

Price Monitoring and Analysis Country Brief

Madagascar

September-December 2010

Key Messages

- Rice prices in local markets have shown an upward trend since July/August peaking at very high levels in December.
- A political crisis and civil unrest was reported in the country as the referendum for the new constitution took place in November.
- The food security situation is particularly severe in the South where crops were affected by drought. Agencies estimate 2.5 million people are severely food insecure.
- Government policies in food security and agriculture are hampered by the political tensions.

Background

Total population is 19.62 million with a growth rate of 2% per annum. Estimates indicate that 67% of the population is living with less than 1 \$ per day, while 25% is undernourished. Although the rural population is 70% of the total, the agricultural value added to GDP is 23%.

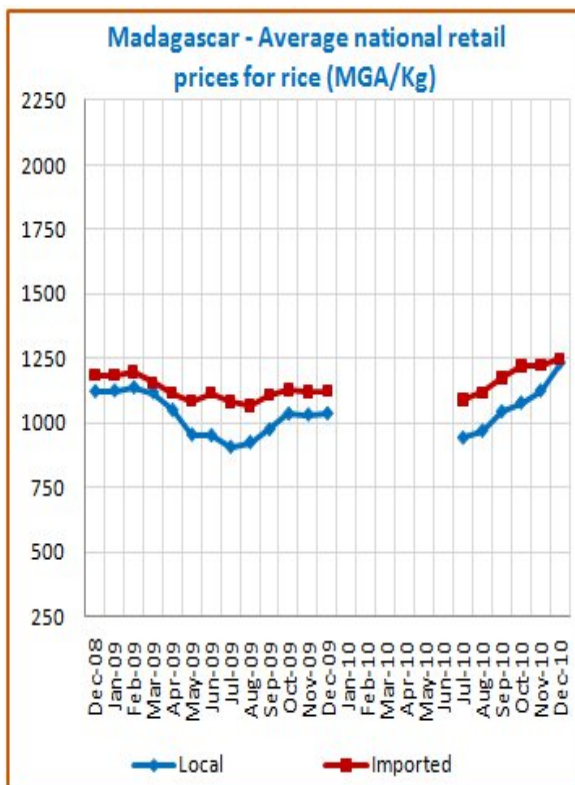
| Economic Indicators | View Data |
|---|-----------|
| Total Population (millions) - 2009 (WB) | 19.625 |
| Population growth rate - 2009 (WB) | 2% |
| GNI per capita, \$ PPP - 2008 (WB) | 1050 |
| Population below 1\$ PPP per day - 2005 (MDGI) | 67% |
| Rural population - 2009 (WB) | 70% |
| Agriculture, value added (% of GDP) - 2009 (WB) | 23% |

| Food Consumption | |
|---|-----|
| Undernourished Population - 2005/2007 (FAO) | 25% |
| Cereal share in total dietary energy consumption - 2007 (FAO) | 59% |
| Meat share in total dietary energy consumption - 2007 (FAO) | 4% |

| Health Indicators | |
|--|------|
| Pop. with sustainable access to improved sanitation - 2008 (WHO) | 11% |
| Life expectancy at birth (years) both sexes - 2008 (WHO) | 60 |
| Pop. with access to improved drinking water sources - 2008 (WHO) | 41% |
| Prevalence of HIV among adults aged >= 15 years - 2009 (WHO) | 0.2% |

Prices

National average rice prices have continued to increase in recent months. Local rice was quoted 1042.75 MGA/Kg in September and then it increased to 1123.4 MGA/Kg in November and to 1231.33 in December 2010, representing 18% increase from Sept level. Same steady rise was shown by imported rice prices which registered 1175.5 MGA/Kg in September, and then reached 1222.6 MGA/Kg in November and peaked at 1250 MGA/Kg in December 2010. Compared to the international price of Rice Thai A1 Super sold at 422.25 USD/T in December, local rice prices were 35% higher at 572.09 USD/T while imported rice prices were 38 % higher at 580.76 USD/T.



Source: GIEWS National basic food prices data and analysis tool

Food Security Situation Assessment

GIEWS estimates severe localized food insecurity in the short term as chronic food insecurity persists in southern municipalities mainly due to poor localised crop production. According to the recent WFP/FAO/CFSAM, more than 2.25 million people will face severe food insecurity in the lean season mainly in the drought affected south and in the eastern coast. FAO Hunger Map and IFPRI GHI describe the situation as high or alarming hunger.

CURRENT EMERGENCY ASSESSMENT

| | | | |
|---|---------------------------|----------------------------------|---------------------|
| Exceptional shortfall in aggregate food production supplies | Widespread lack of access | Severe localized food insecurity | FAO/GIEWS CPFS 2010 |
|---|---------------------------|----------------------------------|---------------------|

Madagascar is not covered by FEWSNET. [FEWSNET](#)

SCALE OF HUNGER (% of Undernourishment)

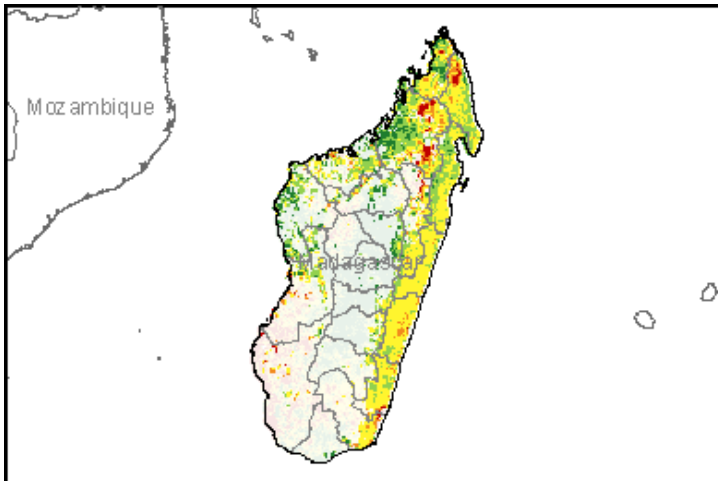
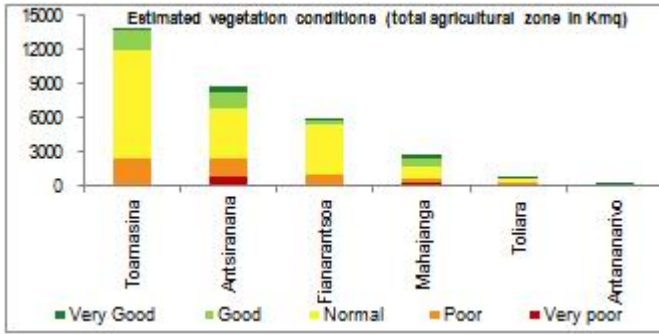
| | | | | | |
|--------------------|---------------|--------------------------|------------------------|------------------------|----------------|
| Very high (>= 35%) | High (25-34%) | Moderately high (15-24%) | Moderately low (5-14%) | Very low (< 5% under.) | FAO Hunger Map |
|--------------------|---------------|--------------------------|------------------------|------------------------|----------------|

FAO Hunger Map classifies all countries of the world into five based on % of population undernourished.

| | | | | | |
|--------------------|----------|---------|----------|-----|----------------|
| Extremely alarming | Alarming | Serious | Moderate | Low | IFPRI/2010 GHI |
|--------------------|----------|---------|----------|-----|----------------|

Vegetation Condition

At the middle of the rainy season, normal vegetation conditions are observed for the major part of the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for December 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER 2005 database (ESA).



Source: JRC MARS – FoodSec

Crop phase in the reference period

- Sowing** Maize - Rice (Wet Season) - Sorghum - Wheat (South Highlands Zones)
- Growing** Potatoes
- Harvesting** Rice (Dry Season) - Sweet Potatoes

Natural Disasters, Drought and Conflicts

The new constitution that allows President Andry Rajoelina to stay in office until the next election in March 2011 was approved. Rebel officers' coup attempt against the government failed, but resulted in increased tensions and unrest, fuelling the long lasting political crisis which the country is facing since the military coup of President Rajoelina.

| Refugees and IDPs | 2007 | 2008 | 2009 |
|---------------------------|------|------|------|
| Total in the country | n.a. | 0 | 0 |
| Total outside the country | 289 | 294 | 306 |

Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 01/12/2010.

Food Balance Sheet

Rice production was estimated to be at nearly 4.8 mln tonnes which represents some 14% increase over the last year output of 4.2 mln T, and 29% increase over the five year average of 3.7 mln T. Although there is a rice surplus, the cereal deficit is estimated at 123,000 tonnes of wheat which will be covered through imports.

| | 2005-2009 average | 2009 | 2010 forecast | change 2010/2009 |
|--------------|-------------------|-------------|---------------|------------------|
| | 000 tonnes | | percent | |
| Rice (paddy) | 3718 | 4200 | 4785 | 14 |
| Maize | 395 | 370 | 464 | 25 |
| Wheat | 10 | 10 | 10 | 0 |
| Others | 1 | 1 | 1 | 0 |
| Total | 4123 | 4581 | 5260 | 15 |

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Source: GIEWS Country Briefs

Government Policies

The country is experiencing political tension since the military coup took place and this is undermining efforts in food security and agricultural development. The Government is helped by international agencies in the implementation of the National Programme for Food Security (PNISA) which supports production and food security of vulnerable groups.

| | |
|---------------------------------------|--|
| Consumer and market oriented measures | n.a. |
| Producer oriented measures | National programme for Food Security (PNISA) |
| Trade policy measures | n.a. |
| Safety net (increased or introduced) | WFP food aid |

Different sources

Current events to watch (Click to see the full report)

- [Les conflits, crises et points de tension en Afrique](#)
- [Southern Africa Floods Situation Update# 2](#)
- [Southern Africa Flood Update - as at 19 January 2011](#)
- [Southern Africa Floods Situation Update# 1](#)
- [Le Fonds d'urgence de l'ONU alloue 84 millions de doll...](#)

For more information, contact: Information-for-action@fao.org
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