

This bulletin summarises the various issues related to food security in Lesotho in order to present a concise update on a quarterly basis. Information comes from Government, UN, NGO and WB/IMF reports. Participating agencies' logos are on the back page.

Lesotho Food Security Monitoring System Quarterly Bulletin

3rd Quarter 2010

September 2010

Updates

- WFP in collaboration with the government and other UN agencies are organizing a baseline survey to provide the basis for the Joint UN Nutrition Project. The survey is expected to take place in October/November in the four districts; *Thaba-Tseka*, *Mokhotlong*, *Qacha's Nek* in the mountains and *Berea* in the lowlands.
- The food consumption survey will also be conducted in the same districts to determine the food consumption patterns as well as the adequacy of macro and micro nutrient intake of children below 5 years and caretakers in those districts.
- DMA will lead the CHS exercise in November 2010.
- The government has released the preliminary findings of the Demographic Health Survey, 2009. The results indicates that stunting remains a public health concern.

Inside this issue:

Economic Conditions	2
Agricultural Production	2
Food consumption	3
Markets and Prices	3
Livelihoods	3
Lesotho - Key Facts	4
Health and Nutrition	4

Summary for 3rd Quarter 2010

- The 14th Southern Africa Regional **Climate Outlook** forum (SARCOF-14) predicted increased chances of *above-normal to normal rainfall* in the first half of the rainy season, October-November 2010. However, there is high likelihood of *below-normal to normal rainfall* in January-March 2011.
- **Prices of fuel** have dropped by roughly 5 percent compared to the previous quarter; and on an annual basis (between September09 and September10), there is a drop of 5 percent in petrol prices, while diesel and an paraffin prices remained unchanged.
- The **annual vulnerability assessment** by Lesotho Vulnerability Assessment Committee (LVAC) was conducted in May-June and estimates approximately 200,000 people will need humanitarian assistance in 2010 equivalent to approximately either 13,500 MT of maize or M78, 000,000 (using rural prices of maize meal as at May 2010).
- The Lesotho **agricultural census** was carried out in July and data analysis is under way. This census is carried out once in ten years and will provide updated agricultural data. It is also expected to provide some indication of progress in implementation of the agricultural priorities in the Poverty Reduction strategy.
- In June, the Government of Lesotho conducted the **National Food Security Forum** with the aim of reviewing the performance of the agricultural sector and mapping out ways to improve the situation in the country. Following the forum, the government is designing a strategy with long-term solutions, putting more emphasis on commodity-based production value chain management for cereal, livestock and horticulture.
- The 2009/2010 **Demographic and Health Survey (DHS)** findings are being finalised. This DHS has included modules on alcohol and tobacco use, anaemia testing, vitamin A consumption, blood pressure, HIV behaviour, knowledge and testing, and a men's module as well as information on women's and children's health and nutrition status. The preliminary results of the DHS (2009) estimated stunting at 39 percent.

Update on Policy

- In June 2010, the Executive Board of the **International Monetary Fund (IMF)** approved an amount equivalent to SDR 41.88 million (about US\$61.4 million) three-year arrangement for the Kingdom of Lesotho under the Extended Credit Facility (ECF). The arrangement will support the authorities' medium-term adjustment program and help reduce balance of payments risks.
- In July 2010, the **World Bank's** Board of Executive Directors endorsed a new Country **Assistance Strategy (CAS)** for the Kingdom of Lesotho which will support the country's efforts to adjust fiscally to pressures generated by the global financial crisis, boost the economy's competitiveness, improve public sector efficiency, combat HIV/AIDS, and strengthen service delivery.
- On September 21, 2010, the **Monetary Policy Committee (MPC)** of the Central Bank of Lesotho convened and discussed latest monetary policy operations, performance of the external sector as well as inflation-related developments to ensure that the price stability mandate of the Bank is being achieved. The Bank's objective is attained through the maintenance of an adequate level of Net International Reserves (NIR), which has been agreed as a minimum stock of USD956 million for the period July to September 2010 under the Extended Credit Facility (ECF) signed by the Government of Lesotho and the International Monetary Fund (IMF).
- **UNDP** is assessing the impact of the current global economic crisis on Lesotho's economy with particular focus on its implications for the achievement of MDGs. It will include an analysis of the impact of dwindling revenues on programmatic interventions for the poor and vulnerable groups in order to propose ways of mitigating the impact. The analysis will be grounded in the overarching principles of human rights, gender, equity and Vision 2020.

Projected % Change		
	2010	2011
Real GDP	5.6	3.8
Consumer Prices	6.3	6.0

Source: World Economic Outlook, October 2010

“Net SACU revenues are expected to drop from an estimated 35 percent of GDP in 2009-2010 to just 14 percent of GDP in 2010 and 2011.”

World Bank, Country Overview

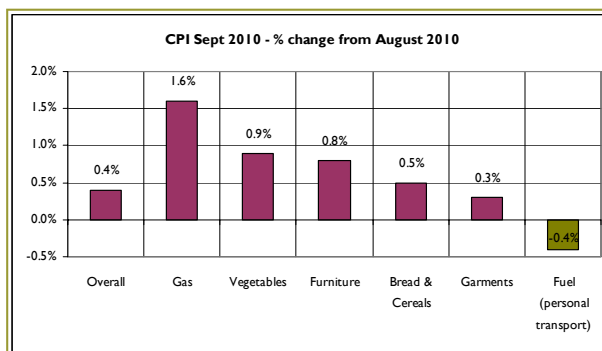
“The findings from the crop assessment undertaken by the Bureau of Statistics were released in June showing nearly 72% increase in maize production over last year.”

Economic Conditions

Over the past 15 years, Lesotho has successfully diversified its economy away from relying heavily on subsistence agriculture and remittances, to a more competitive economy based on manufacturing, services, and export of abundant water resources.

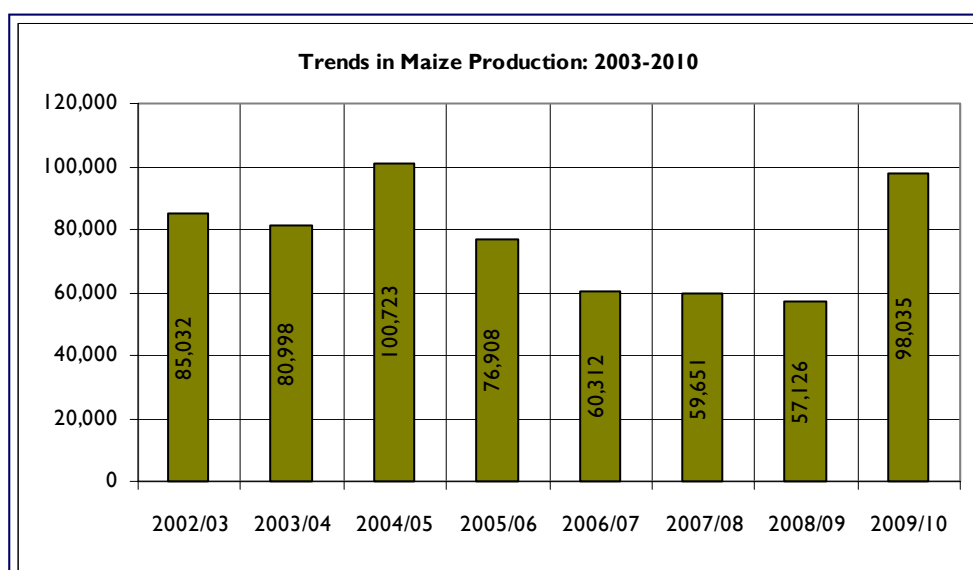
The garment sector plays a critical role in generating employment, output, and exports. The economy is open, with imports amounting to about 111 percent of gross domestic product (GDP), and depends heavily on inflows of workers' remittances and receipts from the Southern African Customs Union (SACU). Lesotho is also a member of the Common Monetary Area (CMA). The Lesotho Loti is pegged at par to the South African Rand which is legal tender in the country. (World Bank)

The Consumer Price Indices for September 2010 for Lesotho increased by 0.4% from August 2010. The Consumer Price Index (CPI) is an indicator that shows changes in the cost of buying a fixed bundle of consumer goods and services as determined for the base period. The large monthly increases are observed in the price indices of the following specific items: bread flour; wheat meal; cabbage; clothing for children; gas and lighting equipment. (Bureau of Statistics)



Agricultural Production

- The chart below shows that production of maize has been decreasing since 2004/05 season; however, the 2009/10 production appears to be an increase over the past 5 seasons (BoS, 2009).
- Information from the BoS indicates 122,808 ha of land had been planted to crops by end of December 2009. This represents a decrease of 18,778 ha (13%) over the previous season. However, yield per hectare for maize was 90% higher than last season. Overall, there was a 72% increase in maize production, 177% increase in sorghum and 117% increase in wheat production.
- In 2009/10 cropping season, the Government instituted a 30-50% subsidy on seed and fertiliser, while FAO availed a range of inputs for 22,551 vulnerable farming households.
- In 2010/11, FAO has planned to reach 12,847 farming households through seed trade fairs and 500 farming households through conservation agriculture.
- The seasonal outlook is anticipated to have increased chances of above-normal to normal rainfall in the first half of the rainy season, October-November 2010; and below-normal to normal rainfall in January-March 2011.
- Land preparation has started for summer cropping in some places. Winter crops (wheat and peas) are still in good condition and harvest is expected in November/December.



LVAC Findings - June 2010

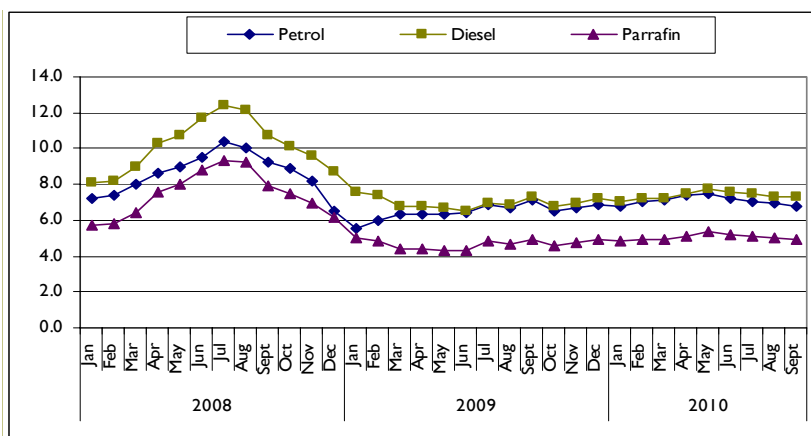
The LVAC assessment estimates approximately 200,000 people will need humanitarian assistance in 2010/11. This is about half the number of people in need of humanitarian assistance in 2009/10.

The main reasons for the improved food security situation are;

- A good agricultural season that resulted in increased cereal production.
- A 10% decrease in the price of staple. The 'Very poor' purchase up to 60% of the cereal consumed in a year so a 10% reduction in price is very significant.
- A 30- 40% reduction in the price of Fertiliser and Seed compared to 2009 prices. This was a direct result of government subsidy on the price of seed and fertilizer
- Increased availability of casual labour opportunities due to a good agricultural season. This was the case in most livelihood zones except for the Southern Lowlands and Senqu River Valley where excessive rains caused water logging and reduced opportunities for weeding. Note that for the very poor households, casual labour especially in the agricultural sector, is the main source of income and a significant source of food (work for food).
- By livelihood zone, the *Southern Lowlands* had the highest percentage of households with poor consumption at 11% followed by *Mountains* and *Peri-Urban* at 4% each. *Northern Lowlands* and *Foot-Hills* had the lowest proportion of households with poor consumption at 1 percent.

Markets and prices

WFP monitors prices of basic food stuffs in rural and town shops on monthly basis. Overall, the cost of 12.5kg maize meal ranged from M25 - 40.50 in the north (depending on the brand) to M42.50-70.00 in other districts. On average, urban prices increased by 1 percent in July compared to the previous month; decreased by 8 percent compared to January and 4 percent compared to last



year, July 2009. Rural prices declined by 3 percent from the previous month and January, and 11 percent from last year. Between May 2009 and May 2010, a 7 percent decrease was noted in wholesale prices. However, from January this year, wholesale prices fluctuated from time to time and show a slight increase of 2 percent at the end of May (WFP Price monitoring).

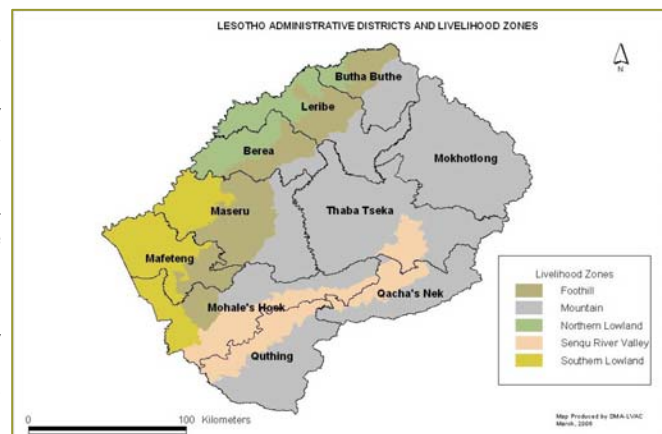
Between September 2009 and September 2010, there is about 5 percent drop in petrol prices; while diesel and paraffin remained unchanged. compared to last quarter, there is a drop of about 5 percent in fuel prices in general.

Livelihoods

The March 2010 Community and Household Surveillance (CHS) covered nine districts and collected information on main livelihood sources. Reliance on **casual labour** as a main source was most common in *Leribe* and *Quthing* by 48% of the households, while *Mafeteng* and *Mohale's Hoek* were the least likely (13%) to rely on casual labour. The *Northern Lowlands* livelihood zones had the highest proportion of households relying on casual labour (40%).

Households in *Butha-Buthe* district were the most likely to rely on **food and cash crop production/sales** as a main livelihood activity (47%), followed by households in *Mokhotlong* (32%), while households in *Quthing* were the least likely (3%). By livelihood zone the *Southern Lowlands* had the highest percentage of households relying on crop production as a main livelihood activity (40%), followed by the *Mountains* and *Northern Lowlands* (23%) while *Peri-Urban* (9%) livelihood zone had the least.

Households in *Leribe* had the highest total monthly per capita expenditure (M 240), while *Maseru* had the lowest at M 70. By livelihood zone, households in the *Northern Lowlands* had the highest monthly per capita expenditure (M 227), followed by, the *Senqu River Valley* (M 163), and *Peri-Urban* (M 125). *Mountains* (M 145), *Foothills* (M 121), while households in the *Southern Lowlands* (M 74), had the lowest.





Disaster Management Authority
Maseru Roller Mills Building
Plot 20/22 Moshoeshoe Road
Private Bag, A453, Maseru 100

Lesotho

Tel: +266 28323135

or

World Food Programme
P.O. Box 301, Maseru 100,

Lesotho

Phone +266 22323989

Fax: +266 22 310 239

Wahito.Kabaire@wfp.org

Likeleli.Makhotla@wfp.org



The Spanish Government is providing financial support for the strengthening of Food Security Monitoring Systems in Southern Africa.

LESOTHO—Key Facts



	2008
Population, total (millions)	2.02
Population growth (annual %)	0.5
GDP (current US\$) (billions)	1.6
GNI per capita, Atlas method (current US\$)	1,080
External debt stocks (% GNI)	33.7
Surface area (sq. km) (thousands)	30.4
Agricultural land (% of land area)*	76.9
Life expectancy at birth, total (years)*	43
Mortality rate, under-5 (per 1,000)*	84
Malnutrition prevalence, weight for age (% U5)*	17%
Prevalence HIV, total (% pop aged 15-49)*	23.2
School enrolment, primary (% net)*	72.4

Source: World Development Indicators
*Most recent data available, 2001-2008

Health and Nutrition

- **HIV and AIDS** have devastated sub-Saharan Africa. Lesotho has the third highest prevalence rate in the world after Swaziland and Botswana. It is estimated at 23.6% by the National AIDS Commission (2009), an increase from 23.2% found in the 2004 Demographic Health Survey. It is estimated that of a total population of 2.02 million, approximately 2,100 Basotho die from AIDS every month. Furthermore, more than 180,000 children have been orphaned and made highly vulnerable by HIV and AIDS (LSGPR, 2008-2012)
- **HIV incidence levels** - annual HIV incidence in adults has stabilised at approximately 1.7% (approximately 21,000 new infections in adults in 2007); peak incidence was approximately 3.6%, in 1995. Annual HIV incidence in children has halved in the last 8 years to 0.17%. There are several reasons for this drop, including the decreased incidence in adults which in turn reduces the risk of mother-to-child transmission (MTCT) and infection via other transmission pathways. Prevention of MTCT (PMTCT) uptake has increased rapidly to 31% in 2007.
- **Malnutrition** can occur even when access to food and healthcare is sufficient and the environment is reasonably healthy. The social context and care environments within the household and the community also directly influence nutrition. Factors influencing nutritional status include feeding practices, maternal hygiene, morbidity and HIV and AIDS.
- Nationally, for children 6-59 months 2.3% are wasted or suffering from acute malnutrition and 14% underweight as found in the November 2007 National Nutrition Survey. By district, the highest prevalence is in *Mafeteng* (3.8%) while the lowest prevalence is in *Berea* (1.1%) (NNS, 2007).
- **Stunting** or chronic malnutrition was found to be around 42 percent stunting from the 2007 National Nutrition Survey. In addition, Global stunting prevalence is above 40% in the mountain districts and *Berea* with the highest global stunting found in *Thaba Tseka* at 54.9 percent (NNS, 2007).
- The 2009/2010 **Demographic and Health Survey (DHS)** findings are being finalised. This DHS has included modules on alcohol and tobacco use, anaemia testing, vitamin A consumption, blood pressure, HIV behaviour, knowledge and testing, and a men's module as well as information on women's and children's health and nutrition status. The preliminary results of the DHS (2009) estimated stunting at 39 percent.