

# GIEWS Update

## Southern Africa

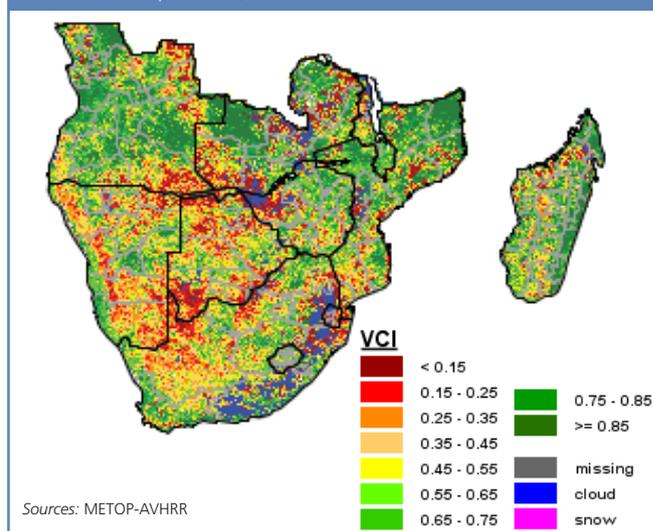
### Maize production in 2015 expected to drop sharply

#### Highlights:

- Maize production in 2015 expected to decline significantly from the bumper output of 2014
- Consequently, the subregional maize import requirements are forecast to increase sharply in 2015/16
- Maize prices increased in South Africa, the major subregional exporter, by nearly 30 percent since the beginning of the year
- Food security improved significantly in 2014/15 following last year's bumper crop; however, current production prospects raise concern

In Southern Africa, the early forecast of the aggregate 2015 maize<sup>1</sup> production stands at about 21.1 million tonnes, 26 percent below the bumper output in 2014, and 15 percent lower than the average. The bulk of the decline is mainly due to the significant drop in **South Africa**, the subregion's main producer and exporter. Reduced cereal outputs are also forecast in most other countries of the subregion. The decline is largely on account of erratic weather conditions, characterized by a late start of seasonal rains in November/December, flooding in parts in early 2015 and a severe dry spell during February and early March, a critical month for crop growth. The Vegetation Condition Index<sup>2</sup>, as shown in Figure 1 for the first dekad of April, depicts generally poor conditions, particularly in southern and western areas, indicating retarded crop growth.

**Figure 1. Southern Africa – Vegetation Condition Index**  
(First Dekad, April 2015)



<sup>1</sup> Maize is the main component of the Southern African diet, accounting for, on average, about 25 percent of the dietary energy intake, and up to 50 percent in several countries.

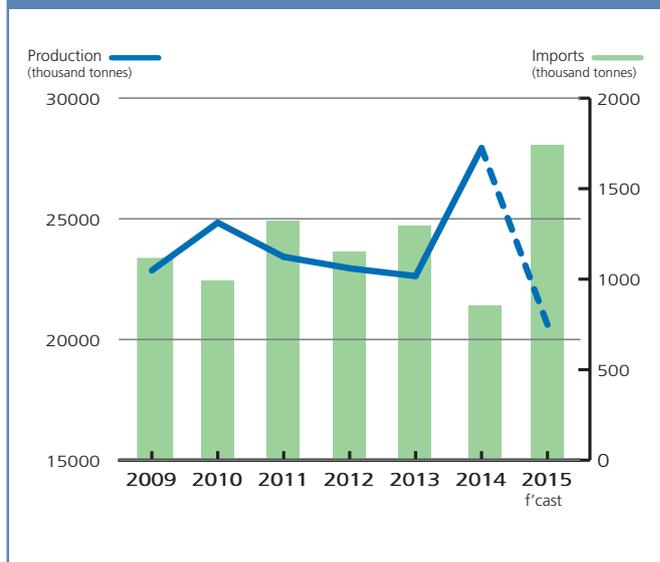
<sup>2</sup> The **Vegetation Condition Index (VCI)** relates to the current dekadal Normalized Difference Vegetation Index (NDVI) to its long-term minimum, normalized by the historical range of NDVI values for the same dekad. The VCI was designed to separate the weather-related component of the NDVI from the ecological element.

In addition, higher temperatures in February further exacerbated the water stress on crops. The bulk of the harvest is expected to occur in May, and despite some improved rainfall in March/April, any significant recovery in production is unlikely.

Sharply reduced harvests are forecast for **Namibia** (-33 percent) and **South Africa** (-33 percent) compared to the good levels of 2014. In addition, **Malawi** and **Zambia**, the second and third biggest maize producers of the subregion, are also expecting reduced outputs, although production in Zambia is expected to remain near average, sufficient to cover domestic requirements. The unfavourable rains in **Zimbabwe**, particularly impacting the low producing regions in the south, resulted in a write-off of nearly 300 000 hectares, with the 2015 harvest preliminarily forecast at under 1 million tonnes, about one-third down on 2014. Lower harvests are also anticipated in **Lesotho** and **Botswana**. Flooding in **Malawi**, **Mozambique** and **Madagascar**, caused severe localized damage to the agriculture sector, further dampening production prospects. Although the damage at national level was limited, the impact on local food supplies would be severe.

The expected decline in maize production follows a favourable year in 2014, where ample supplies and low prices contributed to improved food security conditions that resulted in a significant decline in the number of people in need of food assistance. The build-up of stocks from 2014's large outputs is expected to partly offset the impact of lower domestic production in 2015 and somewhat contribute to stabilizing national supplies. Although estimates of national cereal stocks possess significant margins of error, aggregate subregional stocks in 2014/15

Figure 2. Southern Africa – aggregate maize production and imports 2009-2015



were estimated to have increased by between 2 and 3 million tonnes to an above-average level, with large gains estimated in **South Africa**, and to a lesser extent in **Angola**, **Zambia** and **Zimbabwe**.

### Maize imports forecast to increase significantly

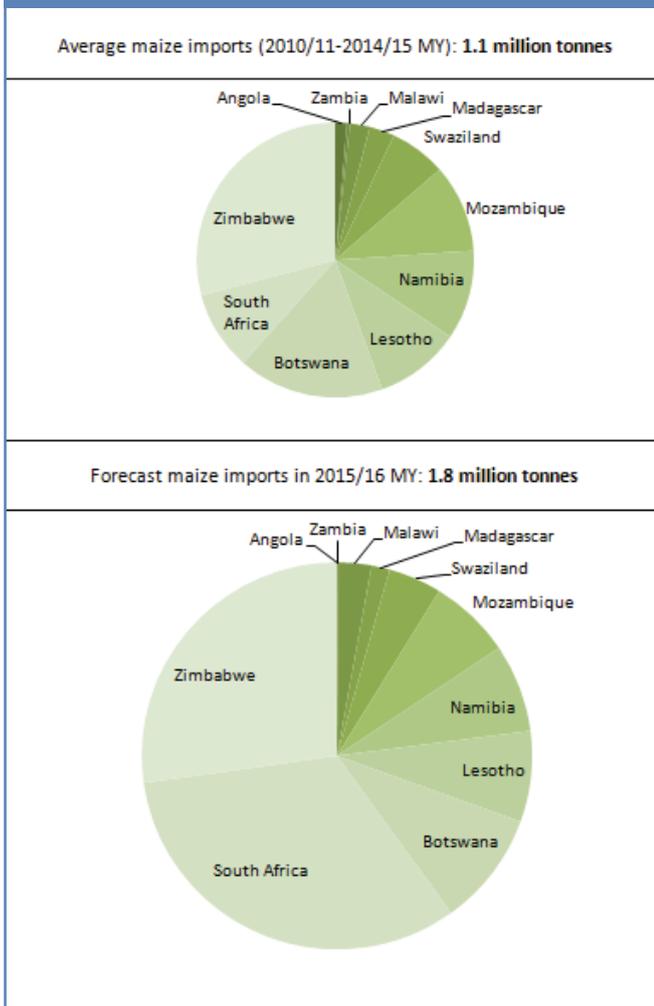
Forecasts for aggregate maize imports in the 2015/16 marketing year (May/April) indicate an increase to about 1.8 million tonnes, approximately double the low level of 2014/15 and one-third above the average.

The bulk of the increase is expected from **South Africa**, provisionally forecast at 600 000 tonnes, mainly consisting of yellow maize used in the feed industry, compared to negligible volumes in the previous year. In **Zimbabwe**, maize imports are forecast to nearly double; in anticipation of a tight domestic supply situation, the Government lifted the import ban earlier in the year, which was imposed in 2014. **Malawi** may also increase imports to bolster national supplies. Larger import volumes are forecast in the deficit-producing countries of **Botswana**, **Lesotho**, **Namibia** and **Swaziland**, which are normally reliant on South African grain. Given the contraction in South African export availabilities, alternative sources of export supplies may be needed. Within the subregion, the outturn in **Zambia** will be crucial as the surplus held

Table 1. Southern Africa - maize production  
(thousand tonnes)

	Avg 5-yrs (estimate)	2014 (estimate)	2015 (forecast)	2015 over 2014 (%)	2015 over 5-yr avg (%)
<b>Southern Africa</b>	<b>24 354</b>	<b>27 932</b>	<b>21 084</b>	<b>-26</b>	<b>-15</b>
Angola	1 075	1 687	1 974	17	84
Botswana	22	35	25	-29	14
Lesotho	83	86	60	-30	-28
Madagascar	405	366	350	-4	-14
Malawi	3 701	3 929	2 900	-26	-22
Mozambique	1 882	1 900	1 800	-5	-4
Namibia	64	68	45	-33	-30
South Africa	12 903	14 925	10 000	-33	-23
Swaziland	84	100	80	-20	-5
Zambia	2 929	3 380	2 900	-14	-1
Zimbabwe	1 206	1 456	950	-35	-21

**Figure 3. Southern Africa – share of aggregate subregional maize imports by country**

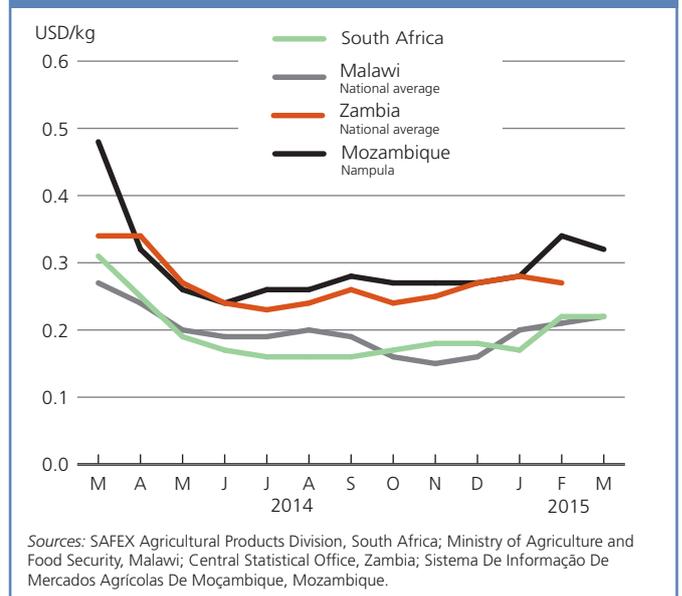


there is estimated at close to 1 million tonnes, following the record 2014 output. A target of nearly 800 000 tonnes is provisionally indicated for export.

**Maize prices increase amid production concerns**

Cereal prices are already increasing in some countries of the subregion as a result of the poor production outlook. Significant price gains were observed in **South Africa** in February, although the increase eased in March partly reflecting improved rains; wholesale prices of maize increased by 30 percent since the beginning of the year. Inflationary pressures are likely in importing countries, with **Namibia** already showing relatively large price increases during February. In most other countries, maize prices remained below their year-earlier levels due to the current ample carry over supplies and are expected to decline in the coming months with the next harvest. Historically, maize prices tend to increase seasonally from July.

**Figure 4. Southern Africa – selected maize grain prices (USD per kg)**



**Food security improved significantly in 2014/15 following the bumper output; but conditions uncertain in 2015/16**

In 2014/15, the number of people assessed to be food insecure decreased significantly in five countries of the subregion compared to the previous year, mainly reflecting improved maize access and availability.

**Table 2. Southern Africa - food insecure population ('000)**

	2013/14	2014/15	2014/15 over 2013/14 (%)
Angola	700		
Botswana		15	
Lesotho	223	448	101
Malawi	1 462	640	-56
Mozambique	212	150	-29
Namibia	779	118	-85
Swaziland	290	223	-23
Zambia	209	351	68
Zimbabwe	2 207	565	-74

Sources: National Vulnerability Assessment Committees.

With the expected decrease in production this year, the number of food insecure people may rise, reversing the strong gains recorded last year. The results of the national crop and vulnerability assessments, to be conducted in the following months, will provide more details on the state of food insecurity together with the number of vulnerable people in need of assistance in 2015/16.

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