



World Food Programme



# Southern Africa Region: Market Watch

SAVING  
LIVES  
CHANGING  
LIVES

Johannesburg Regional Bureau | March 2021

Issue #5

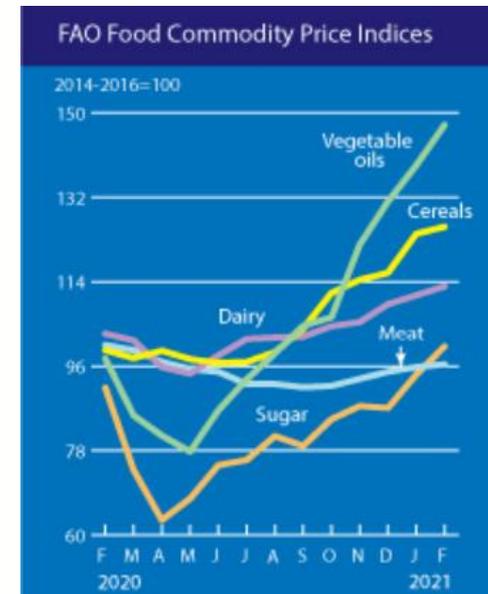
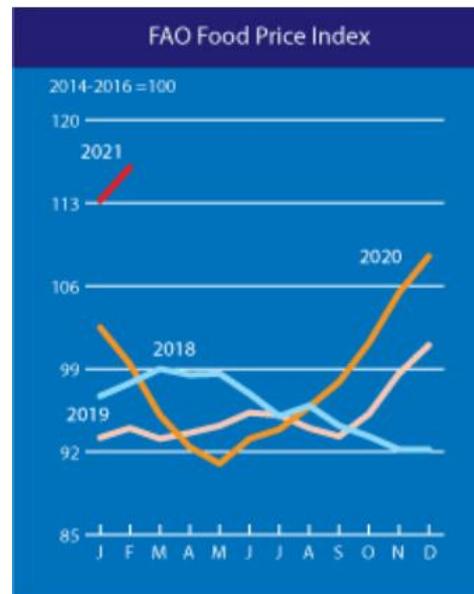
# GLOBAL MARKET INFORMATION

The **FAO Food Price Index** averaged 116 points in February 2021, 2.8 points higher than in January, marking the 9th month of consecutive rise and reaching its highest level since July 2014. The February increase was led by strong gains in the sugar and vegetable oils sub-indices, while those of cereals, dairy and meat also rose but by a lesser extent.

The **FAO Cereal Price Index** averaged 125.7 points in February, up 1.5 points from January and 26.3 points above its February 2020 level. Among major coarse grains, international sorghum prices increased the most.

**International maize prices also rose**, albeit by only 0.9 percent from the previous month. **Maize export prices in February were up 45.5 percent from the previous year, underpinned by continued strong import demand amidst shrinking export supplies.**

International rice prices also edged up some more, driven by demand for lower quality Indica and Japonica rice.



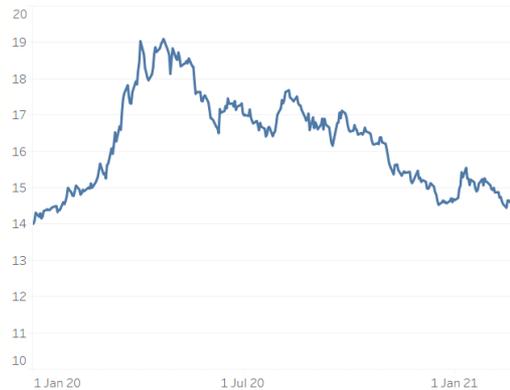
# SOUTH AFRICA

*South Africa's maize prices remain above average and this will affect countries that rely on it for maize imports.*

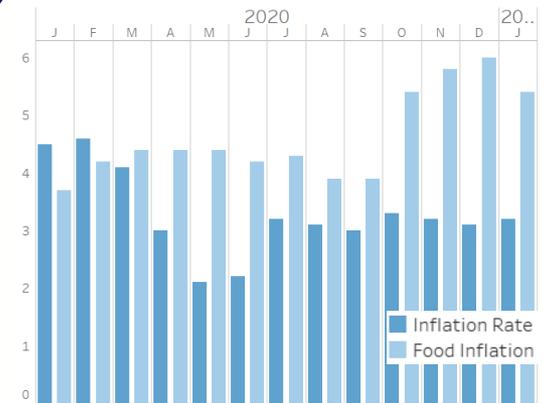
The South African rand has continued to strengthen against the USD in recent months (1), but since October 2020, food inflation has remained slightly elevated at above 5% due to higher grain prices (2).

South Africa's maize prices took a sharp upward turn in mid-2020 and remain at above average levels (3). In February 2021 it was 8% above the 5 year average (5YA) and 17% above year prior levels. This trend is primarily due to strong demand from both regional and international markets, coupled with high global maize prices and the weaker rand. Despite another good harvest being anticipated this year, maize prices may not dip significantly in coming months.

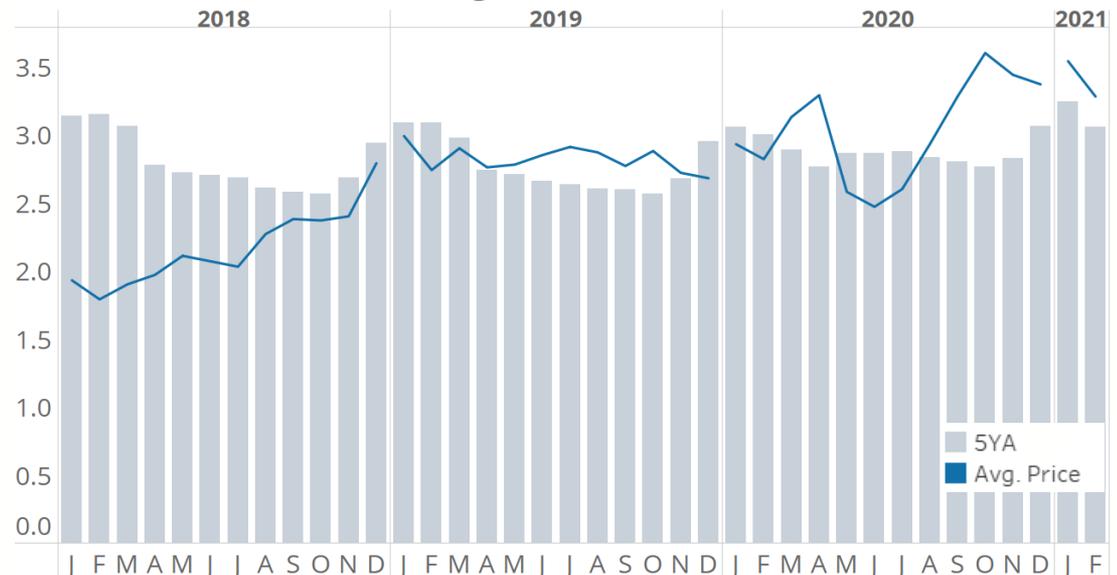
**1 South Africa (USD/ZAR);** Lesotho (LSL), Namibia (NAD), Eswatini (SZL) are pegged to South Africa (ZAR) so show the same movement



**2 South Africa Inflation & Food Inflation (%)**



**3 South Africa, Maize (ZAR/kg)** Wholesale Prices



Data Source 1&2: <http://www.tradingeconomics.com>; 3: SAFEX; wholesale prices for white maize

# ZAMBIA

*While another good harvest is expected this year, Zambia's national average maize price continues to trend above average.*

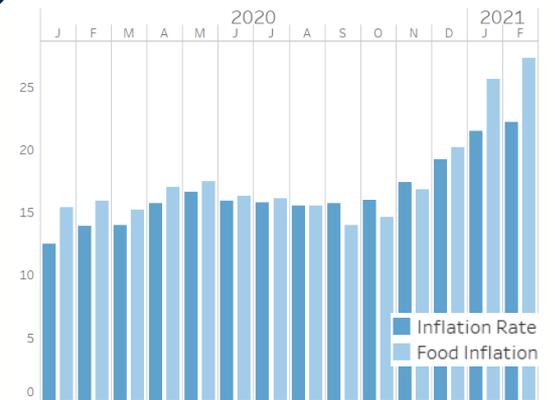
The Zambian kwacha has continued to depreciate, albeit at a slower rate (1). Depreciation of the kwacha reflects the imbalances in the country's foreign exchange market, with lower supply of foreign exchange due to reduction in export revenue (e.g. copper) and increased import demand. The combination of a weak economy and higher spending has led to greater fiscal deficit, and this could potentially deepen poverty in the country and food and nutrition security.

Inflation rates in Zambia have continued to rise in recent months. Food inflation surged since the end of 2020, from approximately 20% in December 2020 to 26% in January 2021 and 27% in February.

**1** Zambia (USD/ZMK)



**2** Zambia Inflation & Food Inflation (%)



Data Source: <http://www.tradingeconomics.com>

# ZAMBIA

Although there has been an improvement compared to the same time last year, Zambia's national average maize price continues to trend above 5YA levels (3). However, maize prices could potentially be dampened this year if a good harvest materializes as expected and the Food Reserve Agency offloads to the market ahead of the general election in August. This is especially the case if the export ban also remains in place.

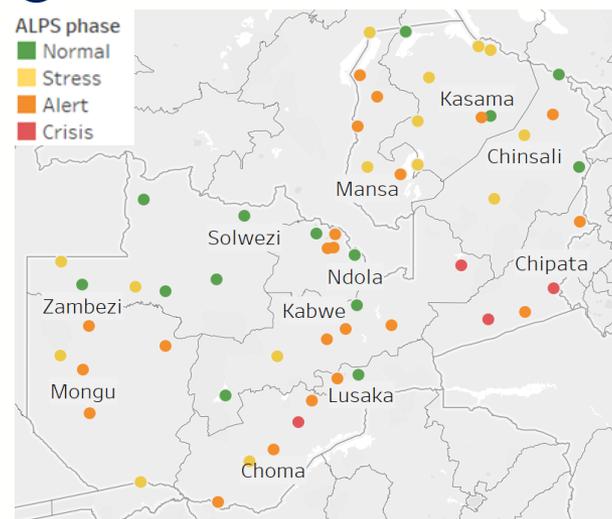
As of January, the majority of monitored markets were indicating high maize price levels in line with seasonal trends (4). Of the 55 monitored markets, 4 were in "Crisis," 22 were in "Alert" and 15 were in "Stress."

**3** Zambia, National Average Maize Price (ZMW/kg)



Source: WFP Dataviz

**4** Maize Alert for Price Spikes: January 2021



For more details on the ALPS indicator

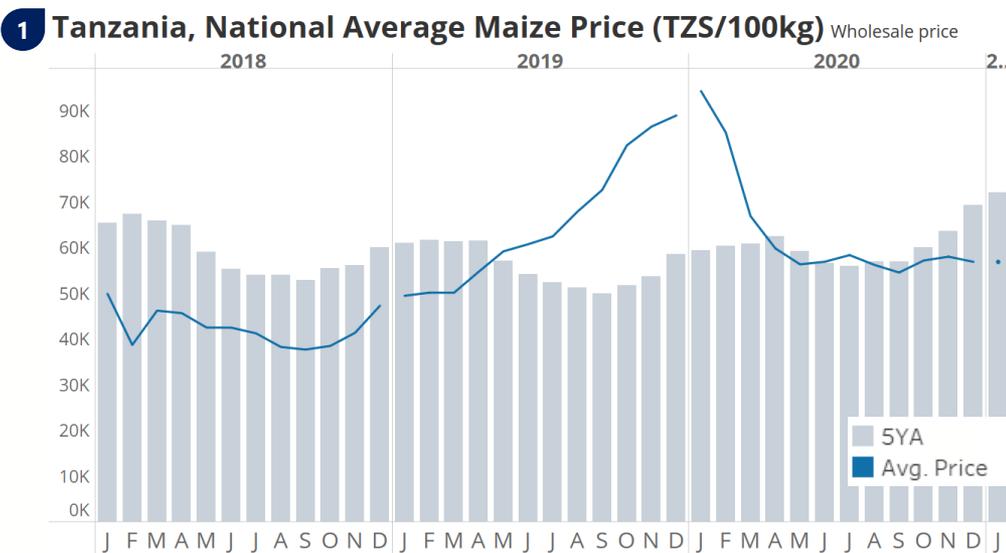
Source: ALPS WFP

# TANZANIA

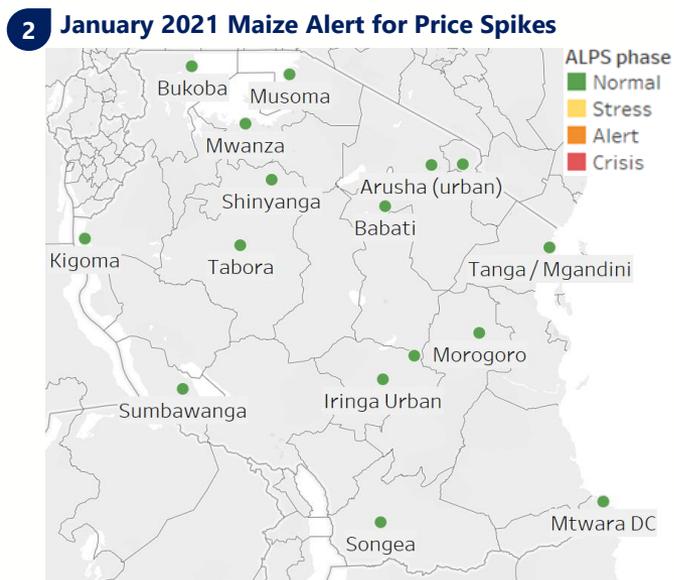
Tanzania's national average maize price is trending below the 5YA level and monitored markets across the country are indicating normal prices.

In Tanzania, the national average maize price began trending below the 5YA level from September 2020. In January 2021, it was roughly 20% below the 5YA and 40% below year prior levels (1).

As of January 2021, all monitored markets in Tanzania were indicating normal maize prices (2).



Source: WFP Dataviz, wholesale prices



For more details on the ALPS indicator

Source: ALPS WFP

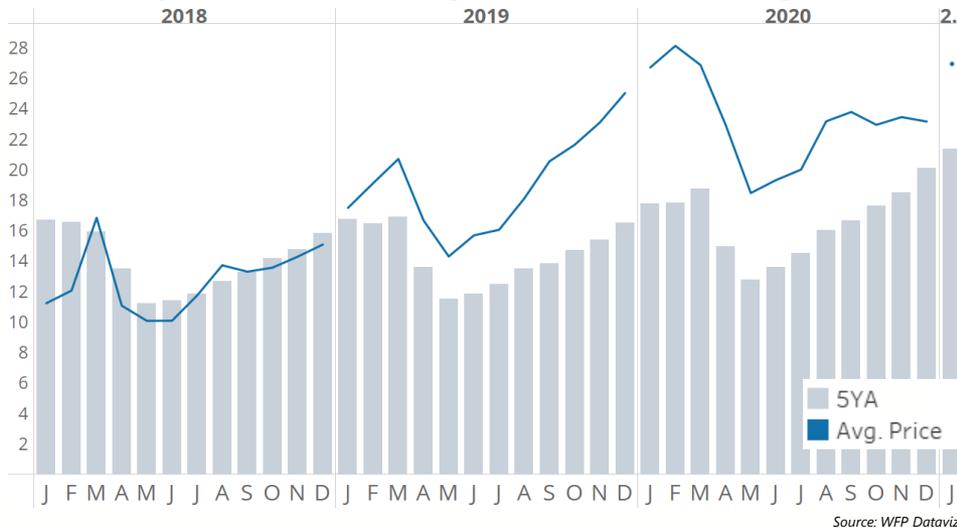
# MOZAMBIQUE

Mozambique's national average maize price began to stabilize towards the end of 2020 but increased again in January 2021.

While the Mozambican metical has showed signs of stabilizing in January, it depreciated by approximately 16% against the USD over the course of 2020 (1). Food inflation surpassed 9% in January (3).

Mozambique's national average maize price stabilized towards the end of 2020, albeit at above average levels. In January 2021, it jumped again to over 26 MZN/kg (2). Localized and seasonal dynamics are at play with conflict affecting production and supply in the north and heavy rainfall and flooding in the central and southern regions likely to impact this year's harvest.

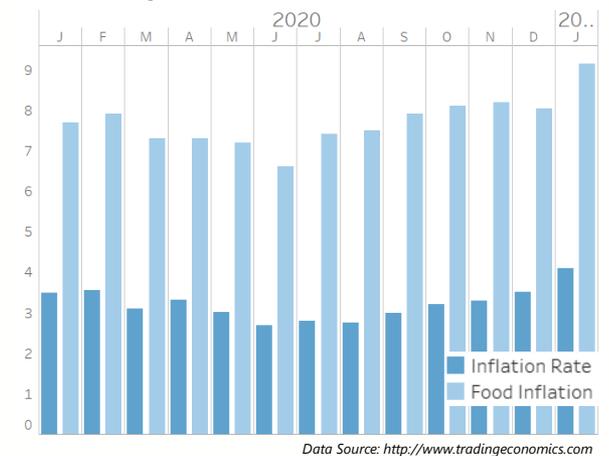
## 2 Mozambique, National Average Maize Price (MZN/kg)



## 1 Mozambique (USD/MZN)



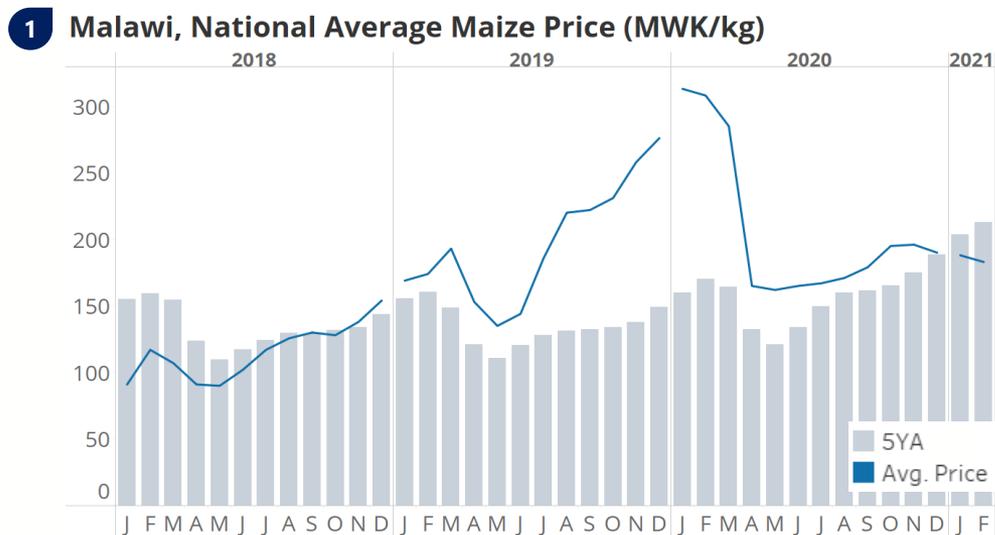
## 3 Mozambique Inflation & Food Inflation (%)



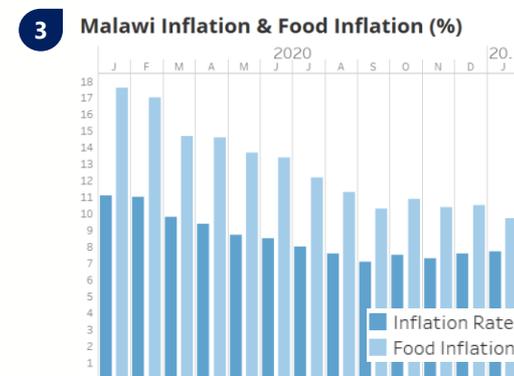
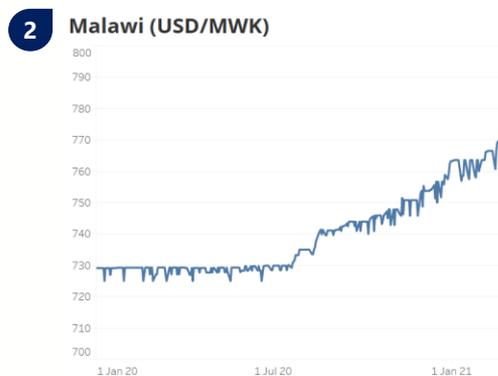
# MALAWI

Unlike many other countries in the region, Malawi's national average maize price is atypically stable this year and is trending below average levels.

According to the *Minimum Expenditure Basket in Malawi Issue No. 22 (8 – 12 February)*, the current national average maize price is approximately 40% lower than year prior levels and 10% below the 5YA (1). This can be attributed to above average market supplies and to the Agricultural Development and Marketing Cooperation (ADMARC's) commercial sale of maize grain at a subsidized price of MWK 160/kg – 20% lower than the minimum buying price of MWK 200/kg set by the government in April 2020. With the green maize harvest expected in March in some areas, maize prices are only expected to continue decreasing.



Source: WFP



Data Source: <http://www.tradingeconomics.com>

Maize prices in the Southern Region remain higher than the North and Central regions, where the majority of maize is sourced within the country.

The Malawi kwacha has continued to gradually depreciate (2). Although headline and food inflation rates have stopped their downward trend, they remain stable (3).

# ZIMBABWE

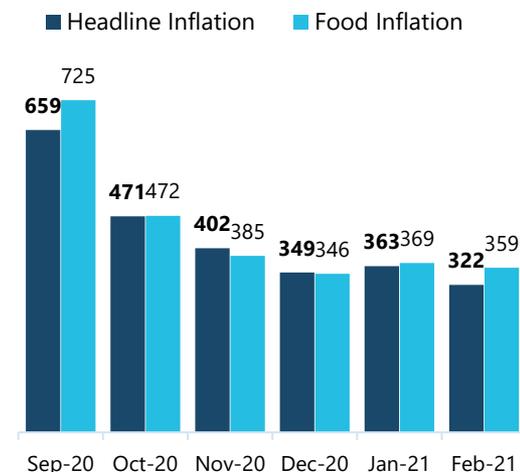
Supply of maize grain remains critically low in Zimbabwe's markets and although inflation rates have stabilized, they remain high at over 300%.

**Headline Inflation** **322%**  
February 2021

**Food Inflation** **359%**  
February 2021

**Exchange Rate** **83.88**  
**ZIMBABWE**CUR  
1 March 2021

## 1 Zimbabwe's Inflation Rates



Data Source: <http://www.tradingeconomics.com>

While Zimbabwe's inflation rates have stabilized in recent months, they still remain high at over 300%. Food prices remain high, and the rising cost of fuel has also been a factor in the general upward trend of prices.

Reinstated COVID-19 lockdown measures in January halted many informal livelihood activities for vulnerable groups in urban areas, thereby significantly impacting incomes. The situation was compounded by price increases of basic food commodities, further eroding household's purchasing power.

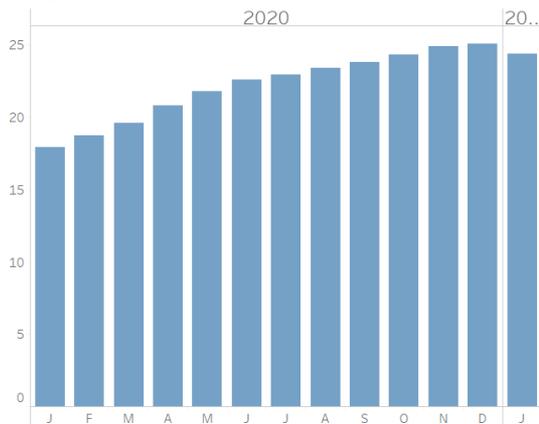
According to the *Zimbabwe Food Security Situation Update for January 2021*,

Maize grain remains unavailable in many markets. Depleting household stocks have led to increased market demand, pushing prices upwards in cereal deficit areas.

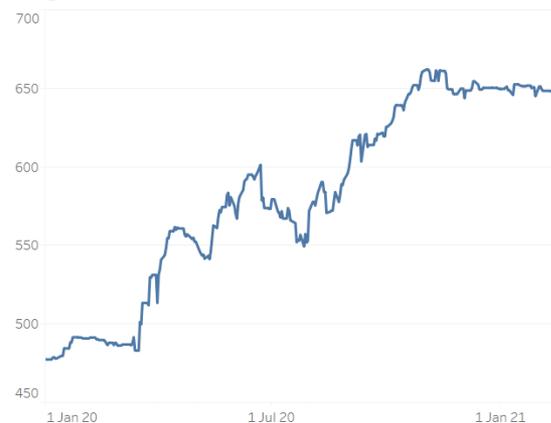
Based on the price data from a limited number of markets, the average price for maize grain in ZWL increased by 15% from December 2020 to January 2021.

# EXCHANGE RATES AND INFLATION RATES | OTHER COUNTRIES

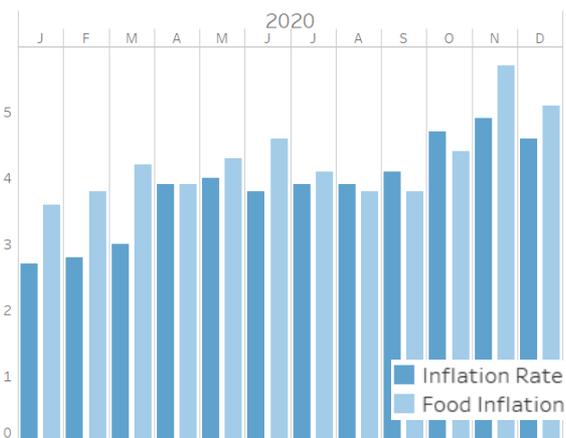
**Angola Inflation (%)**



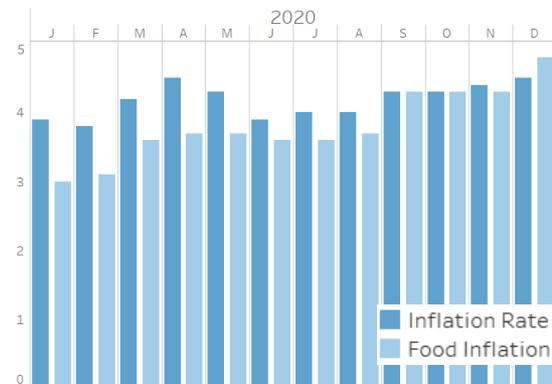
**Angola (USD/AOA)**



**Eswatini Inflation & Food Inflation (%)**



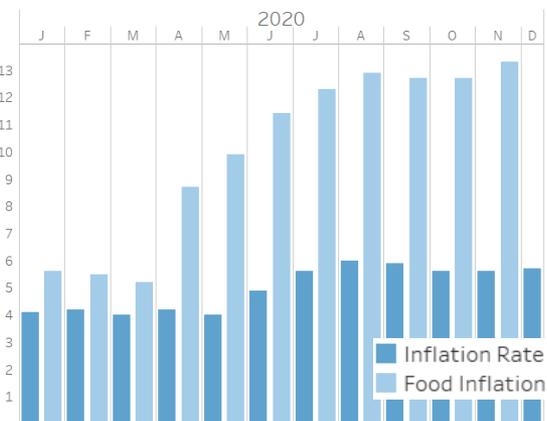
**Madagascar Inflation & Food Inflation (%)**



**Madagascar (USD/MGA)**



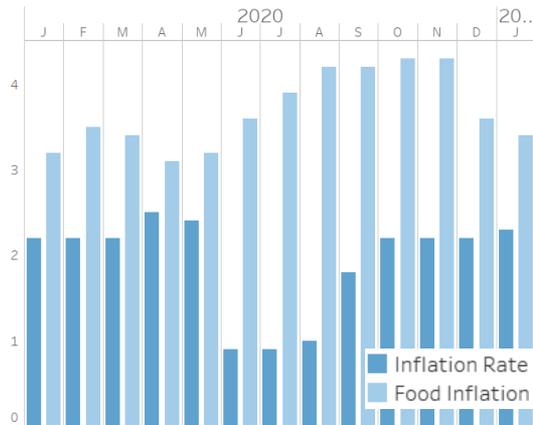
**Lesotho Inflation & Food Inflation (%)**



- Data Source: <http://www.tradingeconomics.com>. Data available as of 1 March 2021.
- The eSwatini lilangeni Lesotho loti, Namibian dollar, and are pegged to the South African rand, and thus show the same movement.

# EXCHANGE RATES AND INFLATION RATES | OTHER COUNTRIES

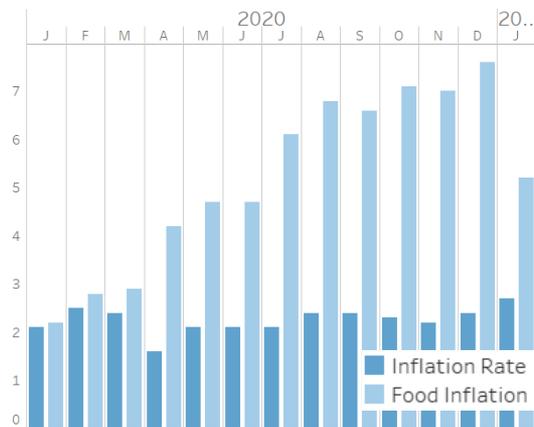
**Botswana Inflation & Food Inflation (%)**



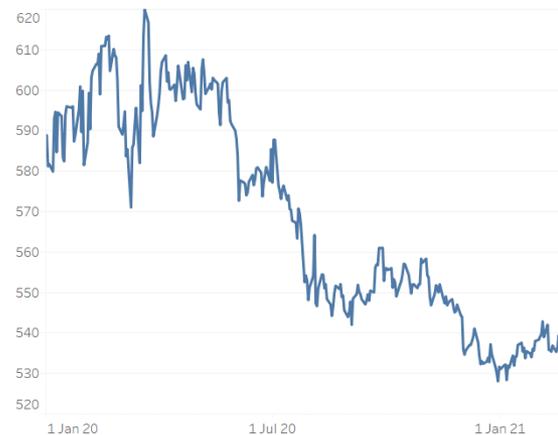
**DRC (USD/CDF)**



**Namibia Inflation & Food Inflation (%)**



**ROC (USD/XAF)**

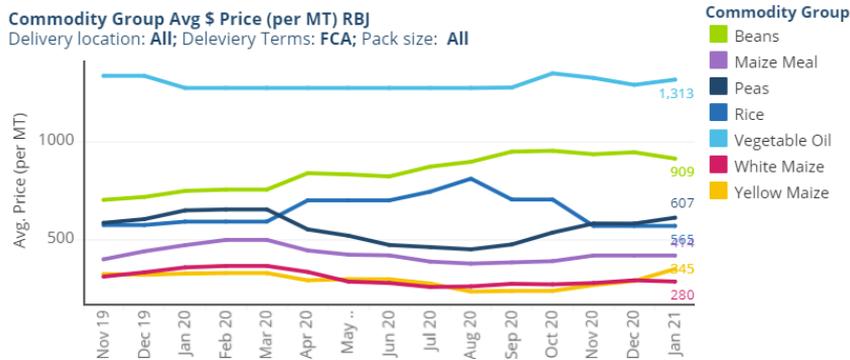


Data Source: <http://www.tradingeconomics.com>. Data available as of 1 March 2021.

# SELECT REGIONAL PROCUREMENT PRICES

REGIONAL AVG

**Commodity Group Avg \$ Price (per MT) RBJ**  
Delivery location: All; Delivery Terms: FCA; Pack size: All



**% Change in Commodity Avg \$ Price (per MT) vs Prev Month**  
RBJ - to drill down to more granular commodity levels, hover over 'Commodity Group' and click the +/- button

Commodity Group	# Delivery Terms	# Delivery Locations	20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
Beans	1	9		-1%	6%	3%	6%	0%	-2%	1%	-3%
Maize Meal	1	9		-1%	-8%	-3%	2%	2%	8%	0%	0%
Peas	1	7		-9%	-2%	-2%	6%	13%	9%	0%	5%
Rice	1	5		0%	6%	9%	-13%	0%	-19%	0%	0%
Vegetable Oil	1	4		0%	0%	0%	0%	6%	-2%	-3%	2%
White Maize	1	15		-3%	-7%	1%	5%	-1%	3%	5%	-2%
Yellow Maize	1	3		0%	-8%	-15%	2%	0%	13%	8%	22%

ZAMBIA

**Commodity Avg \$ Price (per MT) ZAMBIA**

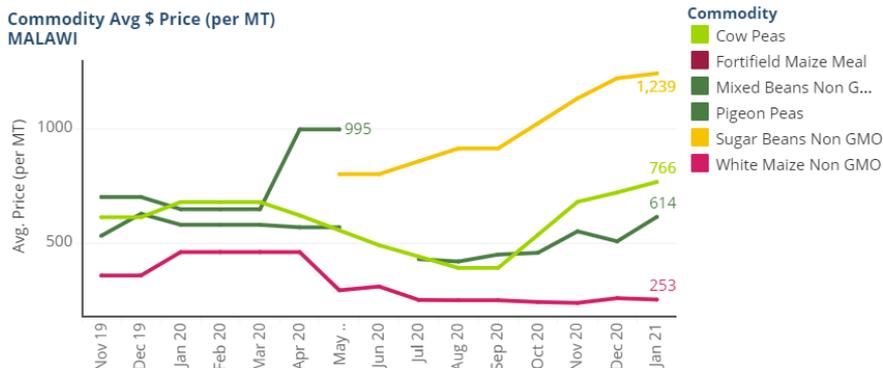


**% Change in commodity Price (per MT) vs Prev Month**  
ZAMBIA - to drill down to more granular commodity levels, hover over 'Commodity Group' and click the +/- button

Commodity Group	# Delivery Terms	# Delivery Locations	20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
Beans	1	2	0%	1%	6%	2%	61%	-6%	-23%	0%	0%
Maize Meal	1	2	3%	-21%	5%	-2%	7%	3%	36%	0%	0%
Peas	1	2	1%	-37%	51%	27%	22%	24%	3%	0%	0%
White Maize	1	4	0%			7%	16%	0%	-16%	0%	0%

MALAWI

**Commodity Avg \$ Price (per MT) MALAWI**



**% Change in Commodity Avg \$ Price (per MT) vs Prev Month**  
MALAWI - to drill down to more granular commodity levels, hover over 'Commodity Group' and click the +/- button

Commodity Group	# Delivery Terms	# Delivery Locations	20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
Beans	1	1	0%	-11%	7%	7%	0%	12%	11%	8%	2%
Maize Meal	1	1									
Peas	1	1	0%	-12%	-11%	-7%	4%	18%	24%	0%	12%
White Maize	1	2	6%	6%	-19%	-1%	0%	-3%	-2%	9%	-2%

# TRADE RESTRICTIONS AND POLICIES

*Nearly all countries in the southern Africa region only allow imports of GMO processed products.*

## *Madagascar*

GMO crops in general not permitted;

There is an import ban for whole grain maize; maize must be degermed/crushed.

## *Malawi*

On 15 March 2021, Malawi's Ministry of Trade announced that it would temporarily lift the maize export ban from March to June 2021. The ban had been in place since February 2018.

## *Mozambique*

No official ban on maize and pulse imports but the regulations in place make it difficult for WFP to import commodities from neighbouring countries;

Exports to neighbouring countries are permitted.

## *Tanzania*

GMO free maize is available, however, there are typically complications importing Tanzanian maize into Zambia, Zimbabwe and Malawi.

# SUPPLY CHAIN CORRIDORS IN SOUTHERN AFRICA



**South Africa to:** Madagascar, Democratic Republic of Congo, Republic of Congo, Tanzania, Mozambique and Angola.

**Namibia to:** Democratic Republic of Congo and Republic of Congo.

**Tanzania, Mozambique, and South Africa** also serve as transit corridors.

<ul style="list-style-type: none"> <li>Port closed for passengers</li> <li>Port open – crews remain on board, delays as medical experts check crews at anchorage</li> <li>Key port - Open</li> <li>Border Open</li> </ul>	<b>Status</b> <ul style="list-style-type: none"> <li>Open</li> <li>Partially Open</li> <li>Closed</li> <li>Regional Bureau</li> <li>Country Office</li> <li>National Capital</li> <li>Major Town</li> <li>Global HRP Country</li> </ul>	<ul style="list-style-type: none"> <li>Primary Road</li> <li>International boundary</li> <li>Armistice or International administrative line</li> <li>Surface Waterbody</li> </ul>
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**DRC:** All visitors into the DRC will require negative PCR tests (no older than 3 days), temperature checks, and the possibility of testing and/or quarantines upon arrival.

**Tanzania:** As of June 2020, Tanzania open accepting tourists under normal and regular 'pre-COVID-19' border rules. No mandatory quarantine period is currently in place, however temperature checks, mask wearing, and social distancing is in effect.  
 Countries Allowed to visit: ALL  
 However, under normal tourism laws, your country might require a Visa to enter Tanzania. There are currently 68 countries that can enter Tanzania Visa-free, with the rest requiring a Visa or Visa on Arrival. There is no mandatory 14-day isolation or quarantine period for travellers into Tanzania.

**Seychelles:** As of June 1st the Seychelles have reopened to tourists from 'low' and 'medium' risk nations, with different entry requirements for each category. There are 17 nations being classified as 'low risk' and 20 nations being classified as 'medium risk'.  
 Visitors from the LOW RISK countries can bring a negative PCR test no older than 72 hours from date of travel, but if one is not available, a rapid test is also approved. Visitors from the MEDIUM RISK countries can only bring a negative PCR test no older than 72 hours of date of travel, with no rapid test option.

**Malawi:** Air borders have reopened, but flights are still limited. All travellers must present a negative PCR test, taken no longer than 10 days before arrival. Testing may also happen upon arrival, at the cost of the traveller. Even with a test, quarantines may still be in effect. Land borders are still closed to all that are not residents/citizens of Malawi.

**Zambia's** borders have reopened, with both domestic and international flights starting to resume. All nations are welcome to visit. Tourists need to bring a negative PCR test taken within 14 days of departure, and they do not have to quarantine on arrival.

**Zimbabwe** reopened their airports for international flights on October 1, 2020. Will open land borders for private cars and pedestrians but negative PCR COVID-19 test required.

**Namibia's** major airport reopened on September 1 and is now allowing foreign tourists to arrive once again. All arrivals need to bring a negative PCR test no older than 72 hours prior to arrival, and must be tested again after 7 days in Namibia (after completing 7 days quarantine). Land borders also now open.

**Botswana** still is State of emergency but partly opened for charter flights to the resort towns of Maun and Kasane.

**Lesotho** remains closed for tourism until further notice. Borders are closed for everything but essential trade. As of 1 October 2020: business people, students, people with permits to live and work outside Lesotho, the critically ill and people with special needs will also be permitted entry.

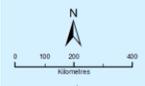
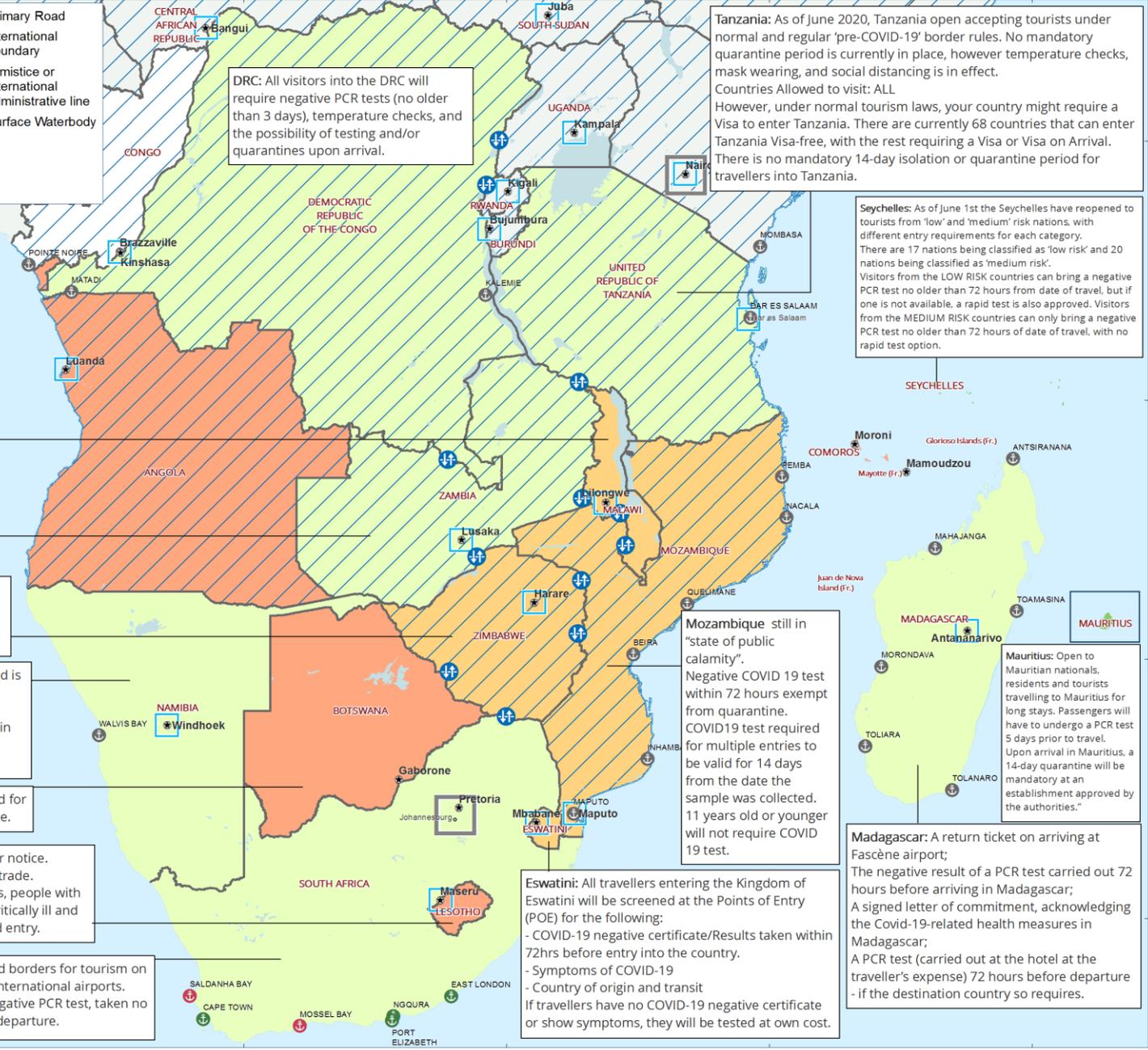
**South Africa** officially reopened borders for tourism on October 1st and reopening 3 international airports. Arrivals will need to bring a negative PCR test, taken no longer than 72 hours prior to departure.

**Mozambique** still in "state of public calamity". Negative COVID 19 test within 72 hours exempt from quarantine. COVID19 test required for multiple entries to be valid for 14 days from the date the sample was collected. 11 years old or younger will not require COVID 19 test.

**Eswatini:** All travellers entering the Kingdom of Eswatini will be screened at the Points of Entry (POE) for the following:  
 - COVID-19 negative certificate/Results taken within 72hrs before entry into the country.  
 - Symptoms of COVID-19  
 - Country of origin and transit  
 If travellers have no COVID-19 negative certificate or show symptoms, they will be tested at own cost.

**Madagascar:** A return ticket on arriving at Foscène airport; The negative result of a PCR test carried out 72 hours before arriving in Madagascar; A signed letter of commitment, acknowledging the Covid-19-related health measures in Madagascar; A PCR test (carried out at the hotel at the traveller's expense) 72 hours before departure - if the destination country so requires.

**Mauritius:** Open to Mauritian nationals, residents and tourists travelling to Mauritius for long stays. Passengers will have to undergo a PCR test 5 days prior to travel. Upon arrival in Mauritius, a 14-day quarantine will be mandatory at an establishment approved by the authorities."



Data Created: 10 Nov 2020. Contact: hq@wfp.org. Web site: www.wfp.org. Prepared by: HQ Emergency GIS Unit. Data sources: WFP offices WFP - Boundaries OCHA - Roads: OpenStreetMap Contributors - Repulated places GeoNames - Info: WFP, Southern Africa Development Community - SADC. The designations employed and the presentation of material in the map do not imply the expression of any opinion on the part of WFP concerning the legal or constitutional status of any country, territory, city or sea, or concerning the delimitation of its frontiers or boundaries. © World Food Programme 2020