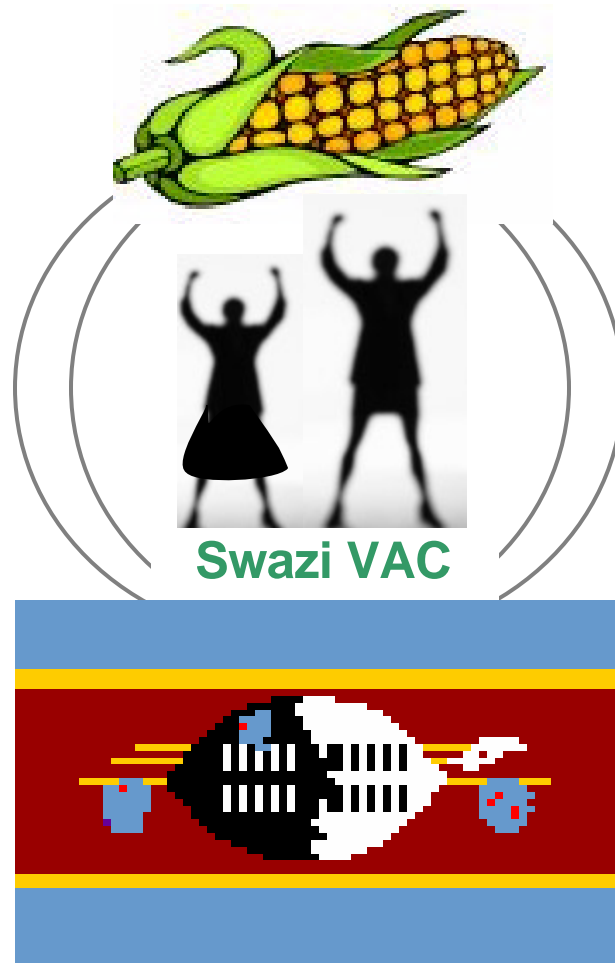


Swaziland Vulnerability Assessment Committee
(Swazi VAC)

Annual Vulnerability Monitoring Report
June 2005



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Highlights:

Late planting and two stressful mid-season dry spells have severely depressed production prospects in the Lowveld. The Swazi VAC May 2005 field assessments suggest that maize production in the Lowveld could be significantly lower than the April WRSI estimates. The June 2005 CFSAM report confirms this low production estimate in the Lowveld.

The chronically poor Lowveld areas of Swaziland show little signs of recovery. The depressed status of the cotton industry and low prices in 2004 also undermines livelihoods in the adjacent dry Middleveld, and Lomahasha areas.

South African white and yellow maize prices have fallen (35-40%) since December 2004. Moreover, future prices - through to March 2006, are not expected to increase much above the current price of R600/ton. Modeling a 25% price reduction into the 2005 problem specification for Swaziland, yields an 18% saving or "dividend" in food gap estimates. This analysis indicates how efficiencies in marketing and retail trade might remove the income/food deficits in the marginally affected areas.

Against a background of depressed employment opportunities, recent changes in global trade rules have impacted on Swaziland's textile industry, resulting in factory closures, job losses and reduced incomes.

Swaziland now has the highest HIV prevalence rate in the world. The impact on households is severe and often leads to their disintegration. It adversely impacts women and gender equity, and orphaned children face many problems. The impact at national levels is also marked - putting a brake on economic growth.

Not enough is being learned about significant ongoing programmes that are targeting vulnerable groups.

Summary Outcomes:

Highveld Cattle & Maize - No deficit after coping strategies

Timber Highlands - 100% of the population (87,000 people) are likely to experience a 5% mean income/food deficit equivalent to 540 MT cereals

Moist Middleveld - 70% of the population (90,000 people) are likely to experience a 37% mean income/food deficit equivalent to 4,900 MT cereals

Dry Middleveld - 70% of the population (97,000 people) are likely to experience an 18% mean income/food deficit equivalent to 2,200 MT cereals

Lowveld Cattle & Cotton -100% of the population (45, 000 people) are likely to experience a 28% mean income/food deficit equivalent to 1,500 MT cereals

Lowveld Cattle Cotton & Maize -100% of the population (161,000 people) are

likely to experience a 54% mean income/food deficit equivalent to 11,200 MT cereals

Lubombo Plateau - 10% of the population (2,400 people) are likely to experience a 4% mean income/food deficit equivalent to only 14 MT cereals

Lomahasha Trade & Arable - 100% of the population (27,000 people) are likely to experience an 18% mean income/food deficit equivalent to 1,100 MT cereals

Peri Urban Corridor -100% of the population (73,000 people) are likely to experience a 40% mean income/food deficit equivalent to 3,900 MT cereals.

NB. The reference to metric tons (MT) cereal deficits above is not a prescription for food aid. It is used as an indicator of the degree of magnitude of shocks to livelihoods - albeit reduced to a common term. The MT Cereals measure can easily be expressed in the cash equivalent. Readers should note that about 60-70% of all food access in Swaziland is based on exchange entitlements. Shortfalls in 2004-05 have occurred as a consequence of reductions in production, via an erosion of incomes and a significant reduction of "within community relief and gifts" in some localities.

Observations & Recommendations:

Swazi VAC cautions program managers and decision-makers in responding to the findings presented in the report. All proposed responses and interventions (be they developmental or humanitarian) should be informed by more detailed local-level assessments and appraisals. This rapid assessment cannot be expected to provide sufficient detail for programming decisions. The quantification and scenarios presented below, is based on limited information and reasoned assumptions. Figures are used to indicate orders of magnitude of possible effects. The existing national baseline livelihood profiles are derived from rapid rural appraisals. The analysis is based on 'judgments' about the effects of shocks and hazards on proximate and typical patterns of livelihoods.

The findings emerging out of an individual household -level study carried out by the Swazi VAC in 2004, in the Lowveld, has raised a number of challenging issues for the development and humanitarian agencies operating in the country. These include:

1. The need to re-evaluate the role of food-aid and traditional emergency responses given evidence of poor targeting, poor monitoring and an over supply of food-aid in some contexts. Agencies need to think beyond the current box of 'emergency response'. We need a more diversified portfolio of responses and recommendations. The findings suggest that improvements in effectiveness and efficiency of a reduced food-aid programme, could shift resources into longer-term recovery and risk reducing developments. There has to be the careful integration of risk reduction initiatives, appropriate emergency responses and development work, if there is to be a reduction in

exposure to hazards and susceptibility to harm in this livelihood zone. However, such a shift should not ignore the humanitarian, food-aid, and social welfare and development needs of the most vulnerable areas, groups and individuals. Thus, there should be enhanced support for the chronically vulnerable bottom 10%.

2. Expectations for an “agricultural recovery” in the agriculturally marginal Lowveld need to be realistic. The evidence shows that agriculture’s direct contribution to household food access is very low. Major leaps in on-farm agricultural productivity, will therefore contribute to small changes in the self-provisioning of food. Thus, the promotion of agricultural production should be one of several planks in a livelihoods recovery programme.

3. Rural market infrastructure and market-based interventions need to be a focus for development. Under “normal” conditions, food purchases remain the most important part of total food access in the Lowveld (between 30-48%). ‘Exchange entitlements’ (Labour-to-Cash and Cash-to-Food) have been negatively impacted by food price inflation. There are also some indications of the negative interaction of food aid on food prices, labour incentives, and markets (e.g. better off farmers in the surplus producing areas of the Highveld and Middleveld, with two years of stock, being reluctant or unable to sell). Market factors can play a large role in determining food security. These issues need to be investigated and better managed. Food marketing policy, infrastructure and services should be targeted for support, reform and development. The simulation of lower food prices in the current assessment indicates a reduction in the overall levels of vulnerability and suggests how efficiencies in the marketing system could eliminate deficits in marginally affected areas of the country.

4. Over the past 4-5 years, the collapse of the cotton industry has contributed to very low levels of cash income in the Lowveld. Along with the rehabilitation of the cotton industry, some forms of cash injection could play a vital role in jump-starting a longer-term recovery. Support to income generation and cash transfers, public works and rural infrastructure rehabilitation are possibilities. Another option is to provide support for labour-intensive agricultural activities. Programming options include: the rehabilitation of the cotton industry, support for small-scale irrigation, rangeland rehabilitation, forestry/fire management schemes and other conservation works such as the eradication of invasive species. Another thrust could focus on micro-credit schemes, information sharing and technical advice in support of the ‘self employed’ and various ‘non-farm’ or ‘off-farm’ income generating activities. (See IHA report August 2004).

The Swazi VAC is anticipating the development and improvement of its vulnerability assessment tools over the next three years. High on the agenda are:

- ? the improved quality and accuracy of its assessments
- ? the clearer identification of “chronic” and “transitory” dimensions of vulnerability

- ? an enhanced monitoring of HIV/AIDS interventions and impacts; and
- ? the identification of sustainable ways to reduce current levels of vulnerability

The prospect for an increased level of influence on policy is now much enhanced following the production of a draft Disaster Management Bill. The forthcoming Act provides a sound framework for the implementation of a sustainable disaster management programme. Critically, the new act will establish a Swazi Vulnerability Assessment Unit within the National Sustainable Disaster Management Council (NSDMC).

Acknowledgements

The Swaziland Vulnerability Assessment Committee through the National Disaster Taskforce began its VA monitoring exercise for 2004/5 season on the 23rd of April 2005. This year the assessment was carried out with technical and logistical support by the following agencies;- Central Statistical Office (CSO) of the Ministry of Economic Planning and Development (MEDP), the Ministry of Agriculture and Cooperatives (MOAC), the Ministry of Health and Social Welfare (MOHSW), Department of Meteorological Services (NMS), World Food programme (WFP), UNICEF, World Vision (WV), Deputy Prime Minister's Office (DPM), Lutheran Development Services (LDS), Save the Children Swaziland (SC) and the Swaziland Farmers Development Foundation (SFDF).

Six teams of three people (a team leader and two support staff) visited a total of 43 chiefdoms between the 25th of April and the 6th of May 2005. Names of the researchers who participated in the assessment are as follows:- Luke Masuku (MOAC) Sindie Dlamini (MOAC), Thankful Dlamini (MOAC), Thembinkosi Kunene (MOAC), David Motsa (MOAC), Colin Tshabalala (MOAC), Musa Dlamini (MOAC), Alex Nxumalo (CSO), Choice Ginindza (CSO), Thandeka Dlamini (UNICEF), Gillian Zwane (MOH & SW), Nkululeko Mabuza (SFDF), Thembi Vilakati (DPM), Malunge Dlamini (WFP), Mduduzi Gamedze (NMS), Sifiso Mdluli (SC) Wonder Khumalo (WV) and Nathi Vilakati (SC). We thank them for their contributions to the fieldwork and for their verbal and written reports as compiled and presented between 9-16th of May.

The Swazi VAC continues to be assisted and facilitated by the good coordination network that exists between the Regional Secretaries, Tinkhundla and Chiefs in their respective regions. We thank them again for their assistance. We also thank the government and corporation officials who responded to our questions, provided reports, information and judgments on the current situation.

The current Swazi VAC Core Team of Nathi Vilakati (SC), Colin Tshabalala (MOAC), Mduduzi Gamedze (NMS) and Choice Ginindza (CSO) provided the overall guidance to the assessment. The analysis and production of a first draft report was the responsibility of Jeremy Jackson who was contracted by the Swazi VAC to support the assessment from 8th-19th May 2005. The Swazi VAC would also like to acknowledge editorial support from SC UK, FEWSNET, RRSU, and RVAC.

Special thanks are due to all the women and men from the chiefdoms, who took part in the discussions and shared aspects of their life experiences with us. We hope we have represented their situation accurately.

Last but not least, our profound appreciation goes to DFID, WFP and World Vision who provided funding for this assessment through the Regional VAC and WFP. Finally we would like to thank Save the Children Swaziland for their many years of continuous administrative support.

Chairperson
Swaziland Vulnerability Assessment Committee

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1 Introduction

This report provides information and an overview of patterns of vulnerability that are likely to emerge as a consequence of the impacts of the current year (2004-05) shocks and hazards on rural Swazi livelihoods. The scenarios over the past four years, of significant fall in the maize self-sufficiency ratio with significant necessary increases in the imports of maize, will be expected to prevail even this year. Current estimates are that the maize harvest will be a little better than the "poor" performance in 2002-03. In mid May, the Swazi VAC considered the April WRSI production estimate for the Lowveld to be "too optimistic". It suggested that the actual Lowveld harvest could be as little as 4,000 MT, a third of the April estimate. The 2005 CFSAM report has since estimated 4,720 MT for the Lowveld - confirming the Swazi VAC expectation. However the CFSAM report predicts higher production in the Highveld and Moist Middleveld.

Added to the above agricultural production failures are the effects of seasonally depressed employment opportunities in agriculture plus the ongoing and growing impact of HIV/AIDS on livelihoods. Against a background of "poor" growth in employment in recent years, the recent restructuring of world trade agreements has sent shock waves through Swaziland's textile industry - resulting in job losses. The localized effects of factory closures in affected communities can be quite severe. Remittance flows to dependents in rural areas are likely to have been interrupted or reduced.

The analytical approach and methods used in this assessment are similar to those set out in the Swazi VAC May 2004 Report. The descriptions of the livelihood zones and livelihood profiles are available in previous Swazi VAC documents and remain unchanged in this 2004-05 assessment. Baseline population figures have been adjusted by a yearly growth factor of 2.4%, from last year's VAC population estimates.

2 Hazards and shocks affecting livelihoods - current year analysis

2.1 Crop Production:

Total levels of rainfall and the pattern of rainfall distribution within the growing season are very important in their effects on the agricultural components of rural livelihoods. Accurately predicting their effects on production is limited by resources and methods.

In mid-May, the Swazi VAC had assessed that generally late plantings and two stressful mid-season dry spells had depressed national production prospects and that "below normal" expected production in the Highveld was 25,027 MT and 27,154 MT in the Middleveld. These judgments were informed by the National Early Warning System's (NEWS) April maize production forecast. Moreover, the Swazi VAC field assessments indicated that there was the likelihood of a "very poor" harvest in the Lowveld where many producers have

again experienced “crop failure”. The Swazi VAC therefore raised questions about the likelihood of a WRSI estimate of 12,173 MT maize harvest in the Lowveld. Since then the June 2005 CFSAM report has been released. While the CFSAM has judged its results to be broadly in line with the findings of the assessment conducted by the Swaziland Vulnerability Assessment Committee (VAC) 2005, its findings have upwardly revised the earlier NEWS estimates for the Highveld and Middleveld to 34,520 MT and 33,600 respectively. These are significant increases. Secondly, the CFSAM report has largely confirmed the Swazi VAC’s prediction that the total MT of maize would be a third of the earlier WRSI estimate. Underlying these aggregate production figures produced by the CFSAM, are expectations of average yields (2.25/Ha Highveld, 1.80 Moist Middleveld, 1.20 Dry Middleveld, 0.30 Lowveld, 0.50 Lubombo Plateau and 7.00 for Title Deed Lands – TDL). It is critical that the WRSI and CFSAM results are examined retrospectively, in order to be able to better judge the reliability of future forecasts and to provide likely estimates of error associated with different methods.¹

2.2 Maize production estimates and contributions by agro-ecological region

Current CFSAM estimates of national maize production are 82,200 MT – that is 25,800 MT below production levels in the period 1995-2004.² Elsewhere the CFSAM analysis confirms that it is quite evident that maize production in Swaziland is on long-term decline ... “while fluctuations around the trend reflect poor or relatively good years ... the overall trend is downward”. The report also notes that Lowveld shows a particularly steep secular decline and the Highveld, (the agro ecological zone with the highest agricultural potential), is experiencing a downward trend. They suggest that the impact of HIV/AIDS is a significant part of this decline.

Table 1 below presents a comparative analysis of the 2004-05 forecasts broken down by Agro-Ecological Zone (AEZ). The Swaziland Agro-meteorological Update No. 18 presented the provisional WRSI, Yields, Area Planted and Production Estimates by agro-ecological region for the 2004/05 season³. These can be compared with the later (June) CFSAM forecast of 82,200MT, other recent years and the five year average to 2001-02.

¹ As part of its methodology, the CFSAM team conducted interviews with 144 farmers from all four AEZ and administrative regions in the country. However it is not clear as to why this information was considered to be more accurate or more reliable than the final WRSI estimates.

² NB. The CFSAM comparison looks at 2004-05 with the average of the past five years – a series that has included at least three very poor years. That Highveld production is therefore 133% and Middleveld production is 125% of the average, is a relative measure.

³ As at 26/04/05 (for the period 11-20 April)

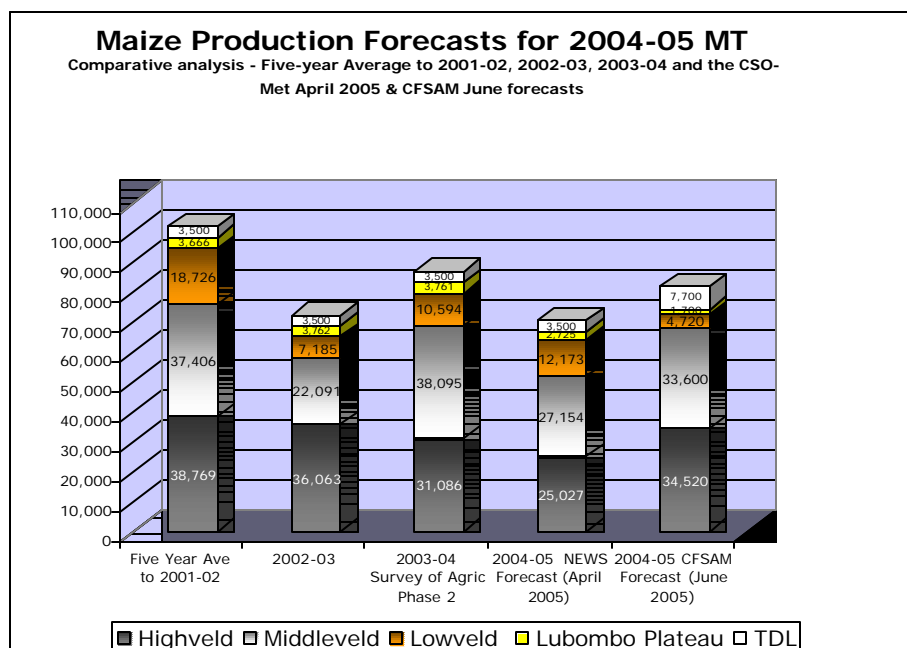
Table 1: Provisional Maize Production forecast for the 2004/05 season as of 2ND dekad April 2005

AE_Zone	WRSI	Yield (t)	* Area (ha)	Prod (MT)
Highveld	87	1.6315	15,340	25,027
Middleveld	79	1.2433	21,840	27,154
Lowveld	66	0.7739	15,730	12,173
Lubombo	71	0.8121	3,355	2,725
National	76	1.1152	56,265	67,079

* Provisional area planted to maize courtesy of CSO

Comparing area cultivated and production 2004-05 against the long term means for 1986-87 to 2003-04, the total Swazi National Land (SNL) area under cultivation in 2004-05, is down to approximately 56,000 Ha (compared to 65,000 Ha). National production is forecast to be “below normal” at 82,200 MT (compared to 108,000 MT ten-year average 1995-2004). The likely fall in production for 2004-05 will lie within the 20-50% reduction flagged up by the RRSU in their April Early Warning Bulletin.

Figure 1



Sources: Swazi VAC May 2004, Survey of Agriculture 2003/2004 Phase 2 Table 29a and Agromet update 11-20 April 2005 and the FAO/WFP June 23 CFSAM Report .

Part of the anticipated reduction in production in 2004-05 is explained by the fall in area cultivated (provisional CSO Survey of Agriculture 2004/2005). Clearly the reduction of area under cultivation in any one year can be the result of a number of factors. One explanation is simply that it is a consequence of the struggle to establish the crop this year due to late rains, limited access to draught power and cost of inputs. Another is that the

incentive for farmers to produce maize is depressed by poor profitability or cash constraints to meet the high costs of production. Indeed low incentives to produce maize may well have been affecting production decisions over a number of years. Notwithstanding the relatively high prices offered by the National Maize Corporation (NMC), Swaziland's maize production appears to be quite "high cost". This latter explanation could underlie the apparent trend of falling maize production in the Highveld – one of the prime maize producing area of the country. Another very likely factor is the impact of HIV/AIDS on household ability to carry out farming operations (See section 2.7).

Concerning total production figures, the WRSI-derived estimates (as at the 2nd Dekad April 2005) were provisional. Changes in the final estimates will result in some adjustments. WRSI projections are approximate and assume that production inputs are available. As one approach, the figures serve as a guide to likely levels of production. It is important therefore to recognize that there are degrees of error attached to these forecasts. The extent of error in any year can only be verified much later, when agricultural survey estimates on production become available.

Evidence from the fieldwork carried out between 25th April and 8th May; suggest that the WRSI forecasts for the Lowveld are "too optimistic". The Swazi VAC found it hard to reconcile the projected 12,000+ MT production for the Lowveld with field observations, reports on the failure to establish crops, and related feed-back from key informants, on the extent of crop failures at the chiefdom level in the Lowveld. (However, it should be noted that the number of community visits per livelihood zone carried out by the Swazi VAC was limited). Current CFSAM expectations are that the 2004-05 growing season will secure a maize harvest in the region of 82,200 MT.

2.3 National cereal balance sheet - the latest figures for 2005

As reported in May 2004,⁴ analysis of the National cereal balance sheets produced over a number of years, may lead observers to conclude that the methods should be revisited and improved. The reason for this is that there are many variables that lead to gross national requirement e.g. gifts, unrecorded stock and informal trading within the community. The increasingly large annual cereal deficits have therefore, not led to malnutrition or severe food shortages. This has led to speculation that the estimation of cereal requirement is too high or that national crop production figures are too low (Swazi VAC May 2004). The planned (2005/06) maize imports of 21,000 tons by NMC will not cover the shortfall of 68,300 tons because of the unmonitored consumption, storage and informal trade within communities.

The total cereal requirement for the 2005/2006 marketing year stands at 203,000 tons. Meanwhile, the total domestic cereal availability is 82,600 tons, meaning that at least 119,900 tons of cereals have to be imported to cover the domestic shortfall. Total planned cereal imports by the commercial major grain handlers during this marketing year stand at 103, 000, tons -

⁴ Swazi VAC LBVA Monitoring Report May 2004 pp19.

comprising 51,000 tons of wheat plus 15,000 tons of rice and 37 000 tons of maize. The uncovered gap stands at 31, 300 tons. The remaining gap may not need to be filled but needs an explanation on unrecorded stocks held by farmers and the precision of the variables used in gross national requirement calculations as well as crop production estimation. Current production estimates are still a forecast, and the gap may change once the final estimate becomes available.

2.4 Cash crops - Sugarcane and Cotton updates for 2004 -05.

Sugar: The main issues surrounding the role of the large-scale sugar industry in Swaziland remain largely as reported in May 2004 (See Swazi VAC 2004).

Cotton: Production of cotton has been a significant source of income for many families in the Lowveld and its margins, during the past 20 years. However, the industry continues to be seriously depressed. Signs of a possible emerging recovery in 2003 -04 have been dampened in 2004 -05, as producers faced a lower unit prices for their product.

Production was estimated at 1,200mt in 2003 and it seems that the offer of E4.00/kg inspired producers to increase acreage. The 2004 production therefore rose from an all-time-low to 3,200mt - an increase of 2000 tons. This year's price has been cut by a further E1.01/kg resulting in a selling price of E2.09/kg. This represents a 33% fall in price and hence reduced revenues for cotton producers. The lower 2004 price apparently did not deter producers, as the levels of total production increased. The reason is that the producers did not know about the price until the selling period.

This year's production figures are not yet out. However, based on 180,995 Kg seed sales and 2,500 growers cultivating 4,866 Ha, production is expected to be about 3,500 MT. The current low prices being received this year may well influence production plans in 2005-06.

2.5 Price Changes

Regional situation: The availability and price of maize in the SADC region is normally dominated by the prevailing situation in South Africa and world market trends. South African farmers have been battling to get competitive prices for their maize crop domestically, due to the current situation of oversupply. The country is therefore happy to be exporting maize beyond the region.⁵ Weekly monitoring by the South African Grain Information Service (SAGIS) highlights a significant fall in white and yellow maize prices since December 2004. Domestic prices for maize have fallen from around R1000/MT to just under R600/MT in April 2005 (See Figure 7).

⁵ Iran is to receive a shipment of 60 000 tons of yellow maize from South Africa at the end of May. Further shipments to the Middle East are expected in June 2005.

Swaziland uses South Africa as its main supplier for commercial imports. The current prices for maize in South Africa therefore, provide a potential windfall and opportunity to soften the burden of the current year outcomes. For this to work, the benefits of lower cost imports must be passed on to the consumer. The mechanisms to ensure this should therefore be explored. If needed – the overall costs of procuring any food aid should be much reduced. However, the Swazi Government will need to revisit its internal pricing regime for 2005 and 2006 and decide on the balance it wishes to strike between supporting producers and consumers. Domestic prices are now widely divergent from the regional and global current context. It is clearly in the consumers' interest to access maize from South Africa. Swaziland's relatively high cost maize producers are likely to oppose any proposed reductions in the official purchase price, which they already indicate are too low. Cost-effective technologies and production systems need to be promoted in order to keep Swazi maize producers competitive. Recent reports suggest that at the current low prices most commercial maize producers are not viable.⁶

⁶ "Current maize prices of about R600/ton for white maize on Safex are the lowest in four years. Maize prices have dropped by more than 50% in the past year and were at R1024/ton as recently as November 2004. The present low prices are the result of a number of factors, including large carry-over stocks from the 2004 crop, relatively low international prices, the rand's strength against the dollar and the better than expected rainfall, which has boosted the prospect of a maize crop in excess of 9 million tons.

Should farmers harvest a crop of about 9 million tons this year, and taking last year's 3 million ton excess maize into consideration, about 12 million tons of maize will be available in a market, which can realistically absorb about 8 million tons. Government subsidies in other countries make it difficult to export surplus maize and since deregulation of the local marketing system, maize exports have virtually disappeared from the world market. During 1996/97, the last season of the Maize Board, exports reached 2, 7 million tons while 4,7 million tons were exported in 1994/95. These figures do not include annual deliveries of about 450 000 tons to the BLNS countries, which are considered part of the domestic market. ... With current net **maize** prices of about R600/ton, most **maize** farmers will make losses if they harvest an average yield of 3,1 tons/ha in this year. A yield of about twice the average yield is needed to reach profit levels, which, in turn can lower prices to export parity levels of about R380/ton". Source: *ASSESSMENT OF CURRENT ECONOMIC AND PHYSICAL ENVIRONMENT OF AGRICULTURE*. Mr. R.D. Dredge Senior Manager: Agricultural Statistics Tel (012) 319 8454 www.nda.agric.za/docs/Cropsestimates

Figure 2



Source: SAGIS Weekly Bulletin 18 0505 – 2005/05/03.

National Maize price situation: The National Maize Corporation NMC has been recently buying Maize at the following prices: Maize/50kg @ E70-00 and Maize/MT @E1000.

NMC wholesale prices in the period April 2004-January 2005 were: Maize 50kg - E75-00; Maize Meal 70kg - E105-00; and Maize Meal/MT - E1490-00; and, in the period Feb 2005-April 2005 they were: Maize 50kg - E70-00; Maize Meal 70kg - E100-00; and, Maize Meal/MT - E1140-00. These figures only partially echo the trend highlighted by SAGIS in Figure 7.

Current (May 2005) Maize Meal retail prices are: 5kg Maize meal - E12-00 to 15-00; 10kg - E32-00; and 25kg - E80-00. The latter is an extension of the E80 to E85-00 reported by the Swazi VAC for Jan-Dec 2002 and Jan-Dec 2003, indicating that there has been "little" increase in wholesale staple maize prices this year. However, May 2005 interviews at the community level indicate an overall 10-15% increase in food prices (Maize meal, oil & beans) between May 2004 and April 2005. As the above figures illustrate, the margins between wholesale and retail prices are high. There has been no significant fall in the prices paid by the rural consumers.

It is clear that market factors and local price variations can play a large role in determining food security. The possibility of a 25% fall in wholesale prices of maize meal would be most welcome in 2005-06. High costs, high profit margins plus inefficiencies in the rural retail trading arrangements could undermine the potential beneficial effects of cheap imports on livelihoods and welfare. These are important issues needing further investigation.

Cattle condition and prices: Based on records of average monthly sale weights of cattle in the period January to December 2004, cattle maintained a condition equivalent to that in 2003. Average weights were in the range of 370-400 Kg. As compared to the same period in 2002 and 2003, the herd was in comparatively good condition in the period September, October and November. Average weight then fell off sharply in December to about 325 Kg. In comparison to the records for 2002 and 2003, limited information on prices for 2004 indicates that beef has maintained or slightly increased its value at E5.86/Kg.

2.7 HIV/AIDS

Adult HIV prevalence rates had risen to 38.6% in 2002. The HIV prevalence rate among pregnant women is currently at 42.6 percent according to the latest sentinel survey⁷. Swaziland now has one of the highest prevalence rates in the world. Regional analyses show that HIV/AIDS is both a cause of poverty and a factor contributing to increased vulnerability. It affects adults in their reproductive and economically active years. The impact on households is severe, and often leads to their disintegration as assets are depleted to cover medical and burial costs. Affected households are pushed deeper into poverty and have decreased opportunities. It adversely impacts women and gender equity, and orphaned children face many problems. The impact at national levels is also marked. HIV/AIDS is eroding the ability of government to maintain essential services, reducing labour productivity and supply, and putting a brake on economic growth.

2.8 Employment

Seasonally depressed levels of employment in agriculture plus the ongoing and growing impact of HIV/AIDS on the rural workforce have been combined with a significant number of factory lay-offs and closures in 2004-05. The depressed levels of agricultural employment arise from the reductions of area cultivated, the extent of crop failures and the reduced demand for various tasks. The closures and lay-offs have come about, in part, as a result of the ending of Swaziland's preferential access to the USA clothing and textiles market. As many as $\pm 5,000$ jobs were lost and $\pm 5,000$ lay-offs from a total of $\pm 20,000$ which is about 50% of the work force within the textile industry. The loss of this number of jobs is likely to have a significant knock on effects in terms of reduced flows of remittances and cash circulating into informal trade and other service sectors. It is difficult to judge the degree to which current year employment differs from 'normal' conditions. Teasing out the differences between the longstanding levels of open unemployment and current year conditions in community-level interviews is a challenge. The observations at the community level have highlighted the knock-on effects of

⁷ Source: AfroAIDSinfo - an HIV/AIDS portal for Southern Africa. Contact details E-mail: afroaidsinfo@mrc.ac.za. AfroAIDSinfo, P.O. Box 19070, Tygerberg, 7505 Cape Town, South Africa Tel +27 (0)21 938 0821 / Fax +27 (0)21 938 0526

reduced flows of agricultural wages and remittances on local trade.

3. Problem specification and outcomes

Drawing on the community-level field research (FGIs), WRSI estimates and information from FGIs, a provisional problem specification was drawn up in mid May 2005. This was revised (slightly) before generating the following results. A summary of the likely impacts of all shocks and hazards and area level outcomes for the season 2004-2005, are presented below.

It was decided to run two scenarios, in order to investigate the extent to which the reduced price of maize in RSA might lessen the estimated levels of vulnerability. The only difference between the two scenarios is in the food price change: Scenario 1 models the current estimate of inflation in 2004-05 into the overall cluster of production/supply and changed market access shocks and hazards. Scenario 2 is a "What If?" exercise doing exactly the same - except it seeks to investigate what would have been the outcome if prices were 25 index points down on Scenario 1.⁸ NB. All other shocks and hazards are unchanged.

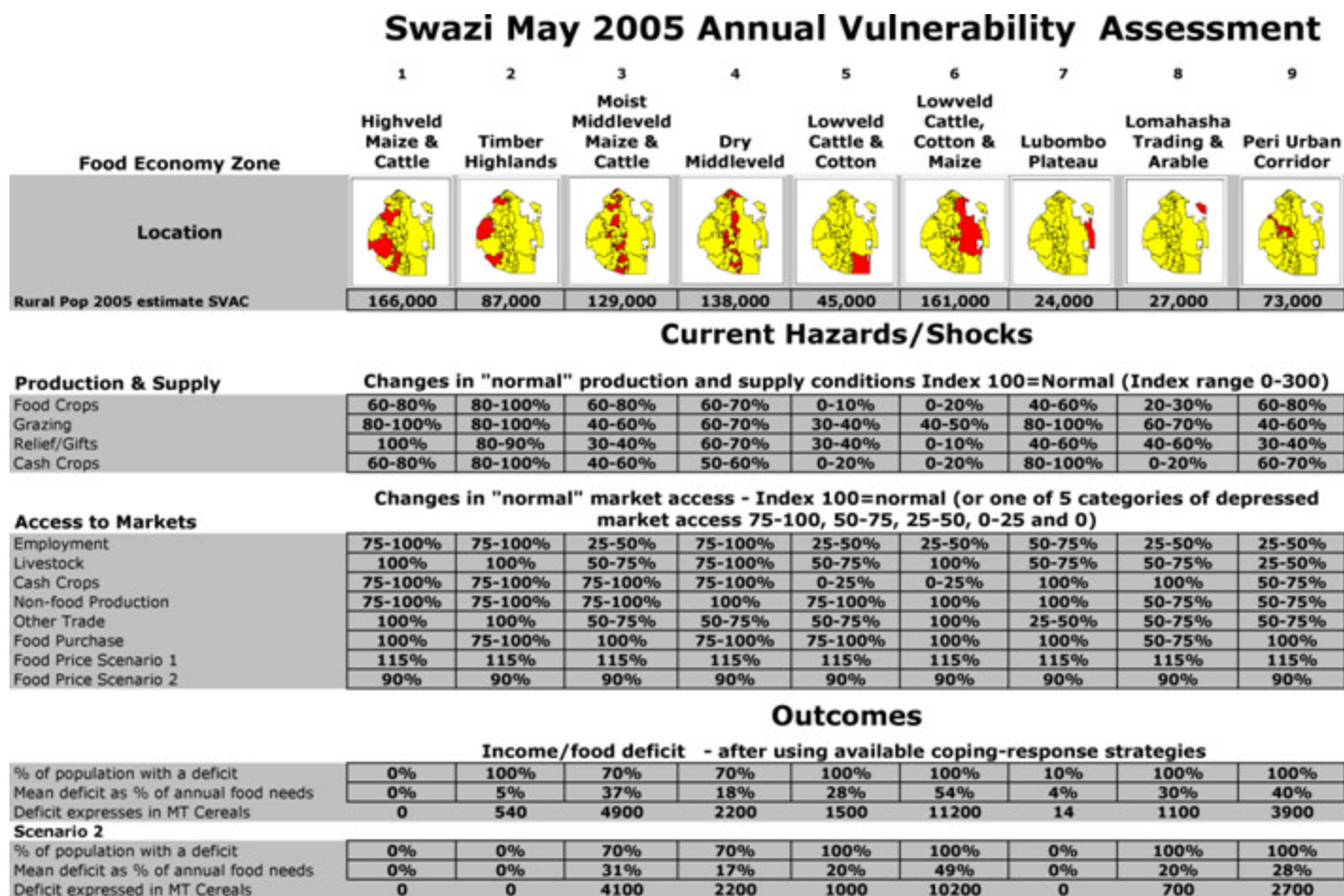
Figure 3 summarizes the changes in normal production and supply conditions for food crops, grazing, wild foods, relief/gifts and cash crops in 2004-05 (They are presented as estimates of the likely outcomes for this year against an index of normal = 100). It also presents the results for the two scenarios.

Starting with the Highveld Maize & Cattle and proceeding through each subsequent Livelihood economy zone to the Peri-Urban Corridor - Figures and attached graphs in Appendix 4, present the baseline normal patterns of access to food in comparison to the assessed situation in 2004-05 for each wealth group. The differences between the assessed situation in 2004-05 and the baseline are used to define the initial or crude deficit. Analysis at this level enables one to understand how the impacts of shocks/hazards at an area level, vary according to the livelihood profiles of the relative wealth groups. The tables and figures estimate the effects of the possible coping strategies on the initial surplus/deficit. The result yields a final deficit/surplus for each wealth group.

It is important to recognize that the ability to seek additional employment and recourse to the additional livestock sales may both be adversely affected by the HIV/AIDS epidemic. Illness may simply prevent potentially economically active persons from seeking additional employment. Within many families, the costs of dealing with illness and funeral expenses may have already depleted available livestock assets. We have to recognize that Livelihood profiles may have been changing rapidly.

⁸ NB Scenario 1 = Food price inflation of +15% ie. An index of 115:100 vs Scenario 2 = Food price depreciation of -10% ie. An index of 90:100.

Figure 3



4 Results

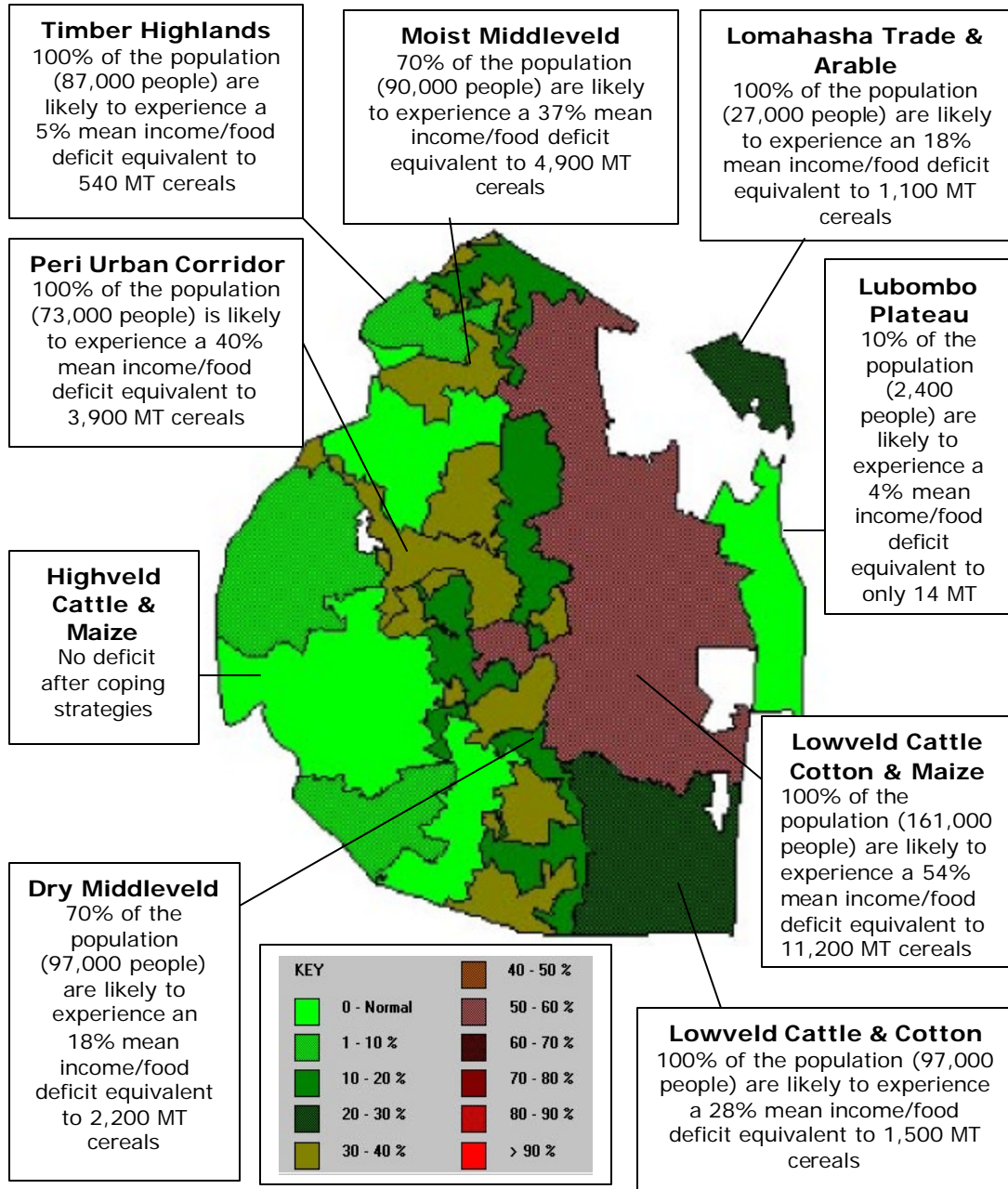


Table 2

FEZ ⁱ	Total FEZ Pop. ⁱⁱ	MT Required	% Pop. Affected	% Income deficit	Population In deficit			MT Equivalent Required			Aid Period (months)		
					Poor	Middle	Better-off	Poor	Middle	Better-off	Poor	Middle	Better-off
LCCM	161,000	11,200	100	54	68,023	8,517	2,318	7,280	2,576	1,344	12	6	2
LCC	45,000	1,500	100	28	20,201	2,813	288	1,005	375	120	8	3	1
DMV	138,000	2,200	70	18	24,150	13,949	1,391	990	805	405	3	1	1
MMV	129,000	4,900	70	37	36,987	5,644	1,093	2,685	1,348	867	7	3	1
LP	24,000	14	10	4	162	807	61	4	8	2	1	1	0
LTA	27,000	1,100	100	18	2,117	7,584	975	308	583	209	3	4	2
TH	87,000	540	100	5	25,369	7,317	2,514	292	157	92	1	1	0
PU	73,000	3,900	100	40	23,718	5,322	1,869	2,223	1,053	624	7	4	2
HMC	166,000	0	0	0	0	0	0	0	0	0	0	0	0
Total or mean	850,000	25,354	72	23	200,726	51,952	10,509	14,787	6,905	3,663	7	3	1

ⁱ Food Economy Zones as updated using 2003 livelihood baselines.

ⁱⁱ Population Estimates derived using a 2.4% increment factor.

4.1 National Level

Under Scenario 1 - the overall MT equivalent of income/food deficit for all Livelihood Zones is about 25,350 MT. Under Scenario 2 it is reduced to 20,900 - or 4,450 MT less. This represents about a 17-18% saving or "dividend". As expected, cheaper and more affordable foods reduce the levels of deficits and vulnerability. This basic illustration highlights the potential beneficial effects of lower prices and the need, through marketing reforms, to try and benefit consumers, the poor and vulnerable in Swaziland. The lower price of maize in South Africa provides a clear opportunity to support livelihoods and reduce vulnerability in the outlook period June 2005 to May 2006. What is interesting is not only the overall reduction in levels of deficits - but how efficiencies in marketing might remove the simulated income/food deficits in the marginally affected areas.

4.2 Livelihood zone and Wealth-Group level

The readers are reminded that this analysis is based on judgments about the effects of shocks and hazards on proximate and typical patterns of livelihoods. These profiles may not adequately cover the situation of 'chronically' vulnerable groups. As much as the final deficits are of interest, it is important to identify the role played by coping responses in each context. These need to be taken into account, in thinking through the policy implications for livelihood provisioning, protection and promotion.

4.2.1 Highveld Maize & Cattle (HMC)

The Highveld Cattle & Maize 'poor', are expected to experience normal effects as the assessment suggests a balance between the deficits and coping responses employed by people falling within this group in the zone.

Conditions for the 'middle' and 'better-off' groups are assumed to be normal.

4.2.2 Timber Highlands (TH)

The 'poor' group, in this FEZ that will have an income/food deficit would be 25,369 people requiring a Metric Ton Equivalent (MTE) of 292 MT over a period of 1 month as shown in Table 2 above.

For the 'middle' group, the assessment suggests a total of 7,317 people in an income/food deficit in need of 157 MT as an MT Equivalent in a 1 month period.

The 'better-off' will have a total income/food deficit of 92 MT

Equivalent for a population of 2,514 people over a period of less than a month.

4.2.3 Moist Middleveld (MM)

For the 'poor' in this FEZ, the assessment suggests a loss of income/food to a total of 36,987 people amounting to an MT Equivalent of 2,195 MT to be distributed over a period of 7 months.

The assessment suggests a loss of 858 MT Equivalent for the 'middle' group over a period of 3 months to a total population of 5,644 people.

Conditions for the 'better-off' group of 1,093 people suggest a food/income deficit of 377MT Equivalent over a period of 1 month.

4.2.4 Dry Middleveld (DM)

For the 'poor' in the Dry Middleveld, the assessment suggests an income/food deficit of 770MT Equivalent for a population of 24,150 people over a period of 3 months.

The assessment of the 'middle' group in this FEZ suggests a loss of 585MT Equivalent for a population of 13,949 people in need of support over a period of 1 month.

Conditions for the 'better-off' groups are about normal with a requirement of 185MT Equivalent over a period of 1 month for a population of 1,391 vulnerable people.

4.2.5 Lowveld Cattle & Cotton (LCC)

For the 'poor' in the Lowveld Cattle & Cotton zone, the assessment suggests a population of 20,201 people to be in a 1,005MT Equivalent food/income deficit over a period of 8 months.

The assessment suggests a 375MT Equivalent income/food deficit for the 'middle' group required by 2,813 vulnerable people in this wealth group over a period of 3 months.

For the 'better-off' the assessment suggests a requirement of 120MT Equivalent for a total of 288 vulnerable people over a period of 1 month.

4.2.6 Lowveld Cattle Cotton & Maize (LCCM)

For the 'poor' in the Lowveld Cattle Cotton & Maize zone, the assessment suggests a population of 68,023 vulnerable people to have a 7,280 MT Equivalent income/food deficit that will be required over a period of 12 months.

The 'middle' group in this FEZ is assessed to require about 2,576 MT equivalents for a total vulnerable population of 8,517 people in this wealth group. This required MTE has to be provided over a period of 6 months.

For the 'Better-off' group the assessment suggests a loss of 1,344 MT Equivalents supplied over a period of 2 months to a vulnerable population of 2,318 people.

4.2.7 Lubombo Plateau (LP)

For the 'poor' in the Lubombo Plateau, the assessment suggests a loss of 8MT Equivalent for a vulnerable population of 162 people distributed over a period of a month.

In the 'middle' group, the assessment suggests an income/food deficit of 4MT equivalent for a total vulnerable population of 807 people to be supplied in a period less than a month.

For the 'Better-off' group the assessment suggests a loss of 2MT equivalent which the vulnerable population of 61 people will cope without external assistance.

4.2.8 Lomahasha Trading & Arable (LTA)

For the 'poor' in the Lomahasha Trading & Arable, the assessment suggests a loss of 308 MT equivalents for a vulnerable population of 2,117 people to be assisted for a period of 3 months.

The 'middle' group is assessed to require 583 MT equivalents for a total vulnerable population of 7,584 people to be assisted for a period of 4 months.

For the 'better-off' it is expected that a total population of 975 people will be vulnerable in this wealth group and will need a 209MT equivalent in a 2 months period.

4.2.9 Peri Urban Corridor (PU)

For the 'poor' in the Peri Urban Corridor, the assessment suggests a loss 2,223MT equivalent for a population of 23,718 people in a period of 7 months.

The 'middle' group is assessed to have a population of 5,322 people in a food/income deficit of 1,053 MT equivalent and requiring assistance over a period of 4 months.

For the 'better-off' the assessment suggests a loss of 624 MT equivalent food/income deficits for a population of 1,869 people to be assisted for a 2 months period.

5. Conclusion

This is the rapid nationwide assessment - it provides a broad-brush picture. The Swazi VAC recognizes the need for much more detailed work on livelihoods and enhanced levels of analysis. The IHA initiative in 2004 has served to demonstrate how these should be able to improve both development and humanitarian responses. More in-depth information which includes a difference between chronic and transitory food insecurity will enable the design of interventions that respond to the differing vulnerabilities. The main recommendations of this assessment are presented at the beginning of this report under the section "observations and recommendations".

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