# NAMIBIA EARLY WARNING
# AND
# FOOD INFORMATION UNIT

# NAMIBIA

# FOOD SECURITY BULLETIN

NO.2 JUNE 2006

## SUMMARY

**The 2005/06 season has been generally very wet, with most parts of Namibia receiving above average rainfall. With the substantial rainfall experienced during the past season in many parts of the country, cereal production forecast at the end of May 2006 indicates an improvement in harvest this season. As a result of above-normal rains this season, Caprivi region which faced production shortfalls last season due to poor rainfall performance, is expecting a cereal production levels above last seasons'. Though there are some areas that were negatively affected by periods of excessive rains that led to flooding, water logging, and nutrient leaching, and discouraged weeding. Oshikoto, Ohangwena and Kavango regions are expecting a cereal harvests that is below last years' due to a significant reduction in areas planted as well as other factors caused by excessive rains.**

**The food security situation during the current marketing year (2006/07) improved significantly as a result of the availability of the new season crops, which are generally favourable, compared to the previous season. The 2005/06 harvest is now finally forecasted to have improved 10 percent compared to last season. With domestic availability of cereal projected to be insufficient to cover domestic demands (utilization), a cereal deficit of about 162,500 tonnes is assessed for the current marketing year. Livestock producer prices at the beginning of the 2006/07 marketing year were above their levels a year ago. They are expected to remain pleased for prolonged periods reflecting higher demand from South Africa as well as the impact of export ban on the Brazilian beef.**

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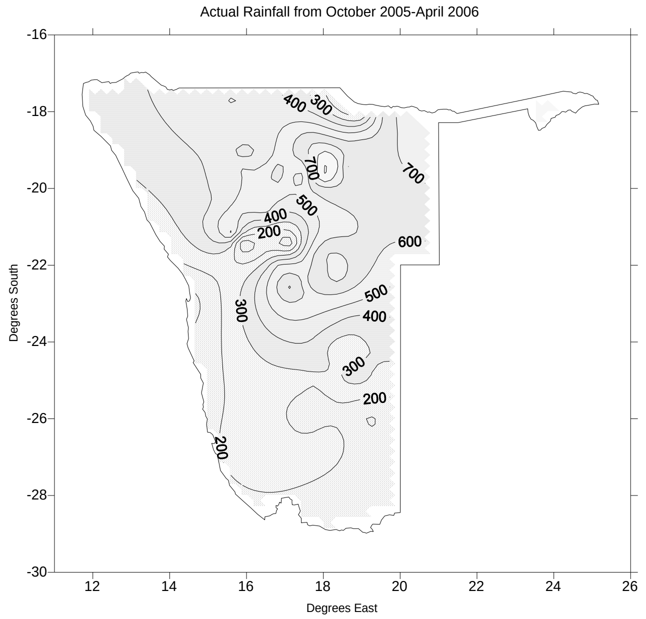
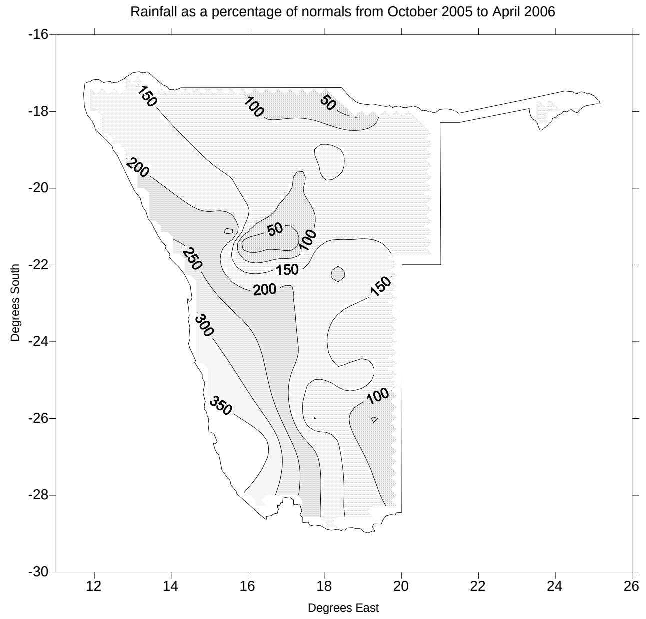
## RAINFALL PERFORMANCE REVIEW: October 2005 – April 2006

According to an assessment of the rainfall performance by the Namibia Meteorological Services (NMS), most parts of the country received substantial rainfall amounts during the 2005/06 season. In particular, the second half of the season (January to April) has been characterized by above-normal rains.




## AVAILABILITY OF WATER

Regarding water availability for both consumption and for agricultural production, estimates for surface water levels are provided below. According to the Namibia Water Corporation Ltd (NAMWATER), the current water levels measured encouragingly when compared to the similar period last year, reflecting above-average rains received during the past season.

| **Name of Reservoir** | **Present Water Content (Mm³)** | **Present % of full capacity** | **% Last season** |
|---|---|---|---|
| **Swakoppoort Dam** | **61.4** | **96.6** | **40.1** |
| **Von Bach Dam** | **43.1** | **88.8** | **48.1** |
| **Omatako Dam** | **39.2** | **90.2** | **13.7** |
| **Tilda Viljoen Dam** | **0.9** | **75.7** | **37.0** |
| **Goreangab Dam** | **3.5** | **98.0** | **89.9** |
| **Otjivero Main Dam** | **7.2** | **73.1** | **53.2** |
| **Daan Viljoen Dam** | **0.4** | **83.0** | **6.7** |
| **Hardap Dam** | **207.3** | **70.4** | **55.1** |
| **Naute Dam** | **78.7** | **94.1** | **104.1** |
| Oanob Dam | **33.1** | **96.0** | **52.0** |

## FOOD PRODUCTION: 2005/2006 Agricultural Season

The average area planted by smallholders and commercial farmers is estimated at 274,100 hectares on one or more plots that are generally intercropped. Below are the estimated planted areas ('000 hectares) to the major cereal crops during the 2005/06 agricultural season.

| Region | Millet | Sorghum | Maize | Total Area (2005/06) | Total Area (2004/05) | Percent deviation |
|---|---|---|---|---|---|---|
| **Caprivi** | 1,4 | 1,4 | 5,2 | **8,1** | **7,6** | **+6** |
| **Kavango** | 12,0 | 1,0 | 1,8 | **14,9** | **11,2** | **+25** |
| **Omusati** | 65,4 | 3,4 | - | **68,9** | **75,8** | **-10** |
| **Oshana** | 27,7 | 1,5 | - | **29,3** | **24,4** | **+16** |
| **Ohangwena** | 60,5 | 6,7 | - | **67,3** | **83,4** | **-24** |
| **Oshikoto** | 47,0 | 2,5 | - | **49,5** | **59,6** | **-20** |
| **Commercial areas** | 0,2 | - | 13,7 | **15,4** | **12,1** | **+21** |
| **Total (ha)** | | | | **253,3** | **274,1** | **-8** |

A comparative production forecasts for the 2005/06 cropping season with those for 2004/05 are provided below. The table reveals a general increase in production for all the regions except Ohangwena, Oshikoto and Kavango reflecting the dramatic effect of the excessive rains. Plantings of other food crops such as beans, groundnuts, bambaranuts and other non-cereal food crops were however reduced due to excessive rains.

| Region | Millet | Sorghum | Maize | Total production (2005/06) | Total production (2004/05) | Percent deviation |
|---|---|---|---|---|---|---|
| **Caprivi** | 0,7 | 1,1 | 2,4 | **4,2** | **2,1** | +50 |
| **Kavango** | 1,9 | 0,3 | 0,1 | **2,5** | **2,5** | **-0.7** |
| **Omusati** | 20,9 | 0,7 | - | **21,6** | **16,6** | +23 |
| **Oshana** | 4,1 | 0,4 | - | **4,5** | **3,9** | **+12** |
| **Ohangwena** | 11,1 | 1,2 | - | **12,4** | **18,7** | **-51** |
| **Oshikoto** | 9,5 | 0,6 | - | **10,1** | **11,5** | **-13** |
| **Commercial areas** | 0,2 | - | 49,0 | **49,2** | **39,1** | **+20** |
| **Total (ha)** | | | | **104,5** | **94,4** | +10 |

## CROP SITUATION BY REGION

In **Caprivi** region, the total production of cereal in the region is expected to reach 4,200 tonnes, which is 50 percent higher than last season and will mostly result from a very favourable weather conditions. Both Linyanti and Sibbinda constituencies recorded the lowest area planted mostly as a result of fear of damage to wild animals.

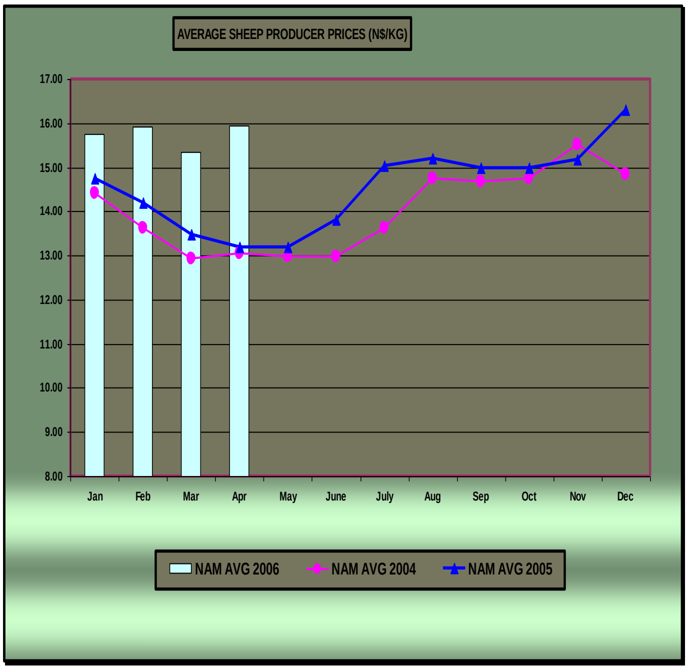
In **Kavango** region, a rapid assessment indicates a fair to poor production for the 2005/06 agricultural season. This year's production has been compromised as a result of reduced plantings as well as other adverse factors like the heavy rains received after January 2006, which in some parts have destroyed crops through water logging.

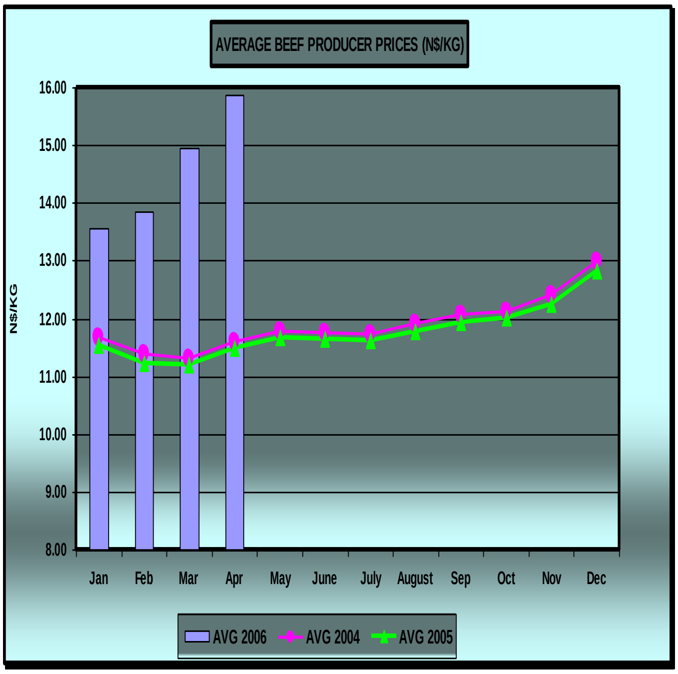
In **Omusati** region, crop growing conditions have been favourable in the region as result of above normal rains received since January 2006, leading to expectations of better harvest this season. Crop conditions have been satisfactory despite excessive rains in parts leading to water logging, nutrient leaching and minor outbreaks of army worms.

| |
|---|
| In **Oshana** region, rainfall received this season has been adequate for crop development in most constituencies. Total production of cereals in the region is expected to reach 4,500 tonnes, 12 percent increase over last season because of an increase in the area planted and above-average yields from favourable rainfall. |
| In **Ohangwena** region, rainfall performance in the first half of the season was not favourable for crop production, although rains improved from the first dekad of January 2006, allowing for late planting and revival of some of the late planted crops. Crop production has been reduced significantly owing to heavy rains as fields were water logged thus preventing weeding. Heavy rains also resulted in leaching of nutrients in the already degraded soils. |
| In **Oshikoto** region, Despite the normal to above normal rains over many constituencies of the region, total production of cereals in the region is expected to be 13 percent lower than last season, mainly due to very low yields. Yield reduction has been attributed to water logging of crop fields that delayed of farm activities such as weeding to take place. |

## LIVESTOCK MARKETING

Livestock (cattle, sheep and goats) producer price strength since 2005 has intensed so far in 2006. The Meat Board of Namibia market statistics indicates optimistic prices for all livestock producers in Namibia. According to the figures below, producer prices for sheep and cattle are likely to retain the current momentum in the long term, especially with high demand from South Africa as well as the impact of export ban on Brazilian beef on international market price.



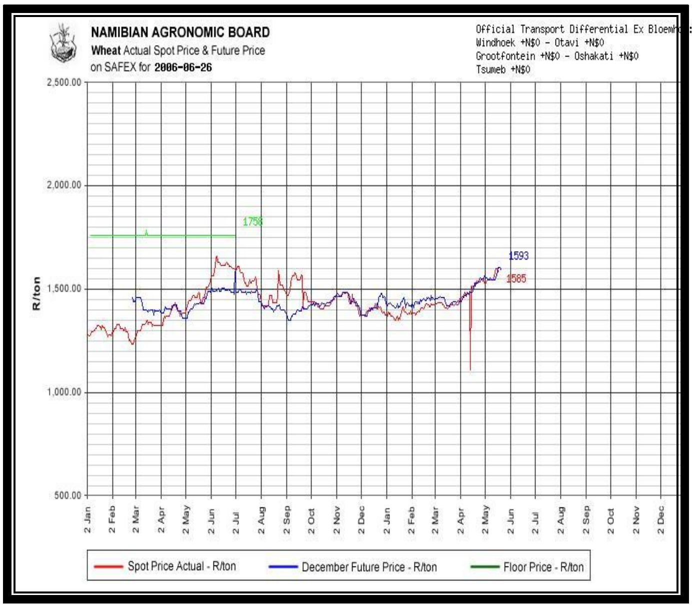




## COMMODITY PRICES

### Wheat and White Maize Producer Price

**SAFEX wheat producer price movements:** Wheat producer price on SAFEX picked up since April 2006, after remaining stagnant for some time. At the moment, wheat prices strengthened, but remained below the Namibia Agronomic Board floor price of R1, 758.00 for wheat.

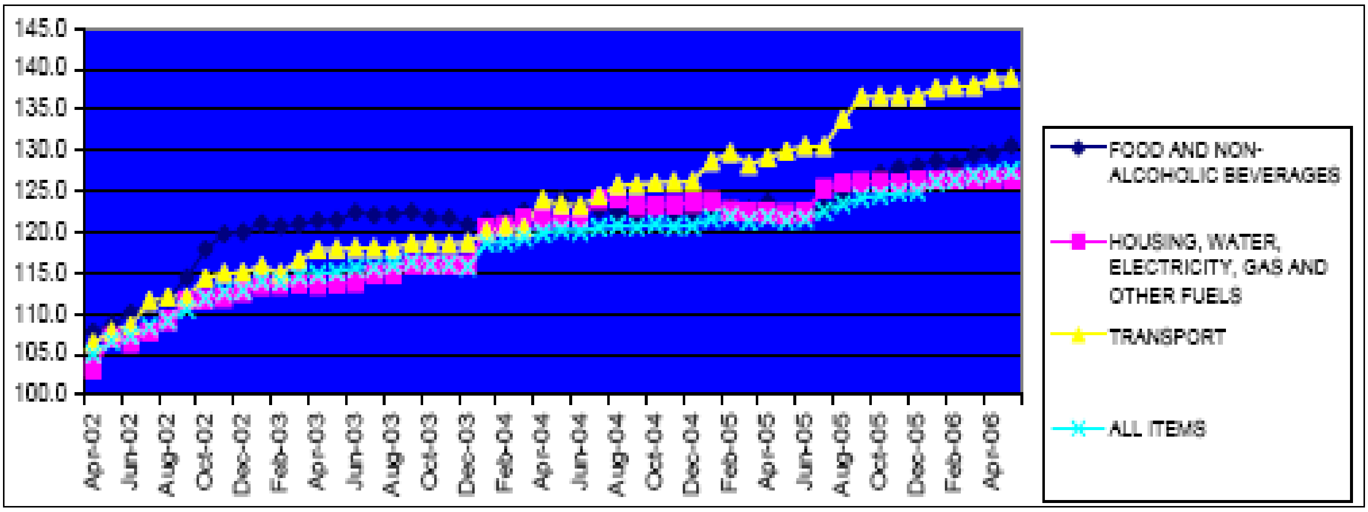
**SAFEX white maize price movements:** White maize producer price in South Africa has been climbing steadily during the cropping season, where prices increased from R1, 100.00/ton in January 2006 to R1,330.00/ton in June 2006. The July futures price for white maize is favourably forecasted at R1, 350.00/ton, which is about 6 percent above the Namibia Agronomic Board floor price (R1, 275.00) for white maize.





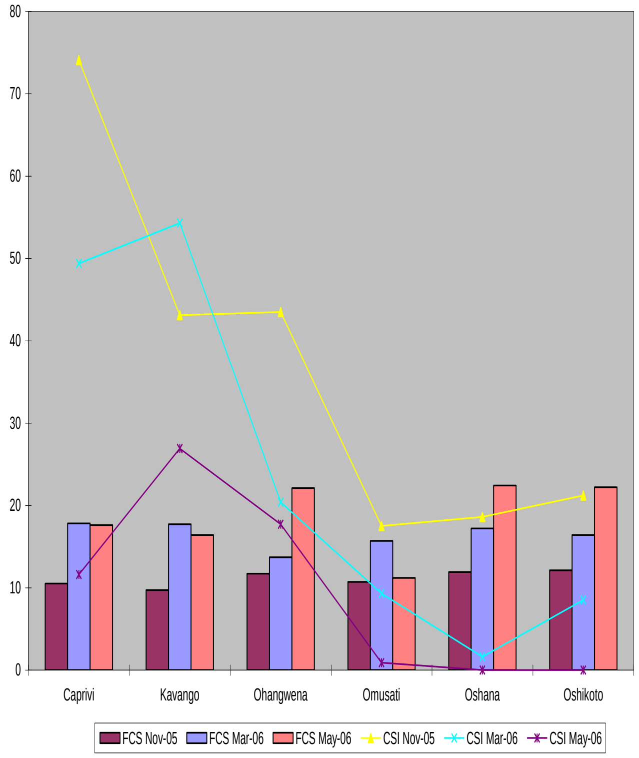
## Consumer Price Index (CPI)

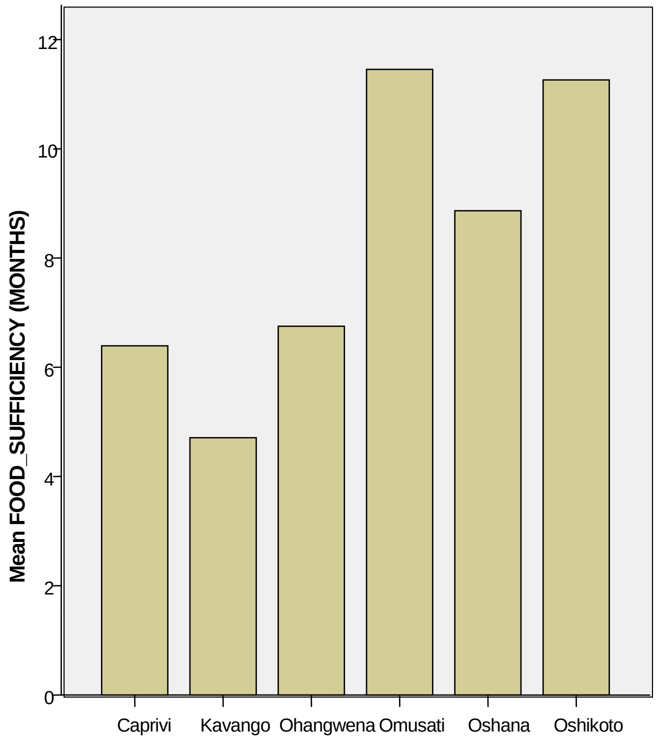
The Consumer price index for May 2006 by main groups and sub-groups is given in the figure below (National Planning Commission). Prices of all items (food and non-alcoholic beverages; housing, water, electricity, gas and other fuels; transport) has increased in all major markets over the past four years. Despite the overall improvement in the national food situation, food prices are likely to follow the behaviour of SAFEX maize future prices in South Africa, from which the majority of grain is sought.



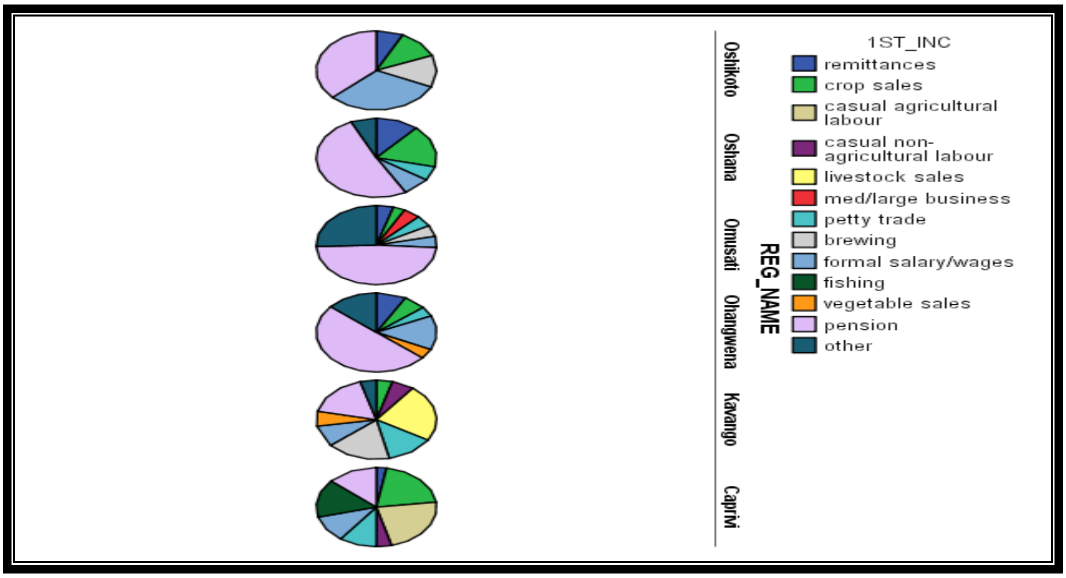
## HOUSEHOLD'S ACCESS TO FOOD AND COPING MECHANISMS

Natural resources exploited to offset adverse situations are becoming scarce, as they have been used intensively for many years as a means of survival. With a lack of other income options, forest resources, including wood, food, fish and wild animals are being extracted beyond sustainable levels following consecutive crop production failures. Consumption patterns have changed dramatically. The quantities and qualities of food consumed have intensified. Family members reported to be consuming two or three meals per day. The composition of food includes cereal, vegetables (mostly wild spinach), fish and meat in most cases with cereal dominating the meals.




In the above figures, household data analysis allows for the comparison of regional situations on the basis of measures computed from the household questionnaire. **The Coping Strategies Index** (CSI) measures the frequency and severity of actions taken by households in response to the presence or threat of a food shortage. Trend analysis on the graph above shows that the average CSI score of households during May 2006 was lower than that of the previous assessments, indicating the positive effects of the new season crops on the households' ability to cope. **Food Consumption Score** (FCS) analysis allows comparison of households' dietary quality and diversity over time. Based on the analysis above, mean FCS of households has been improving (except Omusati and Kavango) owing to improved harvest this season. Household **Food Sufficiency** is an indication of a number of months (from harvest in June) the cereal harvest will sustain an average household in each region. According to this analysis, the certainty of cereal grain lasting until the next harvest (in June 2007) exists only in the Omusati and Oshikoto regions, while cereal harvest in Capri, Ohangwena and Oshana regions will sustain the households halfway. The concern is in the Kavango region where the 2006 cereal harvest might only lasts on average for about 5 months (July to November 2006).




**Livelihood sources:** Social grants (pension), formal salaries, brewing, crop sales and petty trade account for nearly 80% of the livelihood activities of households in the north central regions (Omusati, Oshana, Ohangwena, and Oshikoto). In the Kavango region, livestock sales, social grants, brewing and petty trade are the main livelihood sources, while in the Caprivi region crop sales, casual labour, social grants and fishing activities account for about 80% of the livelihood sources.

## FOOD SUPPLY AT NATIONAL LEVEL

### Cereal supply/demand balance for 2005/06 marketing year (May/April)

Table below indicates the progress made at the end of 2005/06 marketing year (1 May 2005 to 30 April 2006) in completing commercial imports and export plans. At the end of the 2005/06 marketing year, the level of planned imports was sufficient to cover assessed national food gap during that period. Though the marketing year came to an end, the successful shipping of commercial imports was essential for ensuring national cereal availability.

**Namibia Cereal Supply/Demand Forecast for 2005/06 Marketing Year (May/April)**
**in tonnes**

| | Wheat | Maize | Millet/Sorghum | Total Cereals |
|---|---|---|---|---|
| **A. Domestic Supply** | **15.3** | **50.6** | **83.9** | **149.8** |
| A.1 Opening Stocks 1 May 2005* | 10.0 | 10.0 | 30.0 | **50.0** |
| A.2 Forecasted Production** | 5.3 | 40.6 | 53.9 | **99.8** |
| **B. Domestic Utilization** | **65.7** | **147.5** | **81.6** | **294.8** |
| B.1 Food Use*** | 60.6 | 141.4 | 48.5 | **250.5** |
| B.2 Non-food Uses**** | 0.3 | 2.2 | 8.1 | **10.6** |
| B.3 Closing Stocks 30 April 2006 | 4.8 | 3.9 | 25.0 | **33.7** |
| **C. Shortfall to be covered by imports** | **50.4** | **96.9** | **-2.3** | **145.0** |
| **D. Planned imports** | **58.2** | **71.6** | **0.0** | **129.8** |
| Imports received | 58.2 | 71.6 | 0.0 | **129.8** |
| Imports expected | 0.0 | 0.0 | 0.0 | **0.0** |
| **E. Exports already shipped** | 0.0 | 37.0 | 0.0 | **37.0** |
| **F. After Trade Surplus/Deficit** | **7.8** | **-62.3** | **2.3** | **-52.2** |

Notes: * Includes commercial, food aid and on-farm stocks
** Excludes cereal production for animal feed
*** an average of 2.02 million people, each consuming 124 kg of cereals per annum
**** Includes seed use and waste; excludes commercial livestock feed
After Trade Surplus/Deficit = Planned Imports - (Shortfall + Exports)
*Source: Namibia Early Warning and Food Information Unit*

## Cereal supply/demand balance for 2006/07 marketing year (May/April)

The food supply/demand balance is calculated on the basis of an estimated total population of 2 070 000 for the 2006/07 marketing year. Overall, food security situation during the current marketing year (2006/07) has improved as a result of the availability of the new season crops, which is generally favourable over last season.

### Domestic supply

Opening stocks of cereal at the beginning of marketing year 2006/07 (May/April) are estimated at 33,700 tonnes, comprising of 25,000 tonnes of millet/sorghum, 4.800 tonnes of wheat and 3,900 tonnes of white maize. The cereal harvest for 2006 is finally forecasted to be 109,500 tonnes, comprising 52,700 tonnes of millet/sorghum, some 51,500 tonnes of white maize and 5,300 tonnes of wheat. The forecasted cereal production together with opening stocks add up to a domestic supply of 143,200 tonnes for 2006/07 marketing year.

### Domestic demand (utilization)

Assuming a national population figure of 2,07 million and an average per capita consumption of 124kg, the national cereal food use is calculated to be 254,600 tonnes. This, together with non-food use of 11,100 tonnes and closing stocks of 40,000 tonnes give a domestic cereal demand of 305,700 tonnes.

### Commercial imports

Given a domestic cereal supply of 143,200 tonnes and a domestic demand of 305,700 tonnes, the national import requirement in cereal supply for 2006/07 marketing year is calculated to be 162,500 tonnes (62,300 tonnes of wheat and 100,300 tonnes of white maize). The cover this shortfall the commercial millers planned to import 82,000 tonnes of cereal, leaving an after trade deficit of about 80,500 tonnes.

**Namibia Cereal Supply/Demand Forecast for 2006/07 Marketing Year (May/April)**
**in tonnes**

| | Wheat | Maize | Millet/Sorghum | Total Cereals |
|---|---|---|---|---|
| **A. Domestic Supply** | **10.1** | **55.4** | **77.7** | **143.2** |
| A.1 Opening Stocks 1 May 2005* | 4.8 | 3.9 | 25.0 | **33.7** |
| A.2 Forecasted Production** | 5.3 | 51.5 | 52.7 | **109.5** |
| **B. Domestic Utilization** | **72.4** | **155.7** | **77.6** | **305.7** |
| B.1 Food Use*** | 62.1 | 142.8 | 49.7 | **254.6** |
| B.2 Non-food Uses**** | 0.3 | 2.9 | 7.9 | **11.1** |
| B.3 Closing Stocks 30 April 2006 | 10.0 | 10.0 | 20.0 | **40.0** |
| **C. Shortfall to be covered by imports** | **-62.3** | **-100.3** | **0.1** | **-162.5** |
| **D. Planned imports** | **44.0** | **38.0** | **0.0** | **82.0** |
| Imports received | 0.0 | 0.0 | 0.0 | **0.0** |
| Imports expected | 44.0 | 38.0 | 0.0 | **82.0** |
| **E. Exports already shipped** | 0.0 | 0.0 | 0.0 | **0.0** |
| **F. After Trade Surplus/Deficit** | **-18.3** | **-62.3** | **0.1** | **-80.5** |

Notes: * Includes commercial, food aid and on-farm stocks
** Excludes cereal production for animal feed
*** an average of 2.07 million people, each consuming 124 kg of cereals per annum
**** Includes seed use and waste; excludes commercial livestock feed
After Trade Surplus/Deficit = Planned Imports - (Shortfall + Exports)
*Source: Namibia Early Warning and Food Information Unit*

## TERMINOLOGY

**Dekad:** The period of ten days. A month has 3 dekads.
Dekad 1: first ten days of the month
Dekad 2: $11^{th}$ – $20^{th}$
Dekad 3: $21^{st}$ up to the end of month

**Current Production Season:** Crop production season that started at the beginning of October 2003 and ends at the end of April 2004 (or in some cases on the first dekad of May).

**Marketing Year:** The period from one main crop harvest up to, but not including the next. In the Namibian context, that period is from $1^{st}$ of May up to the $30^{th}$ April of the following year. The year during which the production of any given cropping year would be marketed and consumed. For example, mahangu harvest from the current cropping season (2003/2004) would be entered as production variable in the annual food balance sheet for the 2004/2005 marketing year.

**Millet**: Refers to Pearl millet also known as mahangu locally.

**Food Balance Sheet:** The tool that is basically used to analyse and compare the requirements and availability to obtain an estimate of food deficit or surplus. See **Table 2** for details of the annual food balance sheet.

**Total Availability:** Opening stocks plus forecasted cereal production.

**Opening Stocks:** The quantity of stocks held by the commercial millers at the beginning of the marketing year.

**Forecasted Cereal Production:** The quantity of cereals that was domestically produced. It remains a forecast since the final figure of the output especially for irrigated crops such as wheat whose harvest starts in December is yet to be determined.

**Domestic Utilisation**: Food use plus non-food uses plus closing stocks.

**Floor Price: Grain**

**Food Use:** The quantity required to meet the direct consumption needs of the population.

**Non-food Uses:** This includes seed, waste and other uses but excludes animal feed.

**Closing Stock:** The forecasted end-of- marketing year stock held by commercial millers.

**SAFEX:** South African Futures Exchange

**Shortfall:** Total Availability less Domestic Utilisation. The shortfall is always covered by commercial imports.

**Planned Imports:** The quantity of imports delivered/expected into the country during the marketing year.

**After Trade Surplus/Deficit:** Planned Imports – (Shortfall + Exports). The balance of shortfall remaining after imports and exports.

**Current stocks:** Stocks currently held by the commercial millers.

**The Food Security Bulletin is prepared based on information provided by the:**
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Emergency Management Unit, Office of the Prime Minister
Central Bureau of Statistics, National Planning Commission Secretariat
Namibia Development Corporation
Namibian Agronomic Board
Hardap Co-operative Ltd
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