Cereal production in 2020 forecast at above-average level

Harvesting of the 2020 cereal crops, mostly sorghum and maize, started recently and is expected to conclude in June.

Following a delayed start of seasonal rains, precipitation between November 2019 and April 2020 has been mostly conducive for crop development. As of early April, seasonal cumulative rainfall amounts were close to or slightly above the long-term averages and remote sensing data indicated overall favourable vegetation conditions, inferring to an upturn in yields in 2020 compared to the reduced levels in 2019. In southwestern and northwestern districts, however, rains were poorly distributed during the first quarter of 2020, with a likely negative impact on yields.

Based on the generally favourable rainfall conditions, the 2020 cereal production is forecast slightly above the average level.

The beneficial weather has also improved vegetation conditions in rangelands across the country, which were severely affected by extreme rainfall deficits in the previous year. The improved pasture conditions are expected to support an increase in livestock production in 2020.

Above-average cereal import requirements in 2019/20, following reduced output in 2019

The country is a net importer of cereals, with more than 90 percent of the domestic requirements normally satisfied by imports. Cereal imports in the 2019/20 marketing year (April/March) increased to an estimated 440 000 tonnes, over 20 percent above the previous five-year average, partly reflecting the low domestic cereal harvest in 2019.

Imports of maize, which normally account for the largest share of imports, are estimated at 265 000 tonnes. In particular, imports of
yellow maize, which is used as animal feed, are estimated at nearly 80,000 tonnes, well above the average level of 45,000 tonnes per year. The steep increase reflects the deterioration of natural pastures in 2019 and, therefore, an increased need for supplementary feed. Wheat imports are estimated at nearly 120,000 tonnes, about 10 percent above the five-year average.

For the 2020/21 marketing year, cereal import requirements are expected to decrease on a yearly basis, but may remain at an above-average level.

Prices of bread and cereals increased moderately

According to the latest Consumer Price Index report from Statistics Botswana, the annual food inflation rate in March 2020 was estimated at about 3.5 percent. Prices of bread and cereals, which have the largest weight in the food price index, increased steadily throughout 2019 and early 2020, and were estimated to be 4 percent higher year on year in March 2020. The moderate increase mainly reflects the high prices of maize in South Africa, the country’s main supplier of grains.

Pockets of food insecure people persist in early 2020, due to reduced agricultural production in 2019

According to the Botswana Vulnerability Assessment Committee (BVAC), about 38,000 people were estimated to be in need of food assistance in the April 2019-March 2020 period, compared to an estimated 35,000 people in the previous year. The moderate increase is mainly due to the reduced 2019 cereal harvest and the deterioration of livestock body conditions, which particularly affected the livelihoods of subsistence farmers.

Looking further ahead, although an increase in cereal and livestock production in 2020 would improve food availability and ease access constraints to food for subsistence farmers, the risks posed by the COVID-19 pandemic could cause an increase in the prevalence of malnutrition at the national level. The effects of the pandemic are expected to be primarily channelled through a reduction in economic activities and associated income losses. A breakdown in supply chains, particularly in relation to trade disruptions with South Africa, which is the primary source of staple foods, would have sizeable impacts on the availability of food supplies in local markets.
COVID-19 and measures adopted by the Government

On 2 April 2020, a state of emergency was declared for an initial period of 28 days, but it was subsequently extended for an additional six months. Among the measures to contain the COVID-19 outbreak, international borders were closed, except for the arrival of national and legal residents, who are subject to a 14-day quarantine period, as well as for cargo and humanitarian shipments. The border closure has also impacted informal traders as the Government suspended the issuance of food import permits for ‘hawkers’ (street traders) at the end of March.

In addition, a national lockdown was implemented for an initial period of 28 days, subsequently extended until 7 May 2020 and only economic activities deemed essential were permitted to operate, including food production.

The Government also introduced measures to ease the economic burden on households and businesses during the lockdown. Wage subsidies were announced to safeguard jobs and tax payments have been postponed, while VAT refunds are being expedited. In addition, special credit schemes and rescheduling of loan payments are being implemented.

The lockdown restrictions are expected to be eased in phases, beginning from 8 May 2020.

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