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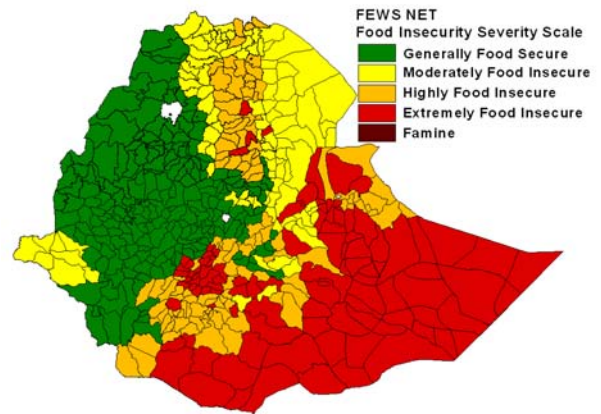


## ETHIOPIA Food Security Outlook

July to December 2008

- In southern and southeastern Ethiopia, including the southern zones of Somali Region, pastoral and agropastoral populations remain highly to extremely food insecure due to successive seasons of below-average rains, flooding in riverine areas, livestock disease, an armyworm infestation, conflict, inadequate humanitarian assistance, and extremely high prices of food (Figure 1). Most water points in Somali Region and neighboring lowlands of Oromia are at their lowest levels compared to the past 10 years. Parts of Southern Nations, Nationalities, and People's Region (SNNPR) are extremely food insecure after minimal rains led to a failed sweet potato harvest in February and a near failure of the current *belg* harvest. *Belg* producing parts of Tigray and Amhara regions, as well as parts of Oromia region, are also facing high to extreme food insecurity. Food security is generally normal in the western, crop-dependent parts of the country, where production from the main *meher* 2007 season (October to January) was above the five-year average (2003 to 2007).

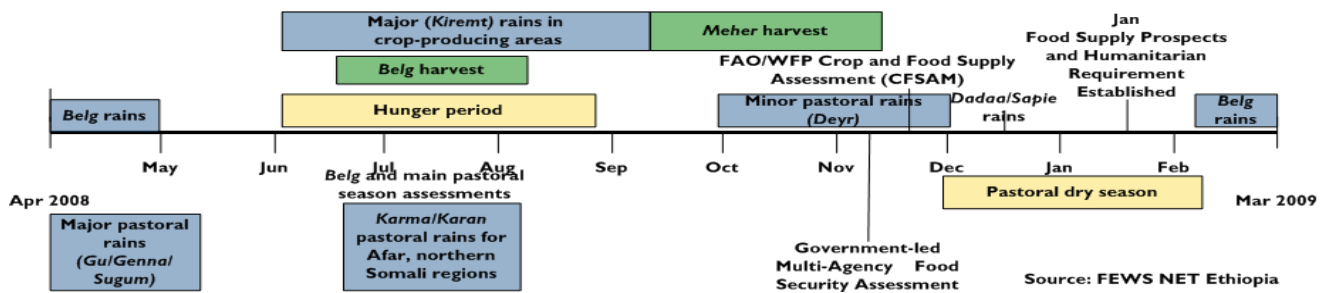
**Figure 1.** Current estimated food security conditions, July to September 2008



Source: FEWS NET Ethiopia and WFP

- In the most likely scenario from October to December, food security is expected to improve in the eastern parts of Tigray, Amhara, and Oromia region, as well as most of SNNPR, following the *meher* harvest, improving food availability and offering modest respite from high cereal prices. Average *deyr* rains (October to December) will be insufficient to improve food security for pastoralists in the south and southeast. Ongoing conflict-related market access restrictions will continue to affect food security in five zones in Somali Region.
- In the worst-case scenario, below-average *kiremt* (June to September) and *deyr* rains will lead to significant crop reductions throughout most crop producing parts of the country and even more severe shortages of pasture and water in the south and southeast. Livestock terms of trade will be extremely poor, given their poor physical condition and the continued increase in staple food prices. A poor performance of the *meher* harvest will push food prices even higher, preventing food access in both urban and rural areas, and thus increasing already high levels of acute malnutrition. Ongoing conflict-related market access restrictions will continue to affect food security in five zones in Somali Region. Humanitarian responses will be insufficient to meet the increases in demand.

### Seasonal timeline and critical events



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## Current food security situation, July to September 2008

Food security for the current period, July to September 2008, is generally normal in the western, crop-dependent parts of the country where the main *meher* 2007/08 season (October to January) production was one of the highest for the past five years (2003 to 2007). Although high food prices and inflation will affect the poor in this part of the country, especially during the current hunger season (June to September), these areas are relatively better in terms of food availability and access, and are currently considered generally food secure (Figure 1).

The current period is normally, however, the hunger period for most crop producing parts of the country, when food stocks from the previous *meher* harvest decline before the next *meher* harvest begins in October. It is the dry season for the pastoral and agropastoral population of the south and southeast. It is also the time when food prices are normally at their highest, due to reduced supply in the markets. This year, the hunger period is particularly difficult for those vulnerable households that rely heavily on the market, including the urban poor, poor farmers, pastoralists and agropastoralists. Cereal prices have been rising since the end of 2004, have been extremely high since the beginning of the year, and continue to increase at a very high rate.

According to the Food and Agriculture Organization (FAO) and World Food Program (WFP) Crop and Food Supply Assessment Mission's report of January 2008, production for the 2007/08 *meher* season, which contributes 90 to 95 percent of total annual cereals production, was seven percent higher than the previous year and 45 percent higher than the average for the last five years (2003-2007). Despite this good harvest, however, cereal prices are extremely high and continue to rise. For example, in Addis Ababa, the June 2008 nominal retail price of white maize, the crop most widely consumed by the poor, was 221 percent higher than the five-year average and 198 percent higher compared to the same time last year. Similarly, the retail price of white maize was 220 percent and 198 percent higher than the same time last year in Bahir Dar and Mekele markets, respectively.

The price rise is not limited to cereals alone, however. Prices are rising for food and non-food items in general, with overall inflation at the national level reaching 25.3 percent in June 2008, with the food inflation rate being 34.9 percent. The Ethiopian Government has made several attempts to stabilize these high and rising food prices, as well as the high level of inflation. Efforts to do so have included: (1) banning the export of cereals, beginning in early 2006; (2) lifting value-added and turnover taxes on grain in March 2008; (3) increasing the reserve requirement of commercial banks from five to ten percent in July 2004, and from ten to fifteen percent in March 2007; (4) increasing interest rates from three to four percent in March 2007; (5) selling wheat at a subsidized price to approximately 800,000 urban poor in major urban areas, since March 2007; (6) increasing the salaries and pensions of government employees to help them cope with the high cost of living, as of July 2007; and, (7) imposing restrictions on cereal traders earlier this year that it viewed as selling at unreasonably high prices. Despite all of these measures, however, prices continue to rise at alarming levels and are now above import parity for major cereals.

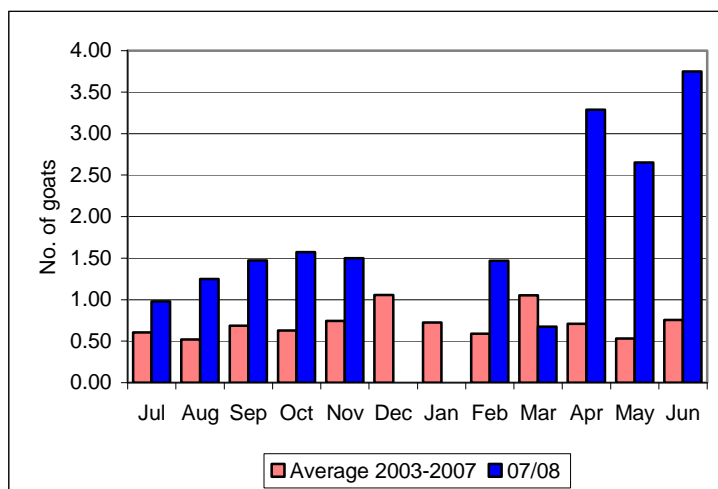
In addition to the overall price rise for food and non-food items, Fik, Gode, Degehabur, Warder, and Korahe zones of Somali Region continue to face conflict-related market access problems that began in June 2007. These zones of Somali Region are highly and extremely food insecure due to repeated shocks, including below-average rains in 2005/06, flooding in 2006 and 2007 in riverine areas, conflict, drought-related human disease such as diarrhea, livestock disease such as pasterollis, locust and armyworm infestations, below-average performance of both the short rainy season (October to December) and the main rainy season (March to May) of 2007, as well as of the 2008 *gu* rains (March to May). All of these occurrences have led to poor crop production and a deterioration of pastoral livelihoods. Prior to the 2008 *gu* rains, there were massive livestock deaths during the dry season, leading pastoral and agropastoral households to deplete their assets to cope with the resulting loss of food and income. According to the recent *belg/gu* season assessments, conducted between June 23 and July 24, 2008, estimated livestock losses ranged from 26 to 70 percent of normal for camels, 0 to 65 percent for cattle, and 0 to 50 percent for shoats, compared to the baseline years of 2004/05. Save for a few areas that received relatively better rains in Filtu *woreda* in Liben zone, Chereti *woreda* in Afdere zone, Danot *woreda* in Warder zone, Erer and Harshin *woredas* in Shinile zone, and Kebridehar *woreda* in Korahe zone, a severe shortage of water and pasture is already being reported in almost all parts of the region due to the poor performance of the *gu* rains. Critical water shortages in the traditionally *berkad* (traditional water well) -dependent areas of Korahe, Degehabur and Warder Zones are being reported. According to the Somali National Regional State Disaster Prevention and Preparedness Bureau's (DPPB) June 2008 Food

Security Situation Update, there were also water trucking activities during the *gu* season in parts of Gode, Warder, Korahe and Afder zones. According to the U.S. Geological Survey (USGS) Earth Resources Observation and Science (EROS) Center's Satellite-based data and hydrologic modeling, water balances of most waterholes in the south and southeastern pastoral areas are one of the lowest in the last ten years.

Given the dry conditions, the DPPB June report found pasture and browse availability to be extremely poor in most parts of Somali region, increasing the uncertainty of livestock survival over the *hagaa* dry season (July to September), given their already weak physical condition due to the prevailing drought conditions, with little recovery during the *gu* rainy season. Poor physical conditions and the aforementioned market access problems in Somali region have already led to an estimated 50 percent drop in livestock demand according to the DPPB report, and a significant deterioration in terms of trade (TOT) for pastoralists and agropastoralists who rely heavily on livestock exports to buy food. Declining TOT have been exacerbated all the more by the continued rise in cereal prices. For example, while on average (2003 to 2007) 0.75 of a shoat would buy 50 Kg of maize in Gode town, in June 2008, 3.75 shoats were needed to buy that same amount (Figure 2). Unfortunately, as the dry season progresses in August and September, water and pasture/browse availability will be even scarcer, marking a particularly precarious dry season for pastoralists and agropastoralists this quarter. Livestock movement has already started to pocket in areas that received better rains, creating resource-based conflict between pastoralists.

Unfortunately, emergency food aid to Somali Region has been much below the amount required. Out of a total of 75,955 MT of food that was required for the period between January and June, only about 45 percent was allocated and 32 percent dispatched to date. Targeting in pastoral areas is normally very difficult, and all the more so in Somali Region because distribution points were reduced from 553 to 394 beginning in October 2007 due to the continued conflict in the area. The reductions were mainly in the five zones with security-related market access problems (Gode, Korahe, Warder, Fik, and Degehabur). As a result of all these factors, most of the region's pastoral and agropastoral population is currently highly or extremely food insecure. A special committee was established in July, composed of government and key non-governmental humanitarian partners at the federal level, to develop a strategy to strengthen emergency response in the region.

**Figure 2. Gode Market Terms of Trade (goats per 50 Kg of maize)**



Source: Save the Children United Kingdom (SC UK)  
Graphic: FEWS NET Ethiopia

Poor performance of the *belg* rains (February to May) in *belg* producing parts of the country, including parts of SNNP, Amhara, Tigray and Oromia Regions, has resulted in a near failure of the season's harvest. Although the *belg* harvest contributes only five to ten percent of total annual production nationwide, there are *woredas*, especially in the southern parts of SNNPR and in the northeastern highlands of Amhara Regions, that depend on the *belg* season for up to 80 percent of their total annual production. In these areas, recovery from the impact of the failed *belg* harvest will take until the next *belg* harvest beginning in July 2009, while in areas that produce both *belg* and *meher* crops, there will be some recovery when the *meher* harvest begins this October. Currently, all *belg* producing parts of the country are facing acute food shortages due to the failure of the season. Most of these areas are among the most chronically food insecure in the country, with very little resilience to shock. As a result, there are reports of critical and serious levels of acute malnutrition in some areas.

In addition to the failure of the *belg* rains, areas such as Wolayita, Sidama, KT, Gamo Gofa and Hadiya zones in SNNPR, that depend on the February sweet potato harvest from March to May, have lost this crop this year due to the poor performance of the *sapie* rains in December/January. Sweet potato is an important crop during the hunger period for these areas (February to May), and its failure has contributed to the high levels of acute malnutrition reported in these areas. *Meher* crops were planted early, towards the end of April/beginning of May this year, following the failure of the *belg*

crops. *Kiremt* rains (June to September) have been below normal in June in parts of Gamo Gofa, Konso and Wolayita Zones. There was also an armyworm infestation in July in parts of Sidama, KT, Wolayita and Gamo Gofa Zones that damaged crops and pasture to various extents. Depending on their performance in the remainder of the season, green harvest of maize should alleviate the present food shortage beginning in September.

*Belg* crop producing areas in the northeastern highlands, including parts of South Tigray Zone in Tigray Region, and North Wollo, South Wollo Oromia, and North Shewa Zones in Amhara Region, are also currently facing an acute food shortage following the failure of the *belg* harvest. Areas in the extreme highlands of North Wollo, South Wollo and North Shewa zone, in particular, that obtain up to 80 percent of their total annual production from the *belg* season, are seriously impacted. Although results of standard nutrition surveys are not yet available, there are reports of high levels of acute malnutrition in some of these areas.

Areas in Oromia region that depend on the *belg* season received well below-average seasonal rains, leading to a near failure of the season, as in other regions of the country. There are reports of increased malnutrition in the lowlands of East and West Hararghe and West Arsi zones. Populations in most of these areas are chronically food insecure with high levels of dependence on external assistance; failure of the *belg* season is only exacerbating these already high levels of food insecurity.

In addition to the crop-dependent areas, the pastoral and agropastoral parts of Oromia region, including the lowlands of Bale and Borena, received well below-average rains, resulting in very little regeneration of pasture and water. These areas have similar rain patterns with neighboring Somali Region and are currently in their dry season (June to September). Availability of pasture and water is expected to deteriorate further as the dry season progresses, resulting in worsening physical conditions of livestock, poor livestock productivity, poor terms of trade for pastoralists due to high and rising prices of cereals, and reductions in livestock prices due to their poor physical condition. Similar to neighboring zones of Somali Region, these areas have also faced a repeated failure of seasonal rains for the past three consecutive seasons, causing massive livestock deaths. While the *deyr* season rains (October to December) are expected to be normal, these rains are normally minimal and will only provide temporary improvement in the availability of pasture and water in the months afterward. As a result, overall, these areas of Oromia region will remain extremely food insecure through the end of the year.

*Sugum* season rains (March to May) in the pastoral region of Afar were also below normal, causing the depletion of pasture and browse for livestock. Water is also scarce, for both human and livestock consumption, particularly in Eidaar, Kore, Bidu and Erebt *woredas*, where water trucking is ongoing. Livestock productivity is low and Terms of Trade are poor for pastoralists as the price of cereals is high and increasing as in the rest of the country, affecting overall food security. The *karma* rains are

**Table I.** Scenario assumptions and indicators

#### Most-likely food security scenario

- *Deyr* rains (October to December) rainfall will be normal, while *kiremt* (June to September) rains will be close to average in the western parts of the country and normal to below normal in the eastern and southern parts of the country. Agricultural conditions will generally improve, while pastoral and agropastoral conditions will remain severe
- Food prices and overall inflation will continue to increase
- Market access problems in parts of Somali Region will continue
- Food assistance to emergency and PSNP beneficiaries will be below requirement
- Emergency beneficiary figures increase from the current 4.6 million
- Repayments to the Emergency Food Security Reserve Administration will continue to be below the requirement.

#### Worst-case food security scenario

- Performance of the *kiremt* (June to September) and *deyr* rains (October to December) will be below normal, leading to significant reductions in crop production throughout much of the country and severe shortages of pasture and water in pastoral and agropastoral areas of the south and southeast
- There will be a significant increase in the number of emergency beneficiary figures from the current 4.6 million. PSNP beneficiaries will require assistance through the end of the year
- Market access problems in parts of Somali Region will continue
- There will be significant shortfalls and delays in food aid transfers both for emergency as well as for PSNP beneficiaries
- Continued and further escalation of food prices and overall inflation will restrict access to food for the poorest households, both in urban and rural areas as well as agropastoral and pastoral areas
- Most of the emergency food security reserve will be exhausted, with little to no borrowing capacity from the Emergency Food Security Reserve Administration.

expected to start beginning in mid-July, and normally last through August. Depending on their performance, water and pasture availability is expected to improve, and therefore livestock conditions and Terms of Trade as well.

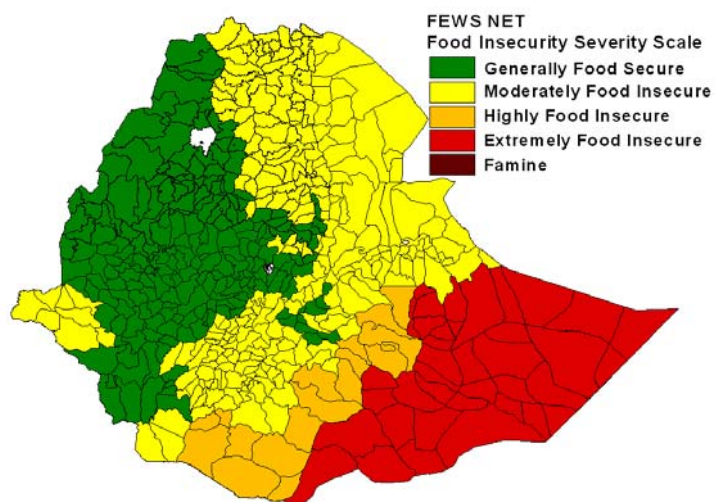
According to the 2008 Humanitarian Requirements document released in June by the Government of Ethiopia and its partners, there are currently an estimated 4.6 million people who require emergency assistance through November 2008. However, given deteriorating conditions during the present hunger period, this figure is expected to be revised upwards in August based on the aforementioned assessment findings of the *belg/gu* season undertaken between June 23 and July 24. There are also an estimated additional 5.3 million chronically food insecure people being assisted through the Productive Safety Net Program (PSNP). PSNP distributions are normally provided for six months from January to June for approximately 7.5 million people. This year, however, following the failure of the *belg* rains, about 5.3 million of these PSNP beneficiaries require continued assistance for an additional three to four months. The food aid pipeline for these two programs (emergency relief and PSNP) has been combined this year due to the scarcity of food in the country, and a reduced ration of food, 10 Kg per person per month as opposed to the standard ration of 15 Kg per person per month, is planned to be distributed to identified emergency beneficiaries as well as those PSNP beneficiaries who need continued assistance. However, only 167,988 MT of cereal is currently available for food assistance, out of a total requirement of 473,826 MT for the period June through November, and shortfalls will only worsen in the months ahead. There is a 63 percent cereals shortfall in July, and shortfall estimates through the end of the year are 33 percent for August, 53 percent for September, and 100 percent for October and November (as of July 9, 2008). These cereal shortfalls, moreover, do not consider any additional needs that might arise following the forthcoming *belg/gu* assessment results. In addition, uncommitted stock levels in the Emergency Food Security Reserve are very low, at about 20,000 MT as of August 6, limiting the possibility of borrowing from this food source. In addition to food aid, government and partners are also providing targeted nutrition assistances through Outreach Therapeutic Programs (OTPs) and Stabilization Centers. Water trucking is also being carried out in areas with critical water shortage problems.

Prioritizing those *woredas* most in need is performed jointly by the Disaster Prevention and Preparedness Agency (DPPA), responsible for emergency assistance, and the Food Security Coordination Bureau, responsible for the PSNP alongside major donors and the WFP. Information from the Emergency Nutrition Coordination Unit (ENCU) under the Early Warning Department of the DPPA and WFP is used to make the prioritization, based on indicators such as rates of malnutrition, reports of serious food shortages, school dropouts, increased labor migration, health problems, water shortages and livestock activity (deaths, migration, productivity and prices).

### Most-likely food security scenario, October to December 2008

Under this scenario, it is assumed that the *meher* season will be normal in the western parts of the country and will be normal to below normal in the eastern parts of the country where performance of the *kiremt* rains was below normal in June. In these eastern parts, performance of the *meher* crops is expected to be below average as most of the crops planted are short-cycle crops that are lower yielding compared to the long-cycle varieties typically planted. Long-cycle crops were replaced by short-cycle crops because rains in April and May that are normally used for land preparation and planting were below-normal and insufficient to support these varieties. The reduction in *meher* harvest production in these areas is expected to lead to an early depletion of food for both household consumption and sale. In addition, the reduced availability of cereals in these areas will reduce the supply available at markets, leading to further price increases of cereals and problems of food access.

**Figure 3.** Most likely food security scenario, October to December 2008



Source: FEWS NET Ethiopia

Other factors will also continue to contribute to the high and rising prices, including the ongoing market access problem in parts of Somali Region.

In the southern zones of Somali Region and neighboring lowlands of Oromia, performance of the *deyr/hageya* rains (October to December) is expected to be normal, bringing a temporary improvement of water and pasture availability for pastoral and agropastoral populations living in these areas. This temporary relief is, however, not expected to result in an improvement in either livestock Terms of Trade or productivity, as these rains are minimal and short-lived, and therefore insufficient to improve the physical conditions of livestock. A full recovery of livelihoods could take years, especially for those households that lose a significant proportion of their livestock. Some households will continue to be destitute because of an inability to restock.

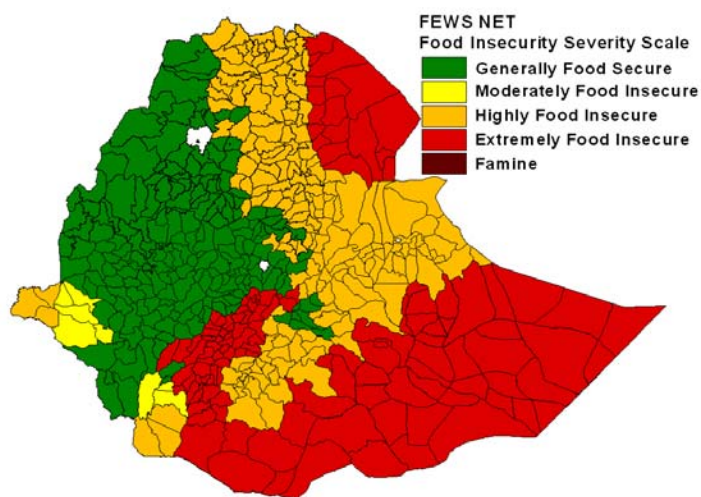
In the pastoral region of Afar, it is assumed that the *karma* rains (July/August) will be close to normal, leading to an improvement in the availability of water and pasture. Pastoralist Terms of Trade are expected to improve with the increased availability of pasture and water leading to an improvement in physical condition of livestock, although cereal prices are expected to continue to rise until the *meher* harvest in *meher* producing parts of the country begins in October. Overall food security is expected to improve with increased productivity of livestock.

Given these conditions, food aid requirements for both the emergency and PSNP programs under this scenario are expected to reduce gradually beginning in October in the *meher* crop producing parts of the country following the *meher* harvest. Areas that depend highly on the *belg* season, mostly in SNNPR and Amhara Regions, will continue to require food assistance, as well as pastoral and agropastoral populations of the south and southeast. Slight improvements in the availability of water and pasture as well as improvements in the Terms of Trade for livestock are expected following the October to December rains. These improvements, however, are not likely to be significant as the populations in these areas have faced repeated shocks that have depleted their assets, requiring a long recovery. While shortfalls in the cereal food aid pipeline through November will remain, they are expected to improve from their current level of 65 percent (as of July 9, 2008). Although repayments to the Emergency Food Security Reserve Administration are anticipated, given the current very low stock level, they will remain insufficient to meet the borrowing requirements needed to provide full rations for both emergency and PSNP beneficiaries.

### Worst-case food security scenario, October to December 2008

In the worst-case scenario, a combination of failed rains (both *kiremt* and *deyr*) and high food prices will cause many parts of the country to become highly to extremely food insecure from October to December, with conditions in the southeastern zones of Somali Region expected to be most severe. Extreme food insecurity in the country's pastoral areas, due to a failure or very poor performance of the *deyr* rains for the fourth season in a row, will lead to massive livestock deaths, high levels of internal displacement, destitution of pastoralists due to the loss of livestock and livestock productivity and the lack of a markets for livestock in poor conditions, a very severe shortage of water for human consumption, extremely high prices for cereals and other imported foods, a dearth of food in the markets, extremely high levels of acute malnutrition, and high levels of child mortality. Given these reasons, as well as their market access problem, food insecurity in the five zones of Somali region will be most severe. In these areas of the region, the lack of market access will continue to be a major contributing factor to food insecurity as significant, if not more so, than poor rainfall.

**Figure 3.** Worst-case food security scenario, October to December 2008



Source: FEWS NET Ethiopia and WFP

*Meher*-season production will be well below average, due to the poor performance of both the *belg* and *meher* rains. The direct impacts of a well below average *meher* harvest would be felt beginning in October, when the harvest normally begins. Food prices, which are already very high, will increase following the reduced *meher* harvest, making it very difficult for market-dependent urban and rural households to purchase sufficient food to meet their needs. In this scenario, moreover, prices will rise enough to outpace the purchasing power not only of the poor, but also of middle-income groups as well. As a result, food insecurity will be widespread not only among the rural poor and agropastoral and pastoral populations, but in urban areas as well.

A significant proportion of the crop producing parts of the country will become highly and extremely food insecure in the worst-case scenario due to the well below average performance of the critical *meher* agricultural season. In parts of the country such as eastern Tigray, eastern Amhara, eastern Oromia and eastern SNNPR that are already highly and extremely food insecure and heavily dependent on the *meher* crops, a further deterioration of the food security situation is anticipated, with widespread shortages of water, outbreaks of hunger-related diseases such as measles and meningitis, and widespread critical levels of acute malnutrition in many parts of the country.

Below-normal *karma* and *deyr* rains will fail to replenish water points and regenerate pasture in the pastoral region of Afar, southern Somali Region and neighboring lowlands of Oromia, as well as South Omo Zone of SNNPR. As a result, these areas will suffer from a prolonged pasture and water shortage, leading to massive livestock deaths in Afar Region, Somali Region, and the lowlands of Oromia beginning in November until the *belg/gu/ganna* rains begin in February 2009. Due to the repeated failure of the rainy seasons in these pastoral and agropastoral areas, livestock will not be productive and will be emaciated, with massive livestock deaths anticipated. As a result, Terms of Trade will be extremely poor as prices of livestock plummet and prices of cereals increase sharply. Agropastoralists will have to cope with the loss of income and food from both livestock and crop failure. A large increase in the number of internally displaced persons (IDPs) is expected in and around urban centers as more pastoralists and agropastoralists become destitute.

In this scenario, it is assumed that all Productive Safety Net Program (PSNP) *woredas* will request that assistance be extended until the end of the year, given their inability to meet their consumption needs. It is also assumed that both the emergency and PSN programs will be significantly under-resourced, leading to high levels of widespread acute malnutrition, asset depletion, and overall increased vulnerability to food insecurity among pastoral and agropastoral populations that would normally be covered through the program.

Food aid for emergency and PSNP beneficiaries will be insufficient to meet requirements given the expected increase in need as well as the insufficient level of funding available for such support. Emergency food security reserve levels will be extremely low compared to the level of need and there will be very little or no borrowing capacity. Under this scenario, high levels of malnutrition and overall extreme food insecurity is expected in the pastoral regions of Afar, Somali, the lowlands of Oromia and SNNPR. Some areas that are chronically food insecure and already facing high levels of food insecurity will become extremely food insecure. Unless massive assistance is provided to reverse this scenario, the food security situation could turn particularly severe, especially in the southeastern and southern parts of the country. Crude mortality rates and levels of acute malnutrition will be especially pronounced in these areas.