

Reference Date: 04-February-2016

FOOD SECURITY SNAPSHOT

- Unfavourable production outlook for the 2016 cereal crop, reflecting persistent dry conditions
- Cereal prices increased, on account of higher import costs and the below-average 2015 harvest
- Reduced cereal production in 2015 and poor livestock conditions resulted in an increase in number of people in need of food assistance in 2015/16

Crop conditions in 2016 mostly unfavourable reflecting insufficient rains

Conditions of the 2016 cereal crop, to be harvested from May, are generally unfavourable, reflecting insufficient rains during the 2015/16 cropping season (November/June) that have compounded the impact of the dry conditions of the previous season. Although improved precipitation was recorded in late December 2015 and January 2016, partly alleviating moisture deficits, the delayed onset of seasonal rains and erratic levels thereafter have resulted in below-average vegetation conditions in most cropped areas, indicating an increased likelihood of lower cereal yields for the 2016 crop, particularly in the rainfed communal farmer sector.

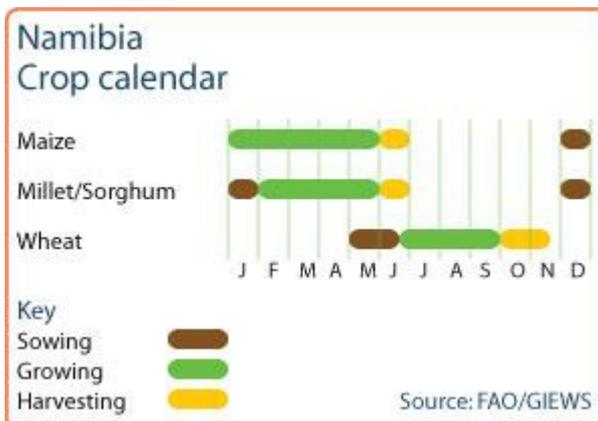
The Government continued to provide subsidised seeds and fertilisers in the 2015/16 season, sufficient to cover an area of three hectares per farmer. In addition, subsidies were also provided for ploughing and weeding operations. Despite sufficient input availability, the dry conditions are likely to have resulted in a contraction in plantings; however, more detailed estimates regarding the sown area are expected to be available in April following the Government's second crop assessment. Overall, current conditions point to a second consecutive below-average cereal harvest in 2016.

The poor seasonal rains have also negatively impacted on pasture growth and water availability, resulting in a deterioration of livestock body conditions. Many farmers in north-central, north-west, central and the southern parts have reported increased livestock mortality rates on account of the dryness. The outbreak of foot and mouth disease (FMD), detected in mid-2015 in north central regions, is now under control, following a large-scale vaccination programme.

Higher import prices contribute to food inflation

Prices of maize generally increased in 2015, largely reflecting the reduced domestic 2015 cereal harvest and higher import costs owing to the record high levels in South Africa, the country's main grain supplier. With nearly 80 percent of the total national maize utilization forecast to be met with imports in the 2015/16 marketing year (May/April), compared to a five-year average of 65 percent, import costs are having a significant influence on domestic price levels.

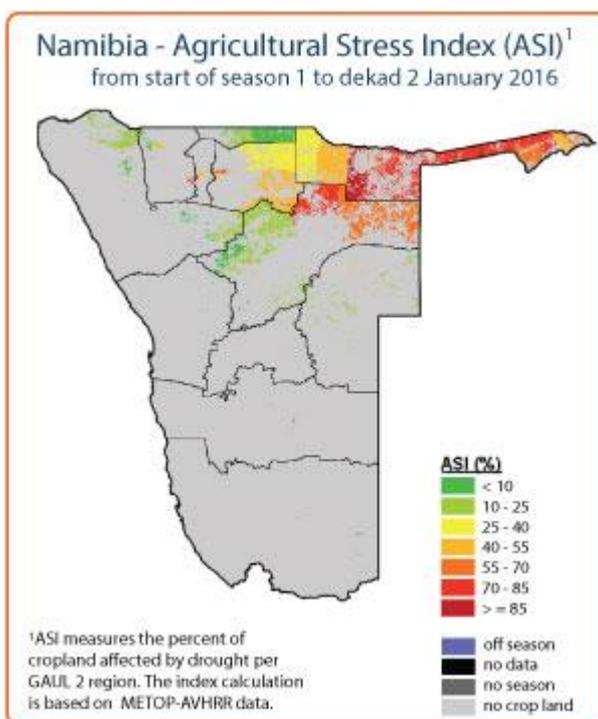
In response to the higher quotations in South Africa, Namib Mills, the main national grain miller, announced price increases in January 2016 on all products, with maize meal increasing by 10 percent, rice by 23 percent and wheat flour by 6 percent.



Namibia Cereal production

	2010-2014 average	2014	2015 estimate	change 2015/2014
	000 tonnes		percent	
Maize	64	68	38	-44
Millet	46	37	15	-59
Wheat	14	10	13	30
Others	6	4	2	-50
Total	130	119	68	-43

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



The depreciation of the Namibian dollar (NAD) has also applied added pressure to import costs from outside of the region (as the NAD is pegged to the South Africa Rand).

Food security conditions continue to deteriorate in northern parts

According to a recent assessment carried out by the Government, food security conditions have weakened significantly in northern communal areas. Many households in northern regions are largely dependent on market supplies and the Government’s Drought Relief Food Programme, which was extended until March 2016 to cover all drought-affected households. Based on the Namibian Vulnerability Assessment Committee’s (NVAC) 2015 evaluation, an estimated 370 316 persons are food insecure in 2015/16, up from approximately 118 000 people in 2014/15.

