

FOOD SECURITY WATCH

West Bank and Gaza Strip

January 2013

KEY MESSAGES

- Strongest recorded winter storm in recent decades brought strong winds, snow, heavy rain and floods damaging animal shelters and causing livestock mortality. As risks of disease increase and mortality rates increase, response by the livestock working group (NGOs, MoA and UN) has been prioritised. The distribution of vaccines is on-going and animal shelter rehabilitation planned.
- Delayed wage payments amidst a period of high unemployment and rising consumer prices will force households to resort to negative coping strategies such as accruing higher debts, drawing on life savings, selling assets and defaulting on utility bills.





LOCAL PRICES (USD) – December 2012 (▲ or ▼ % from prev. month) (currency rate: 3.78 NIS/USD)

Barley (MT)	Wheat bran (MT)	Fodder Concentrate (MT)	Live meat (kg)
WB: 467 ▲5.4%	WB: 369 ▲2.2%	WB: 590 ▲2.3%	WB: 6.02 ▼6.2%
GS: 455 ▲1.3%	GS: 304 ▼1.2%	GS: 516 ▼2.0%	GS: 6.30 ▲2.5%

LOCAL PRICES (NIS) – December 2012 (▲ or ▼ % compared to same month of previous year) (all data from PCBS)

Rice (25 kg)	Wheat Flour (60 kg WB, 50 kg GS)	Corn Oil (3 liters)	Sugar (1 kg)
WB: 107 ▼7.0%	WB: 175.6 ▲13%	WB: 27.9 ▲7.0%	WB: 4.3 ▼9%
GS: 125 ▼9.0%	GS: 110 ▲11%	GS: 27.3 ▲2.0%	GS: 4.5 ▼10%
Fresh Chicken (1 kg)	Lebaneah (500 g)	Eggs (2 kg)	Gasoline (96 grade – 1 liter)
WB: 15.7 ▲11%	WB: 8.07 ▲3.0%	WB: 17.45 ▲16%	WB: 7.29 ▲8%
GS: 16.0 ▲23%	GS: 7.58 ▼9.0%	GS: 15.67 ▲9%	GS: 7.29 ▲8%

RISK WATCH

TYPE & STATUS	DESCRIPTION
Political  (Unchanged)	PA strikes in the West Bank amidst ongoing fiscal crisis, Area C demolitions and continued restrictions. <ul style="list-style-type: none"> Delay in payment of PA wages due to the fiscal crisis could cause further civil unrest. Over the course of 2012, 53 water structures, 164 animal sheds, 20 livestock heads, 34 tons of fodder, 1144 trees and 59 other agriculture structures in the West Bank were demolished. Since the beginning of the year 6 shooting incidences of Palestinian fishermen was reported.
Economic  (Increased)	Slowdown in economic growth, increasing prices, joblessness and delayed payments of PA wages puts pressure on household purchasing power. <ul style="list-style-type: none"> Unemployment reached 32% in the Gaza Strip and 20% in the West Bank. An estimated 40,000 jobs were lost by the Palestinian economy between the second and third quarters of 2012. GDP growth has slowed from 12.2% in 2011 to 6.1% over the first three quarters of 2012. Economic activity is developing at an insufficient pace to absorb new workers and reduce unemployment. Average nominal wages remained virtually unchanged between the second and third quarters of 2012, although price inflation put worker's purchasing power under pressure.
Environmental  (Unchanged)	Huge drop in the Red Palm Weevil infestation as temperatures dropped over the months of November and December. <ul style="list-style-type: none"> Over 2169 date palm trees were infected, 1025 were treated and 1,144 were uprooted since the outbreak was detected in September 2011 with no signs of effective containment. Risks remain unchanged with above average temperatures forecasted in the coming months. Steering Committee reports that Egypt has not taken measures to contain the pest in Sinai.
Natural  (Increased)	Above average rainfall recorded throughout the West Bank and Gaza Strip but forecast show a high probability of below average rainfall for the coming months. <ul style="list-style-type: none"> Accumulated rainfall: 76mm to 553 mm in West Bank, 135 to 311 in Gaza Strip; Rainfall exceeded normal for the same period with percentages between 85% to 146% in the West Bank and 70% to 97% in the Gaza Strip of the normal for the same period. Probability forecast for February to March 2013 show "dry season masking" in the region i.e. a forecasted average precipitation of below 30 mm.

EFFECTS ON LIVELIHOODS



Losses due to the storm were reported among greenhouse and open field farmers. In addition to the requirement of replacing or repairing their damaged structures, affected farmers will have completely lost their income for the season and will be unable to replant for the coming season. Supplier relations become strained as farmers are unable to repay credit or supplier withholds extending more credit for materials to repair or replant for the following season. In the Gaza Strip, losses are in addition to areas hit by November escalation in violence.



As the general West Bank population's purchasing power has weakened and with the delay in wage payments, the demand for meat has declined. Feed prices remain high while the farm gate price of live meat has dropped by 6% over the past month. Herders have become reluctant to replace their productive animals due to the heavy cost of maintaining their stock. This is reflected in the widening gap between the price of ewes and rams.



Aquaculture and aquaponic producers in the Gaza Strip were hit hard by the winter storm which occurred on the 7 – 10 January. For those without electrical heating, the sudden drop in temperature devastated tilapia fish production as temperatures hit below 12°C. Preliminary reports show that around 80% of aquaponic producers faced losses. Losses among aquaculture producers are forthcoming. Throughout the West Bank 15 out of 34 aquaculture ponds were destroyed.

Since the expansion of the fishing limit from 3 to 6 nautical miles, very little gains were perceived by fishermen. A slightly greater diversity of high value fish is sold at the auction but quantities did not significantly change. On some days, hasaka motor boats are making a small profit margin, breaking even or incurring losses. Those that are able to operate up to the 6 N.M. are further taking risks of going beyond towards deeper waters full of long un-touched fish stocks surrounding the artificial reefs.



Youth and females – the population group hardest hit by unemployment – saw their rates jumping by almost ten percentage points, from 35.6% to 43.8% for youth and from 29.5% to 39% for females. An estimated 40,000 jobs were lost over the second and third quarters 2012. A rise in Consumer Price Index by 4.2% in the West Bank and 0.48% in Gaza Strip between 2011 and 2012, put additional stress on the urban and peri-urban population group. In addition, the PA fiscal crises affects 160,000 employees who have only received 50% of their November salary since October 2012. Accumulated bank debts have forced the PA with the banking sector and service providers to agree to allow customers to defer credit payments. This population will resort to negative coping strategies by decreasing the quantity and quality of food intake, drawing on life savings, selling assets or defaulting on utility bills.

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