over 200 cases per day in July and August to less than 30 cases in September 2020. Overall, the number of confirmed cases increased by 10% from 7,298 cases and 210 deaths reported on the 08th of September to 8,011 cases and 230 deaths by the 12th of October 2020. With declining new caseload, the government further relaxed some measures including opening of local/international airports, borders and inter provincial movements with the government monitoring the situation closely. This move was meant to allow households to get back to their livelihood activities. However, COVID-19 protocols which include wearing of masks and limitations on social gathering are still being enforced.

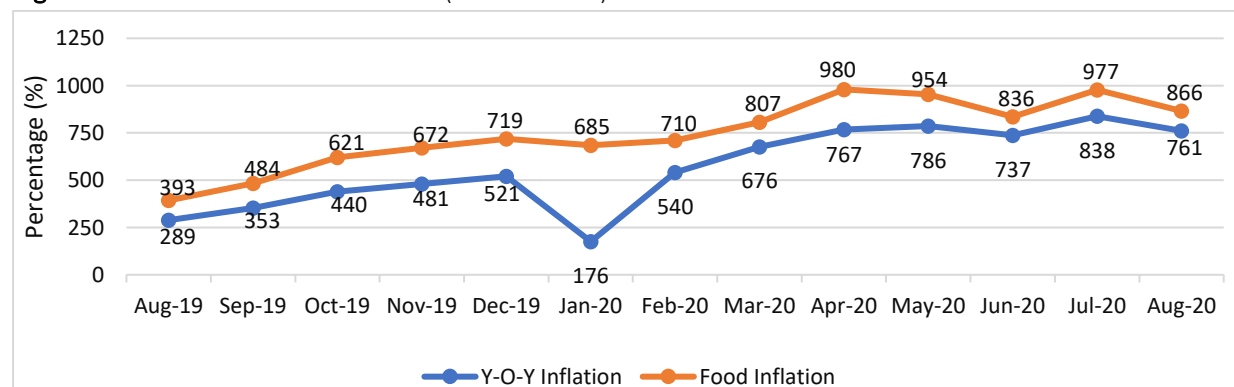
Although households are allowed to engage in their usual livelihood activities, recovery is expected to take longer and without external support some vulnerable households might not be able to recover but slide into chronic food insecurity and deepening poverty.

2. Macro-Economic Update

The country recorded a decline in both annual and food inflation mainly attributed to the stability in the foreign currency exchange rate. The annual inflation declined from 838% in July to 761% in August 2020, while food inflation was pegged at 761% in August, down from 977% recorded in July (**Figure 1**). The consumer price index increased by 8% in August compared to 36% in the previous month. The relative stability in ZWL prices brings relief to households who were failing to adjust to the volatile market prices (<https://dataviz.vam.wfp.org/Hunger-Analytics-Hub>).

During the month of September, the official exchange rate decreased from ZWL83.40:1USD at the start of the month to ZWL81.44:1USD on the 30th of September 2020. The parallel market exchanged rate remained stable at an average of ZWL100:1USD over the reporting month (<https://www.marketwatch.co.zw/>). The stability in the exchange rate has generally been reflected in prices of basic commodities and services.

Figure 1: Zimbabwe Inflation Trends (2019 – 2020)



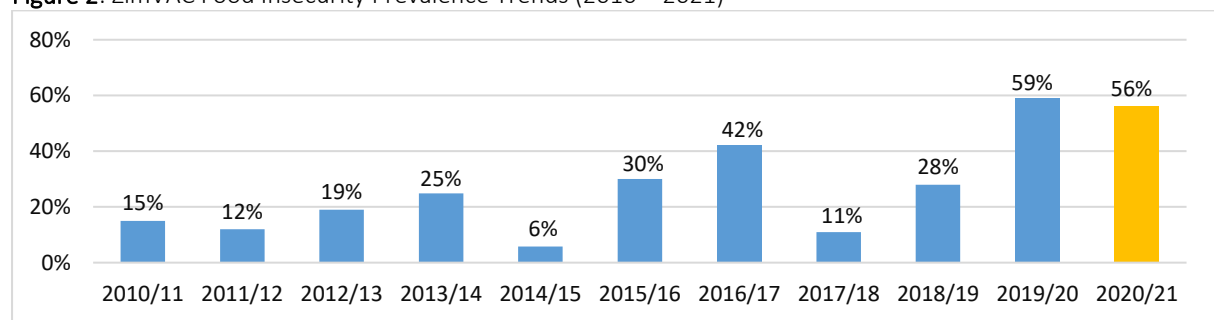
Source: RBZ, 2020

3. Food and Nutrition Security Situation

The Zimbabwe Vulnerability Assessment Committee (ZimVAC) conducted the 2020 rural assessment in July and the report was approved by the Cabinet on 23 September. The timing for the urban vulnerability assessment is still under negotiations although plans are at an advanced stage. On the other hand, the Integrated Phase Classification for the rural which was scheduled from 12 – 16 October in Nyanga is currently ongoing. A smaller team of a maximum of 20 people travelled to Nyanga for the analysis while the rest of the members are joining and supporting the analysis virtually. The findings of the rural IPC will be useful in prioritising those in severe need of food assistance and also for the finalisation of the Humanitarian Needs Overview report.

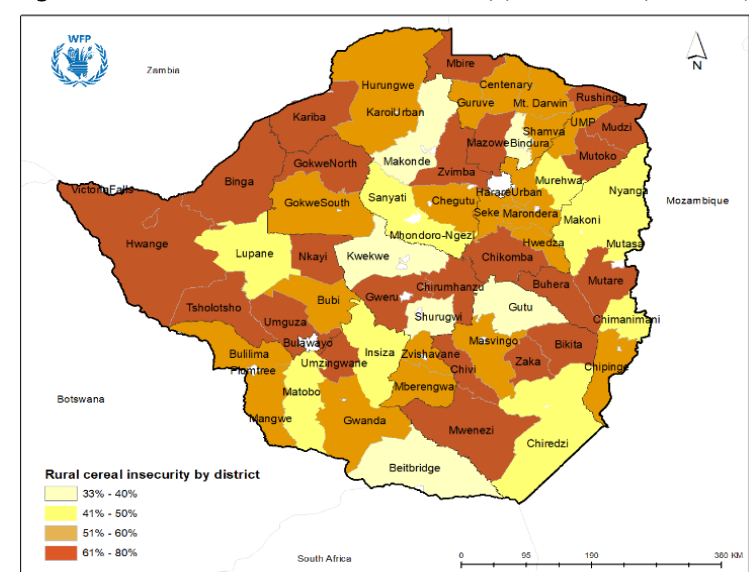
The rural ZimVAC found that about 56% or 5.5 million rural people will be food insecure¹ at the peak of the hunger season (January to March 2021). Rural food insecurity is estimated to increase from 37% (about 3.6 million people) between July and September to 48% (about 4.7 million people) from October to December until it reaches the 56% between January and March 2021. The food insecurity prevalence at peak is one of the highest the country recorded in the recent past (**Figure 2**).

Figure 2: ZimVAC Food Insecurity Prevalence Trends (2010 – 2021)



Source: ZimVAC Reports (2010 – 2020)

Figure 3: ZimVAC 2020 rural cereal insecurity prevalence by district (January-March 2021)



The top five districts with the highest prevalence of cereal insecurity at peak are Zaka (75.5%), Mudzi (75.1%), Mbire (75%), Chivi (75%) and Mutare (74.6%). **Figure 3** shows the spatial prevalence of the cereal insecurity at peak. The lowest levels of cereal insecurity is reported for Gutu (32.5%), Shurugwi (34.5%), Beitbridge (35.2%), Makonde (35.4%) and Kwekwe (36%). In general, the findings of the ZimVAC assessment are showing that all the districts are in need of food assistance as more than a third of their population was found to be food insecure.

Source: ZimVAC 2020 Rural Report

¹ Measured as cereal insecurity

The main drivers of the food insecurity were sited to include drought and crop failure, COVID-19 and the restrictive measures to contain its spread and the economic challenges being faced in the country. The COVID-19 restrictive measures have lead to reduced sources of income by 52% of the households, reduced food sources (50%) and failure to access basic commodities (21%). The impact of drought was mainly crop failure leading to poor harvest, reduced income from agricultural casual labour and increased cereal prices.

4. Rainfall Season Update

The 2020/21 rainfall outlook presented by the National Climate Outlook Forum (NARCOF) assigned higher chances for normal to above normal rainfall during the October-December 2020 period except parts of Matabeleland North province (**Figure 4**). Most parts of the country started receiving rains during the first week of October up to 25mm (**Figure 5**). Farming households are encouraged to start preparations for the cropping season.

Figure 4: NACOF seasonal outlook OND 2020

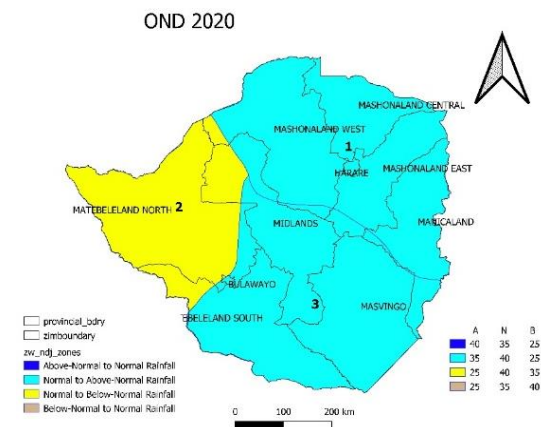
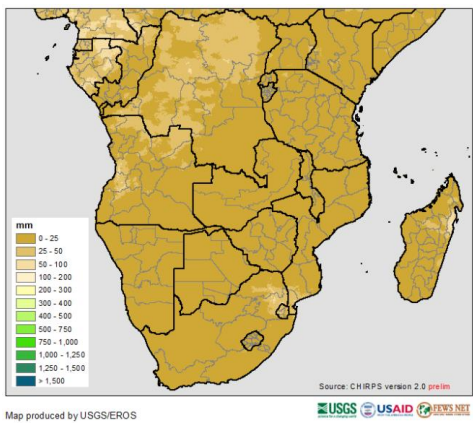


Figure 5: Accumulative Rainfall Oct pentad 1 2020



5. Market Performance Update

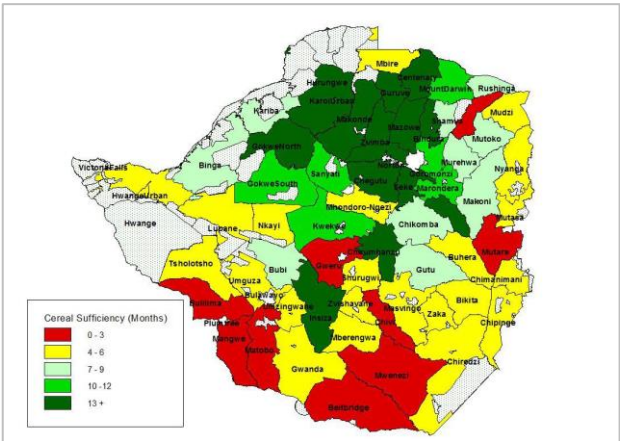
This section provides a summary of commodity availability and prices for both rural and urban markets covering maize grain, maize meal, sugar beans and vegetable oil.

The findings of the market monitoring over the month of September continue to show a stable increasing trend in the commodity prices in ZWL with the prices increasing by an average of 10%, similar to the 8% increases in August, but lower than the 19% reported for July. This trend is mainly linked with the stability in the foreign exchange. Prices in USD slightly increased in comparison to August but generally remain below the 2yr average. On average, mobile money payments attracted a premium of 6% higher than the bond notes prices and the premium varied slightly by commodity. The premiums were almost equivalent in both urban (5%) and rural (6%) markets.

Maize grain availability and price

Availability of maize grain remain below typical at this time of the year after harvest and at the start of the lean season. The commodity was reported available by a weighted average of 3% of the markets i.e. average of 6.2% of urban and 1.5% of rural markets. The 3% is similar to the availability reported in August 2020. In a typical year the commodity is usually available in an average of 80% of the markets while in a bad year the availability decreases to an average of 60% of the markets.

Figure 6: Cereal adequacy by district



According to the Second Round Crop and Livestock Report most farmers from 12² out of the 60 rural districts produced cereals adequate to last a maximum of 3 months. The main harvest was received in June/July hence it means that from October most households from these districts are relying on markets for cereals.

The same report goes further to show that additional 21 rural districts were estimated to produce cereal adequate for 4 to 6 months,

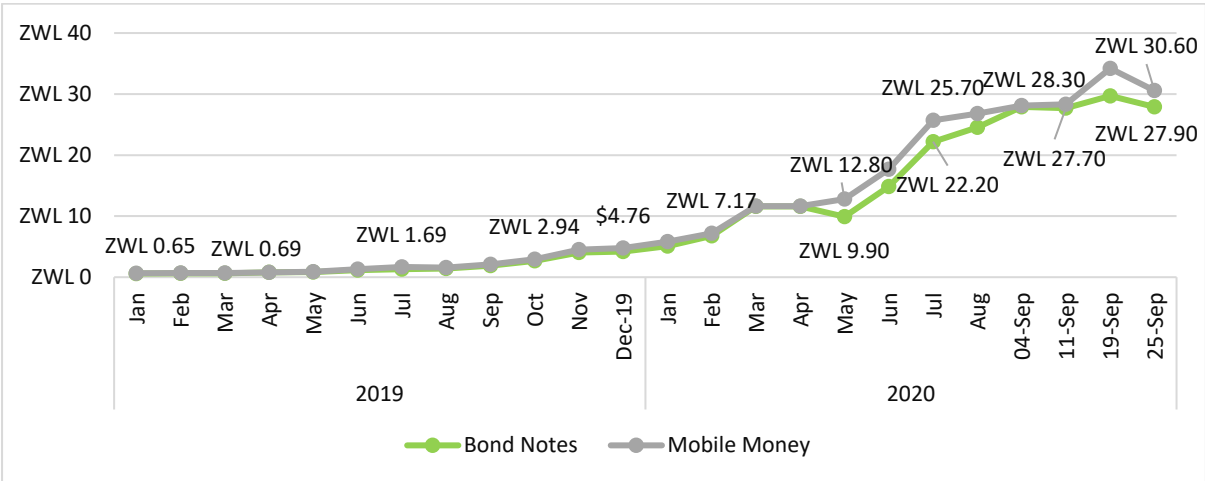
bringing the total number of districts whose production would not last beyond December 2020 to 33 or 55% of the rural districts (Figure 6). Therefore, improved availability of the commodity on the market is critical.

Over the month of September, maize grain prices were mainly collected from urban centres as only 6 rural districts (Buhera, Masvingo rural, Chivi, Nkayi, Kariba and Muzarabani) had maize grain available at limited markets. In August, in addition to these 6 rural districts, Muzarabani district had the commodity available. This is an indication that most of the district have experienced unavailability of the commodity on formal markets for at least two consecutive months Most of the districts with low cereal adequacy reported unavailability of the commodity on the formal market, therefore challenging households’ access to maize grain.

Based on the price data from the limited number of markets, the average price for the commodity in ZWL terms increased by 15% from the ZWL24.53/kg reported for August to an average of ZWL28.30/kg for September. The commodity was selling at an average price of ZWL27.90/kg during the first week of September and increased over the month by 6% to ZWL29.70/kg during the third week of the month (Figure 7).

² Beitbridge, Bulilima, Chivi, Gwanda, Gweru, Mangwe, Matobo, Mberengwa, Mwenezi, Mutare, Tsholotsho and UMP

Figure 7: Maize grain price trends



Source: Harmonized Markets Monitoring

Mobile money payments for the commodity attracted an average premium of 7% selling at an average of ZWL30.30/kg for the month. Traders continue to prefer USD or bond notes payments for the commodity with some no longer accepting mobile or electronic payments. The price of the commodity is reported to be beyond the reach of many vulnerable households whose income has been eroded by inflation and also by COVID-19 restrictive measures. Without external assistance, most vulnerable households are facing challenges to meet their minimum food requirements thresholds.

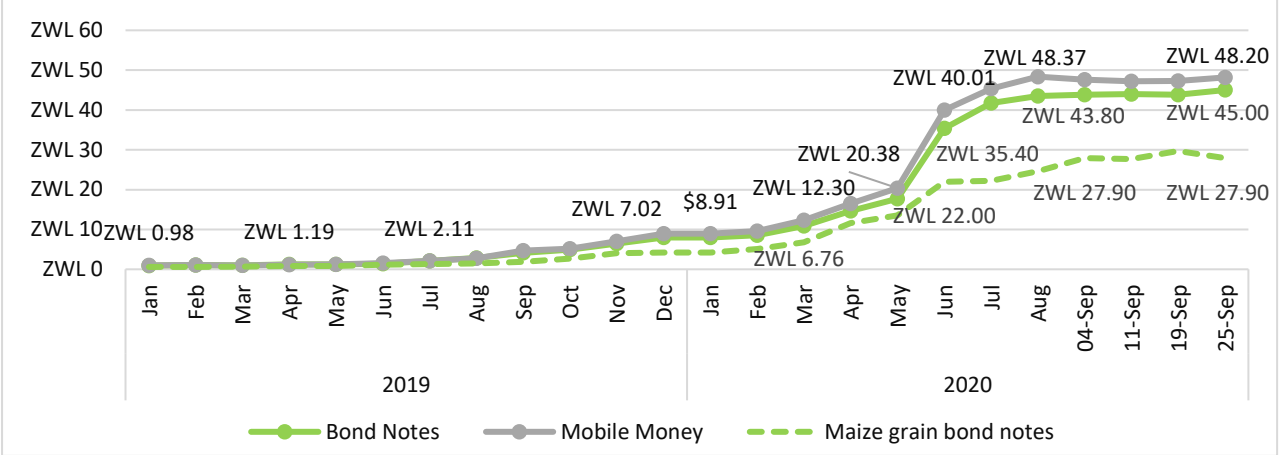
Unrefined maize meal availability and prices

Unrefined maize meal was available in an average of 60% of the markets; an improvement from the 53% reported in August. Urban markets reported higher availability at an average of 76% compared to 44% for the rural markets.

Although the commodity was more readily available compared to maize grain, it costs on average 56% higher than maize grain, making it more difficult for vulnerable households to access. Over the month, the price for the commodity in ZWL marginally increased by 3% from ZWL43.80/kg during the first week to ZWL45/kg by the last week of the month (**Figure 8**). Mobile money payments for the commodity were charged at an average of ZWL 48.20/kg during the last week of the month, a price 7% higher than for bond notes.

Considering the poor availability of maize grain, vulnerable households continue to rely on more expensive maize meal. There is therefore need to promote availability of maize grain at the market to support vulnerable households access to basic cereals.

Figure 8: Maize meal price trends

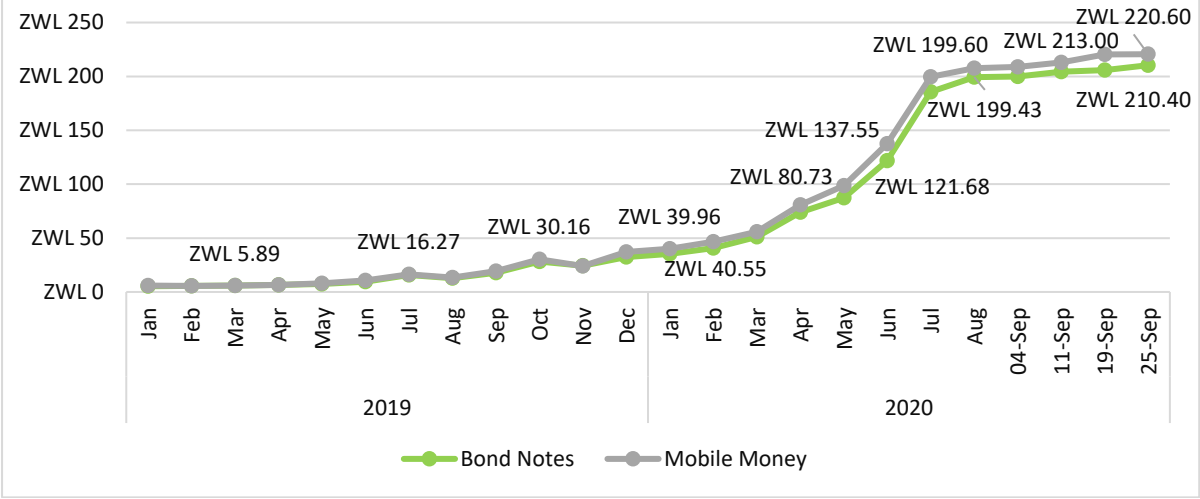


Source: Harmonized Markets Monitoring

Sugar beans availability and prices

Sugar beans is one of the main protein sources for the vulnerable households as it is affordable and readily available. During September, the commodity was reported available in an average of 62% of the markets, similarly to August. The commodity was selling at an average price of ZWL207.60/kg during the last week of August which is similar to ZWL210.40/kg reported during the last week of September (Figure 9). The commodity was also selling at an average price of ZWL220.60/kg for mobile money payments, a price 5% higher than for bond notes.

Figure 9: Sugar beans price trends

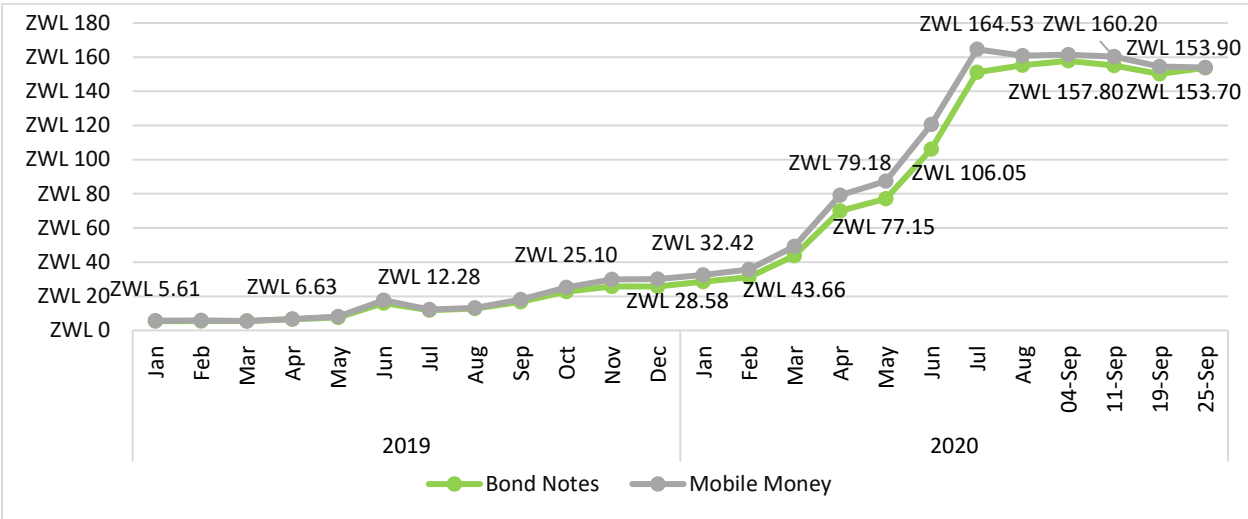


Source: Harmonized Markets Monitoring

Vegetable oil availability and prices

Vegetable oil availability remains high and stable at an average of 92% the surveyed markets during September. In ZWL terms, bond notes average price of ZWL 153.70/L during the last week of September is stable compared to ZWL156.10/L reported during the last week of August 2020 (Figure 10). The commodity was selling at an average of ZWL157.90/L for mobile money payments, a price close to that of bond notes.

Figure 10: Vegetable oil price trends



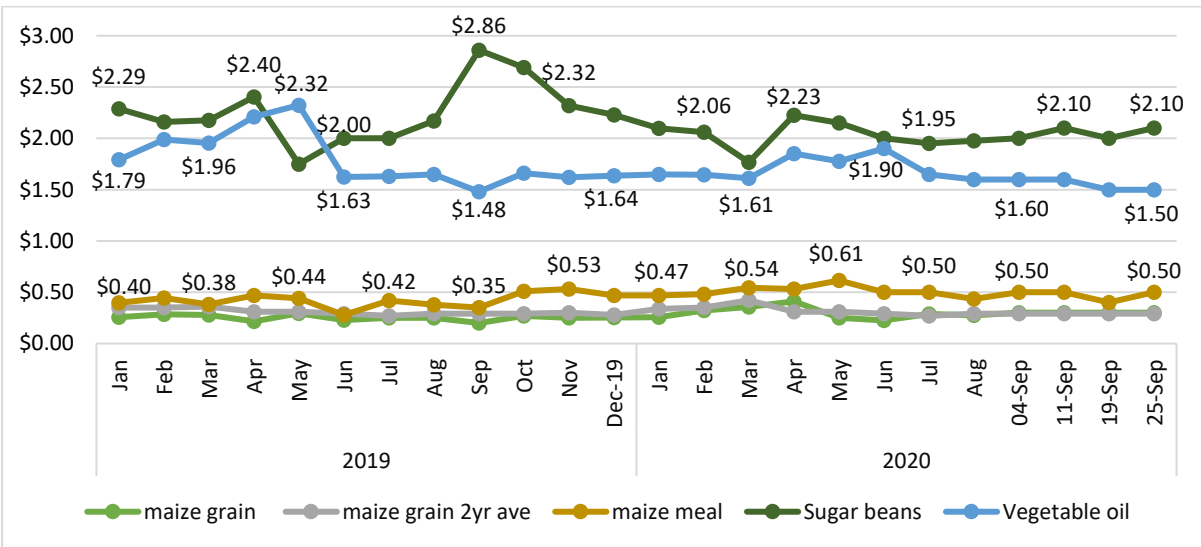
Source: Harmonized Markets Monitoring

Food Commodity Prices in Foreign Currency

In general USD prices were stable since the start of the year and follow seasonal trends. The average price for maize grain increased by 9% from \$0.28/kg reported in August to the current \$0.30/kg (Figure 11). This increase is typical at the start of the lean season when demand for the commodity on the market increases as more households exhaust stocks from own production and increasingly rely on the market. The USD maize grain price is similar to the two-year average of \$0.29/kg.

Unrefined maize meal sold at an average of \$0.48/kg, a price which is 10% higher than the \$0.43/kg reported in August 2020, but stable compared to the 2yr average of \$0.46/kg. Sugar beans sold at an average USD price of \$2.05/kg which is 7% below the long-term average of \$2.2/kg. Cooking oil was selling at an average price of \$1.55/L, a marginal increase of 3% from \$1.60/L reported in August and 12% lower than the 2yr average of \$1.74/L.

Figure 11: USD price trends for the food basket commodities



Source: Harmonized Markets Monitoring

5. Recommendation

Among the key recommendations emanating from the analysis above include;

- i. Given the combination of factors leading to increased vulnerabilities and food insecurity, there is need to intensify the food security remote monitoring system for decision making and programme adjustments.
- i. Monitor the season performance as well as prevailing agricultural activities throughout the rainfall season.
- ii. The availability of maize grain continues to be poor, therefore there is need to:
 - a. to monitor maize grain imports
 - b. continue monitoring availability of the commodity and market linkages with source market
 - c. continue assessing feasibility and best modality of assistance by geographical level.
- iii. Scaling up of current food assistance levels to respond to seasonally increasing food insecurity. The ongoing markets monitoring shows the need for a comprehensive market assessment to determine the best modality of assistance for each geographical area. WFP is currently providing in kind assistance in most rural districts and there might be an opportunity to switch from in kind to cash or a combination of both in those districts where maize grain is not readily available while the market can support cash modality for other basket commodities.