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FOOD SECURITY MONITORING REPORT

December 2020

08 January 2021

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Highlights



The COVID-19 situation in Zimbabwe continues to deteriorate with the number of confirmed cumulative cases increasing by more than 70% from 10,129 cases including 277 deaths by the 1st of December 2020 to 17,804 including 431 deaths by the 7th of January 2021.



On the 6th of January, the government reintroduced a 30-day lockdown and restrictive measures at level 4, which has seen the closure of most formal and informal businesses which are not categorized as essential services.



During December, most parts of the southern region in the country experienced above-average rainfall, partially induced by tropical depression Chalane that passed through the southern part of Zimbabwe at the end of the month.



The macro economic environment continues to stabilize recording a decline in annual inflation for a fourth consecutive month.



The Hunger Map for Zimbabwe for the month of December 2020 showed an improvement in the number of provinces experiencing very high prevalence of insufficient food consumption, from the 7 reported in November to 5 out of 10 provinces in the country.



The Hunger analysis estimated the number of people with insufficient food consumption to have decreased from 6 million at the end of the November to 5.58 million at the end of December 2020. This improvement is linked to an increase in agricultural casual labour opportunities and in availability of local produce from early green harvest.



Supply of maize grain on the formal markets remained critically low, estimated to be available in only 3% of monitored markets, while availability of maize meal remained stable at an average of 61%.



In ZWL terms, prices were relatively stable over the month for vegetable oil and sugar beans, while prices for maize grain and unrefined maize meal recorded a 6% increase.



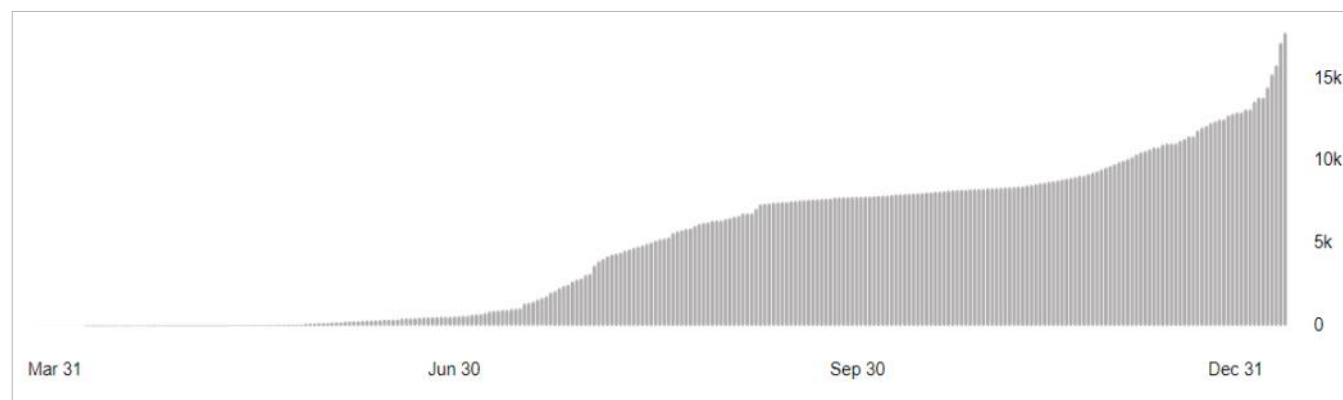
Prices in USD remained relatively stable over the month of December compared to November for maize grain and vegetable oil, while the average price reported for sugar beans and unrefined maize meal increased by 4% and 9% respectively.

1. Update on the COVID-19 Situation

The COVID-19 situation in the country continues to deteriorate with the number of confirmed cumulative cases increasing by more than 37% from 10,129 cases including 277 deaths by the 1st of December 2020 to 13,867 cases including 363 deaths by the 31st of December 2020. The situation further deteriorated with the number of cumulative cases increasing to 17,804 including 431 deaths by the 7th of January 2021 representing a 70% increase from the 1st of December 2020, this brings the total number of confirmed cases from 1 to 7 January 2021 to 3,937 (**figure 1**). The daily confirmed new cases increased from an average of 100 cases reported by end of November to 1,395 cases on the 6th of January 2021. The highest new daily confirmed cases were reported in Harare at 777 cases out of the 1,395 cases reported on the 6th of January 2020, representing 56% of the total new national cases reported that day (Ministry of Health Zimbabwe). Globally the number of new daily COVID-19 cases continues to increase from 67.8 million by the 10th of December 2020 to 85.9 million cases on the 7th of January 2021 (<https://covid19.who.int/>).

Starting from the 5th of January, the government reintroduced a 30-day lockdown and restrictive measures at level 4, which has seen the closure of most formal and informal businesses that are not categorized as essential services. Individual movements have also been restricted to only seeking of essential services which include food and health. Agriculture has been classified as an essential service and movements related to crop and livestock production have been allowed. This means that rural households are able to continue with some of their livelihood activities mainly related to agriculture, including casual labour which is their main source of income. However, the situation is different for vulnerable urban households that depend more on the informal market for both income and purchases. The food and nutrition security situation for these households is likely to deteriorate as a result of the COVID-19 and the newly reintroduced restrictive measures.

Figure 1: Confirmed cumulative cases for Zimbabwe (31 March 2020 to 07 January 2021)



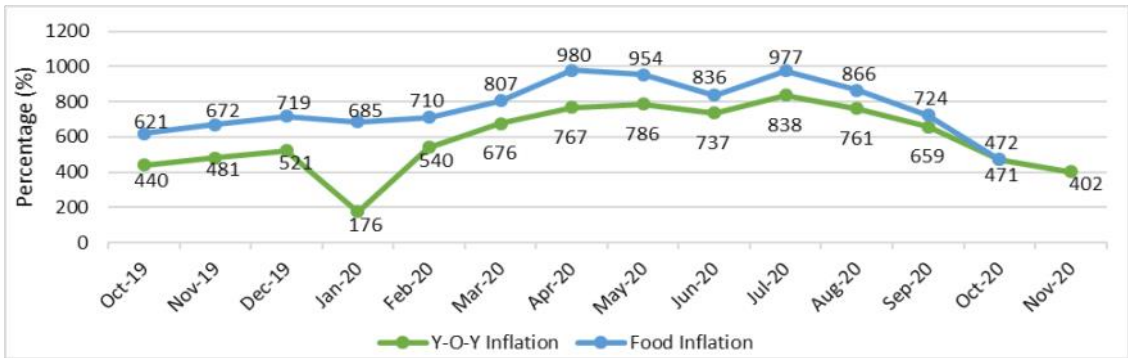
Source: WHO

2. Macro-Economic Update

The macro economic environment continues to stabilize recording a decline in annual inflation for a fourth consecutive month. This stability is mainly attributed to the stability in the foreign currency exchange rate and other measures being implemented by the government. The annual inflation declined from 838% in July to 402% in November 2020 (**Figure 2**).

This downward trend was also reflected in food inflation which decreased from 977% in July to 472% in October 2020; the November estimation is not yet released. The consumer price index increased by 3.15% in November over the previous months. Although relatively stable, the inflation remains high in comparison to other countries in the region. However, the stability in the inflationary pressure continues to bring some relief to vulnerable households who were failing to adjust to the volatile market prices (<https://dataviz.vam.wfp.org/Hunger-Analytics-Hub>).

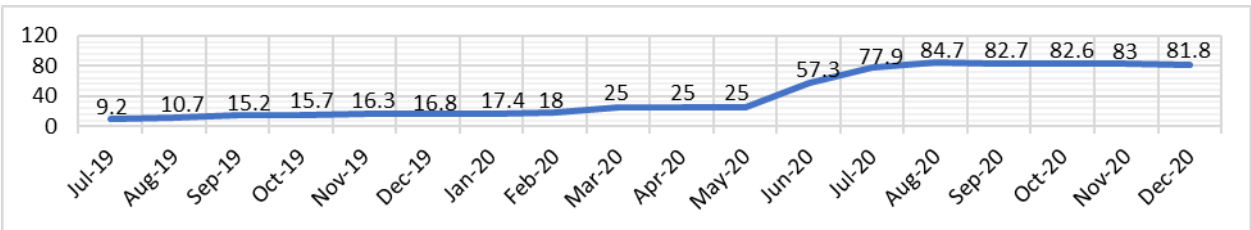
Figure 2: Zimbabwe Inflation Trends (2019 – 2020)



Source: RBZ, 2020

The official exchange rate was stable over the month of December, declining from ZWL81.82:1USD at the start of the month to ZWL81.79:1USD on the 31st of December 2020 (**Figure 3**).

Figure 3: RBZ Exchange rates (1USD: ZWL)



Source: RBZ 2020

3. Food and Nutrition Security Situation and Updates from the Hunger Monitoring

The WFP Hunger Monitoring unit collects weekly household food security data on a number of indicators including consumption patterns, macro-economic indicators and impacts of COVID-19 on livelihoods and income sources. The findings of this remote data collection is summarised in a live hunger map and weekly snapshots (<https://hungermap.wfp.org/>). The Hunger Map for Zimbabwe for the month of December 2020 showed an improvement in the number of provinces experiencing very high prevalence of insufficient food consumption from the 7 reported in November to 5 out of 10 provinces in the country (**Figure 4**). The estimated number of people with insufficient food consumption decreased from 6 million at the end of the November to 5.58 million at the end of December 2020.

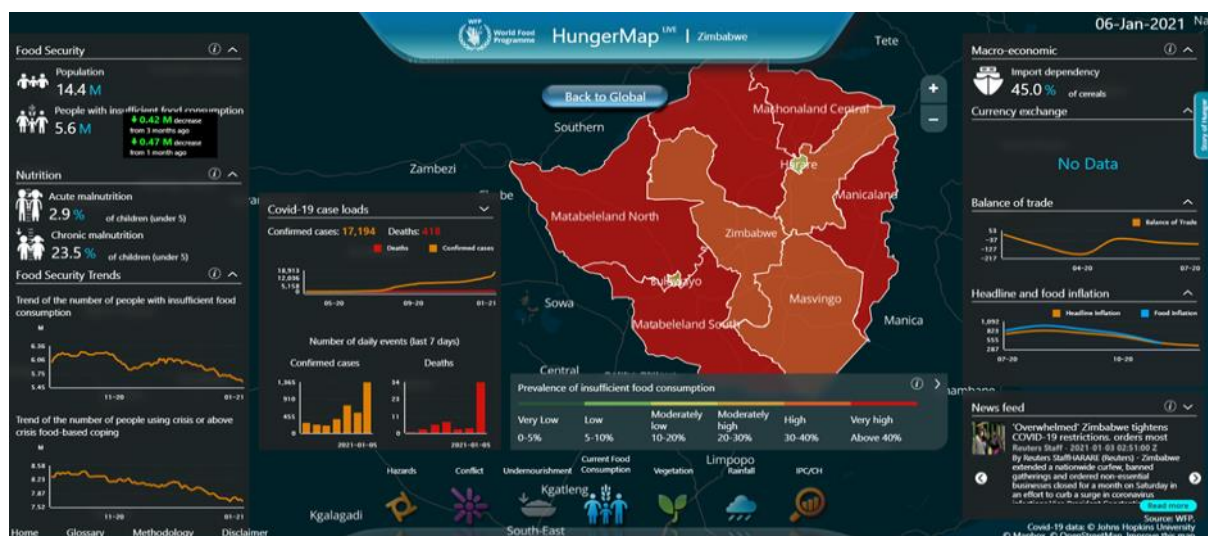
The improvement in the food security outcomes might be attributed to a number of factors including:

- ♦ an increase in income from seasonal livelihood activities which include agricultural related casual labour and;
- ♦ the coming in of green harvest from the early planted crops and an increase in indigenous vegetables and fruits thereby improving dietary diversity and consumption patterns.

Mashonaland East, Masvingo and Midlands reported improvements from experiencing very high to high prevalence of insufficient food consumption while, Matabeleland South deteriorated from high to very high prevalence. The provinces that reported an improvement are those that have been receiving consistent rainfall since the start of the planting season in November or early December 2020 depending with the area.

The number of households resorting to crisis or emergency livelihood coping strategies was estimated at 2.9 million during the last week of the month, a decreased of 12.9K compared to the third week. Lack of money remained the main barrier faced by households in accessing markets (10%) and health services (6.5%) during last week of December 2020, see <https://hungermap.wfp.org/>.

Figure 4: Zimbabwe Hunger Map



Source: <https://hungermap.wfp.org/>

4. Rainfall Season Update

During the month of December above average rainfall was experienced in the southern parts of the country. According to the Meteorological Department, the southern parts received heavy rainfall induced by tropical depression Chalane at the end of the month with some parts receiving more than 50mm within the three day period. Compared to the long-term average, by end of December 2020, most parts of the country in the southern and middle parts of the country had received above 145% of their long-term average while the northern parts had received between 105 – 115% (**Figure 5**).

The Water Retention Satisfaction Index (WRSI), an indicator of crop performance based on the availability of water for crops during a growing season, shows that most of the planned maize crop was in very good condition (**Figure 6**). If all other factors are held constant (including supply of seed, fertilizers and other crop inputs), the production from the current is likely to be above typical.

The main cropping activities currently ongoing is cultivation and application of fertilizers, which generates increased casual labour opportunities for vulnerable households.

Figure 5: Accumulative Rainfall percent of normal: Dec pentad 6 2020

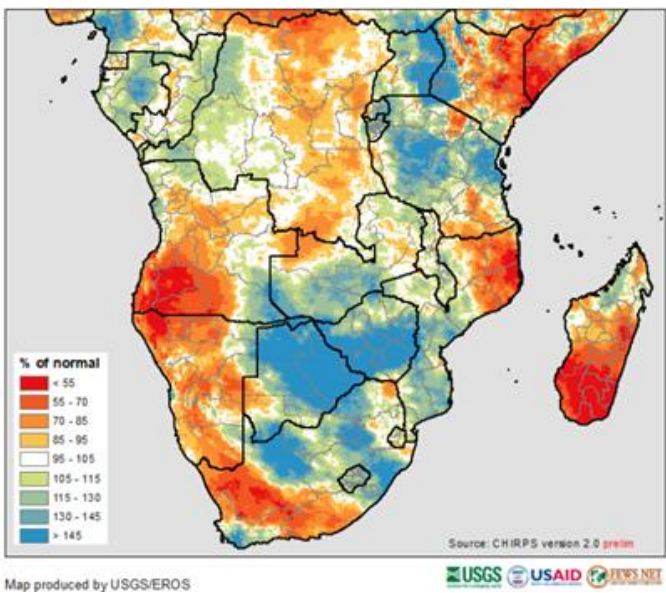
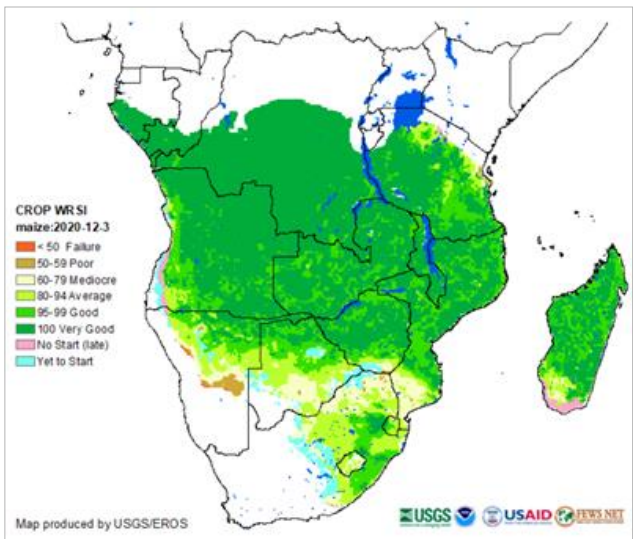


Figure 6: Water Requirement Satisfaction Index Extended: Dec 2020 Dekad 3



3. 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. This bulletin provides mainly the national picture in comparison to the trends. For a more detailed analysis of rural and urban markets separately please refer to the Monthly Market Monitoring Report for December.

Availability of maize grain remains critically low in markets across the country. The situation is likely to worsen with the lockdown restrictive measures which prohibits the operation of informal traders, who are the main suppliers of this commodity. Other food commodities were generally available with 73% of all monitored markets reporting availability of sugar beans, 61% reporting availability of maize meal while 90% reported availability of vegetable oil. In ZWL terms, prices were relatively stable over the month for vegetable oil and sugar beans, while prices for maize grain and unrefined maize meal recorded a 7% increase. Maize grain traders were reported preferring USD prices compared to other payment modalities. Prices in USD terms were relatively stable over the month of December compared to November for maize grain and vegetable oil, while those for sugar beans and unrefined maize meal increased by 4% and 9% respectively. When compared to the 2yr average, the prices for maize grain was 11% higher, while that of vegetable oil was 4% lower. The prices of unrefined maize meal and sugar beans were stable against the 2yr average. On average, mobile money payments attracted a premium of 6% higher than the bond notes prices.

Maize grain availability and price in ZWL terms

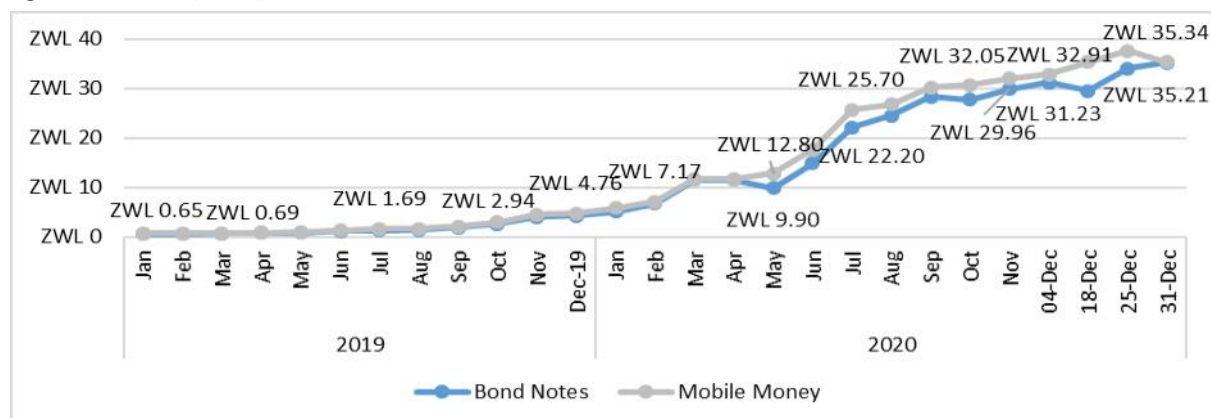
Maize grain availability remains critically low on the formal market estimated at an average of 3% of the markets monitored, a situation similar to that reported in November and slightly lower than the 9% reported same time last year. The current availability is below normal when compared to the situation two years ago in December 2018, when the commodity was available in an average of 81% of surveyed markets, and the 5yr average of 76%. Availability was slightly higher in urban markets at an average of 5% of the markets compared to 2% for the rural markets. Maize grain is mainly sold by informal traders whose operations have been affected by the lockdown restrictive measures, a situation which might lead to further reduction in the availability of the commodity over the lockdown period.

Maize grain prices were collected from at least one market in 6 rural districts and 9 urban centers over the month of December. The prices reported are only from formal markets and sales that were conducted through farmer-to-farmer transactions and mobile traders were not captured by the market survey. The commodity was selling at an average price of ZWL31.03/kg for bond notes, an increase of about 6% in comparison to ZWL29.11/kg reported in November (**Figure 7**). Compared to same time last year, the price increased by more than 600% from an average of ZWL4.22/kg.

Over the course of the month, the price for the commodity increased by 13% from an average of ZWL31.23/kg during the first week to an average ZWL35.21/kg in the last week (**Figure 7**). The observed price increases may be linked to the new producer price for maize grain for the 2020/21 season, which was announced by the government during the first week of the month, resulting in an increase of over 50% for maize grain producer price when supplying the GMB. This price increases are likely to promote production for small holder farmers in anticipation of a good harvest and greater returns. However, for those households that rely on purchasing the commodity from markets, the price increases might lead to increased food insecurity as they may not be able to access adequate quantities of food.

Mobile money payments attracted an average premium of 9%, with the highest premium of 20% recorded for the week ending 18th of December 2020 and might be linked to an increase in the inflow of foreign currency and bond notes from remittances and Zimbabweans from the diaspora. Traders were also reported to be largely preferring USD in comparison to other payment modalities. Some traders were reported not accepting mobile money payments for the commodity.

Figure 7: Maize grain price trends



Source:

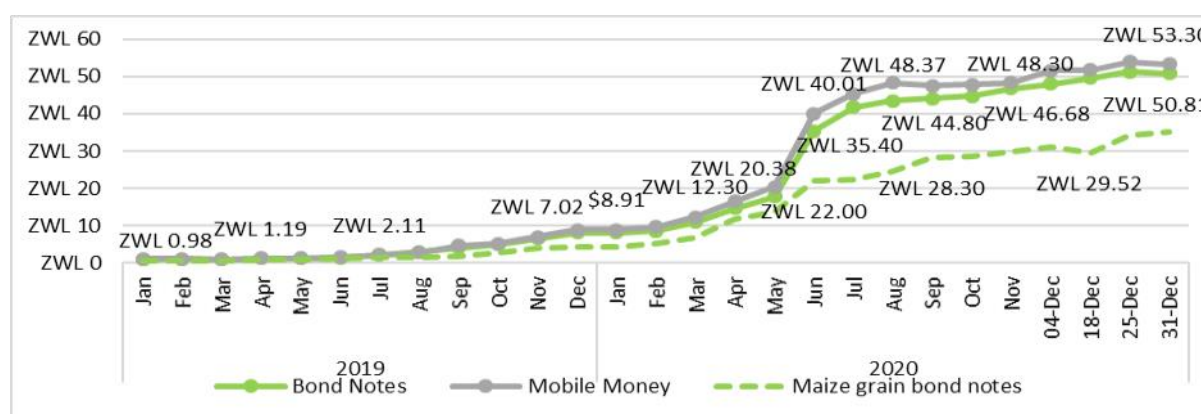
Harmonized Markets Monitoring

Unrefined maize meal availability and prices in ZWL terms

Unrefined maize meal was available in 61% of monitored markets, similar to the 62% reported in November. Urban markets continued to report higher availability at an average of 76% of the markets compared to 49% of the rural markets. The refined maize meal variety was available in more than 90% of the markets but cost on average 45% higher than the unrefined variety.

Unrefined maize meal was selling at an average of ZWL48.80/kg for bond notes and remains about 57% higher than the cost of maize grain, hence the reason why vulnerable households prefer purchasing maize grain. The price of the commodity increased by 6% from an average price of ZWL45.68/kg (Figure 8). Mobile money payments were charged at an average of ZWL53.30/kg during the last week of the month, a price 5% higher than for bond notes.

Figure 8: Maize meal price trends



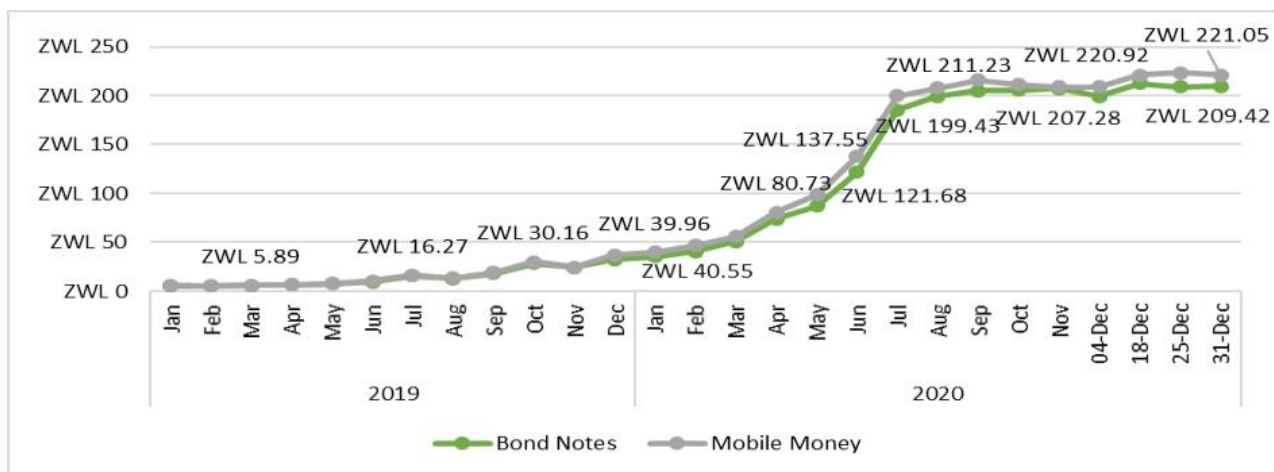
Harmonized Markets Monitoring

3. Market Performance Update

Sugar beans availability and prices in ZWL terms

Sugar beans supply remained stable, with 73% of the surveyed markets reporting availability, continuing the trend from the previous month. The increase in the availability of the commodity is mainly attributed to local production from irrigated community gardens and fields. Sugar beans were selling at an average price of ZWL205.18/kg, which is similar the average price recorded in November 2020 (Figure 9). For mobile money payments, the commodity was selling at an average price of ZWL213.10/kg and 5% higher than the bond notes price.

Figure 9: Sugar beans price trends

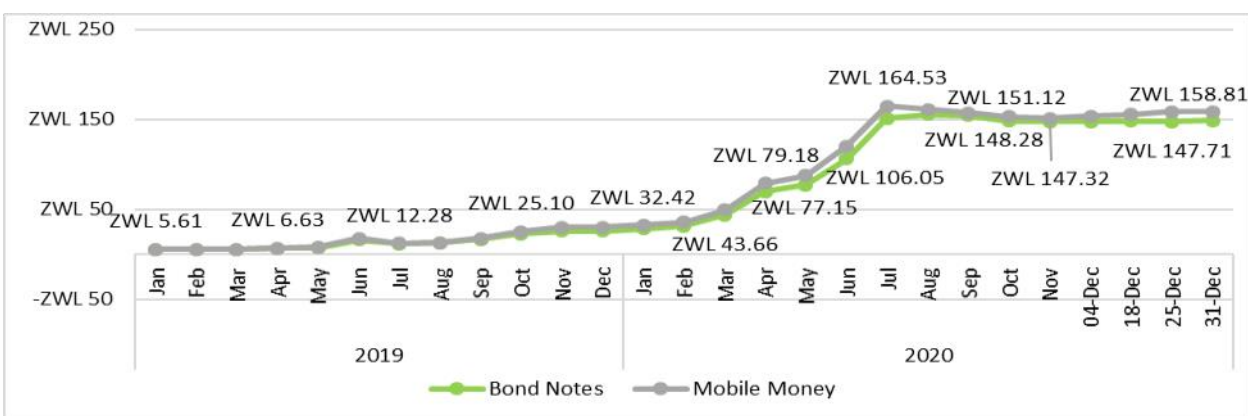


Source: Harmonized Markets Monitoring

Vegetable oil availability and prices in ZWL terms

Vegetable oil availability remained high and stable with an average 93% of the surveyed markets reporting availability, without significant differences between rural and urban markets. In bond notes payments, the commodity was selling at an average price of ZWL147.75/L similar to ZWL146.72/L reported in October and this price has been stable for three consecutive months. The average price of for mobile money payments was ZWL153.36/L, a price 4% higher than that of bond notes (Figure 10).

Figure 10: Vegetable oil price trends



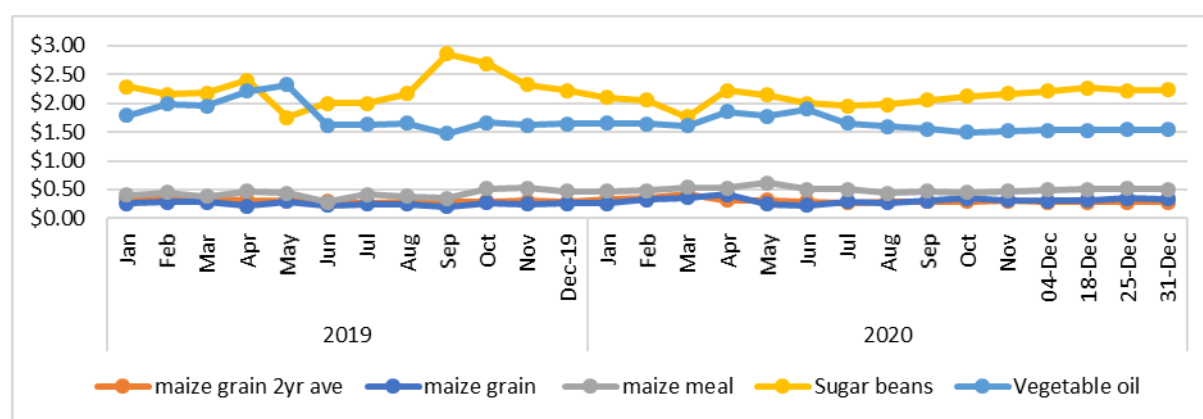
Source: Harmonized Markets Monitoring

Food Commodity Prices in Foreign Currency

The prices of food commodity in USD prices were stable for maize grain at an average of \$0.31/kg, a price that has been reported since July 2020 and is 11% higher than the 2yr average of \$0.28/kg (**Figure 11**). The price of the commodity might increase slightly in the coming lean season months according to seasonality trends, and then decrease with the coming in of the harvest in May.

Unrefined maize meal sold at an average price of \$0.50/kg, a price which is 9% higher than \$0.46/kg reported in November 2020 and against the 2yr average of \$0.46/kg. Sugar beans sold at an average USD price of \$2.21/kg a price which is 4% higher than \$2.13/kg recorded in November and stable against the long-term average of \$2.2/kg. Vegetable oil was selling at an average price of \$1.53/L, a price similar to \$1.51/L reported in November 2020 and 4% lower than the 2yr average of \$1.6/L.

Figure 11: USD price trends for the food basket commodities



Source: Harmonized Markets Monitoring

Recommendations

Among the key recommendations emanating from the analysis above include;

- ◆ Continue monitoring the food and nutrition security situation in the country which is likely to be worsened by the COVID-19 restrictive measures.
- ◆ Monitor the food and nutrition security situation of vulnerable urban households. They rely on informal markets that are likely to be more adversely impacted by COVID-19 restrictive measures.
- ◆ The availability of maize grain continues to be poor, therefore there is need to:
 - to monitor maize grain imports
 - continue assessing feasibility and best modality of assistance by geographical level
 - conduct a comprehensive study to understand the market linkages with source markets

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