

Climate

Markets

Nutrition

Agriculture

Livestock

Civil
Insecurity

Emerging
Regional
Issues

KEY ISSUES

Although the findings of the post *Gu* assessment will not be out before August, it is evident that **the total number of people in need of humanitarian assistance (AFLC and HE), will increase from the current 2.6 million over the next six months and in the worst case scenerio could reach up to 3.5 million people by the end of the year.** This is due to the combined impact of the poor *Gu* rains, the sustained and still increasing food prices, continuing currency devaluation, and increased conflict and civil insecurity. Although cereal production in Bay and parts of Shabelle regions is expected to help mitigate food access constraints for farming communities, the overall impact on food prices will not be significant. Food prices are expected to remain high, and therefore food access for market dependent households, including urban, rural poor, pastoralist and IDP populations will become increasing difficult through December this year.

Deepening Drought and Humanitarian Emergency in Central, Hiran and Bakool The number of people in **Humanitarian Emergency** continues to increase in the drought stricken regions of central, Hiran and Bakool due to another rain failure, now the fourth consecutive season. This is confirmed by recent nutrition reports that indicate a doubling of the caseload of severely malnourished children in ACF feeding centres over the last three months in Dhusamareb, Galgadud. Severe water and pasture shortages have led to the large migration of livestock and people - affecting up to 50% of the pastoral settlements – who are now concentrating around permanent water sources. In the central region, most of remaining boreholes are being pushed beyond capacity due to a lack of maintenance and generators. High fuel prices are contributing to increasing water prices which are now between 300 to 1,000 percent higher than normal levels (normally 10,000 SoSh per 200lt barrel, but now 30,000- 100,000 SoSh per 200lt barrel). Livestock body conditions, productivity and value have plummeted, while pack animals and small ruminants are dying. Most pastoralists have no export quality animals remaining and are resorting to selling breeding animals, in a desperate attempt to meet skyrocketing water and food prices. Buying on credit is limited due to high debt levels caused by the prolonged drought. As the next rains are not expected before mid-October, the situation will continue to deteriorate without adequate humanitarian and livelihood support interventions.

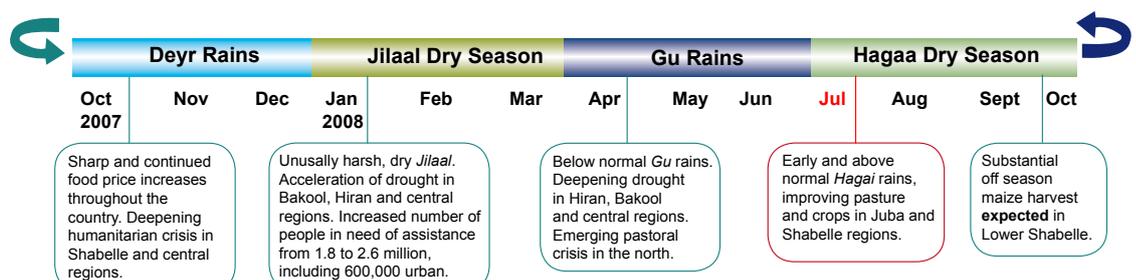
Food Price Crisis for Market Dependent Households Food prices, both local and imported, are at record historic levels and are still climbing. More and more people, from both rural and urban, are falling into **Acute Food and Livelihood Crisis (AFLC)** and **Humanitarian Emergency (HE)**, as they cannot cope with these sustained increasing food prices which have significantly eroded their purchasing power. The poor and middle income households are becoming severely indebted, and are adopting extreme coping strategies, including skipping meals, begging, sale of productive assets, and out migration (*'keenan'*).

Worst Security Situation in Last 17 Years Somalia is now facing the worst security situation in the last seventeen years, with increased armed conflict and fighting, targeting of humanitarian aid workers, military build-up, increased sea piracy, and political tension. This situation is severely undermining economic activities and humanitarian delivery, thus contributing to the overall deterioration in the humanitarian situation.

Emergency levels of acute malnutrition continue to be reported in many parts of South and Central Somalia. Based on the findings from the surveys conducted in 2008, an estimated 180,000 children are believed to be acutely malnourished, of which very limited numbers have access to rehabilitation centres. This number represents 1 in 6 of all children under the age of 5 years and is an increase of 11% in the last six months.

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Somalia Seasonal Timeline & Key Events

Implications for Action:

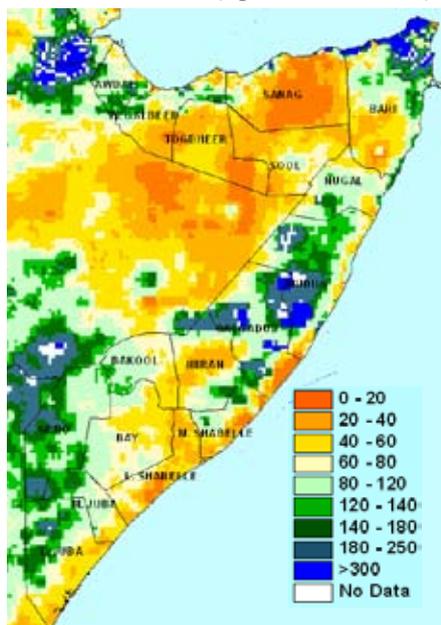
- **Actions to increase humanitarian space to ensure that growing number of populations in need receive assistance.**
- **Scale-up of intergrated 'emergency humanitarian assistance' to save lives in south and central Somalia,** especially in the worst affected areas suffering from drought (central, Hiran and Bakool regions), as well as in Lower and Middle Shabelle regions, where the largest concentration of people in need of assistance are located.
- **Scale-up of emergency 'livelihood support' to pastoralists in drought stricken areas of central, Hiran and Bakool regions to protect and prevent the total loss of livelihood assets,** this could include support to improve water supply and reduce water prices, such as maintenance and repair of boreholes, back-up generators for boreholes, fuel subsidies, and water trucking. Other useful livelihood support measures could include livestock health interventions, debt relief, and the purchase of weak animals at fair prices.
- **Emergency 'livelihood support' for the poor and most vulnerable urban populations** that are not able to cope with skyrocketing food prices and declining purchasing power, which could include public work programmes for cash or food, debt relief, and safety net programmes.
- **'Livelihood support' interventions in areas of newly developing Acute Food and Livelihood Crisis (AFLC) in pastoral areas in the north,** including parts of Hawd of Togdheer and Hargeisa, Nugal Valley and Sool Plateau. Livelihood support interventions needed include water trucking, debt relief, and veterinary care.

Sector Highlights:

- **Climate** – *Gu* rains largely failed in drought stricken pastoral areas of Bakool, Hiran and central regions and were below normal in key pastoral areas in the north including parts of Sanang, Togdheer, Sool and Nugal. Parts of Juba, Gedo and Bay received fairly good rains, while areas, especially Shabelle region, where *Gu* rains were poor, have benefited from an early, sustained and above normal *Hagai* rains (June-August).
- **Agriculture** – The final results of the *Gu* seasonal assessment will be released in late August, however, the early indications are that overall crop production is expected to be below normal, although it may be better than originally expected. Bay region reports near normal production due to an increase in areas planted. Lower Shabelle will benefit from late and *Hagai* rains, resulting in an off season harvest in Sept. – Oct. Cereal prices are at record levels and are still continuing to rise. Currently, even sorghum is more expensive than rice was in early '07. Consumption of green maize is widespread and expected to continue, due to off season planting. This is benefiting household consumption, but will also reduce overall harvest.
- **Civil Insecurity** – Insecurity is disrupting economic activities and trade, and limiting humanitarian access which is worsening the impact of the food price crisis and drought. Humanitarian access is insufficient to meet the growing humanitarian needs. Killings and abductions of aid workers, increased troop and militia activity, and threats to the humanitarian community make response extremely difficult and has led to the suspension of some operations.
- **Markets** – The Somali shilling continues to devalue at an alarming rate, resulting in increased costs of imported goods, including food items and petrol. The impact of the devaluation is affecting all rural and urban communities.
- **Livestock** – The food security and nutrition situation in the pastoral areas continues to deteriorate. In central regions livestock conditions, productivity and value continue to deteriorate and livestock deaths are reported due to scarcity of grazing and increased disease. Water shortages have led to the evacuation of entire villages, as livestock and households concentrate around permanent water sources. In the south, abnormal migration to the riverine areas is reported. In parts of Togdheer, Sool, Sanaag, and Nugal, a new crisis is emerging due to poor rainfall resulting in abnormal migration and early water trucking.
- **Nutrition** – Findings from 17 nutrition surveys in 2008 indicate deterioration in parts of Bakool and Gedo, where **Very Critical** rates of over 20% acute malnutrition are reported. These **Very Critical** rates are also reported in the IDP populations in Galkahyo and Garowe. A further major area of concern, however, is in the drought affected Central region, where rapid assessments are indicating increasing numbers of acutely malnourished children, further confirmed by the increasing trends in admissions from the feeding centres. These increases are also reflected in the feeding centres in Mogadishu, Wajid and Galkahyo.

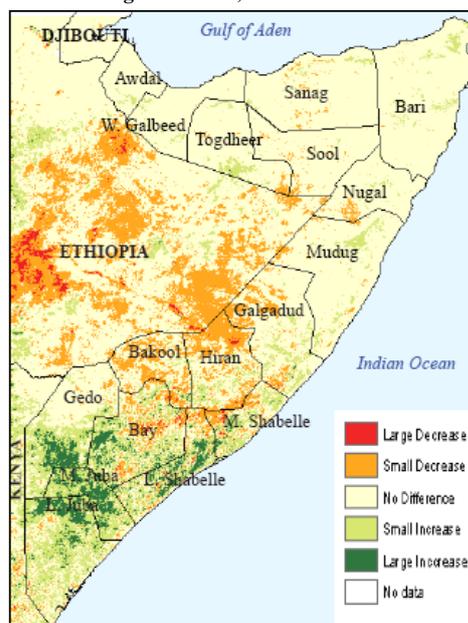
SECTOR ANALYSIS

Map 1: Seasonal Rainfall as a Percentage of Normal (April 1-June 30, '08)



Source: FSAU/FEWS NET

Map 2: NDVI Absolute Difference Compared to Longterm Mean, June '08



CLIMATE

With the exception of pastoral areas in Juba, parts of the Gedo region bordering Kenya, and parts of Bay region, the 2008 *Gu* rainy season started about three weeks late, ended early in late May, and the overall performance was poor. In most of the drought stricken areas of Bakool, Hiran, and central regions, although satellite imagery indicates good amounts of rainfall (due to cloud coverage), field reports confirm that the *Gu* rains generally failed.

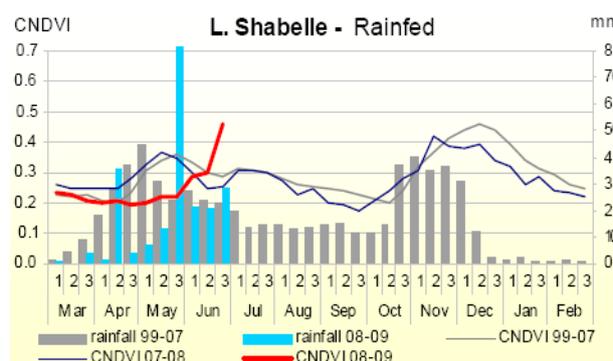
Other areas where the *Gu* rains performed poorly include, key pastoral regions like parts of Sanaag, and Togdheer, Sool and Nugaal regions in the north where serious water and pasture shortages are reported. Exceptions are some pockets of Addun pastoral livelihood zone in central regions, most of Bari region, parts of Nugal, Awdal and Hawd of Hargiesa where *Gu* rains were above normal (Figure 1). In the northwest, though the performance of the *Gu* rains were largely below normal affecting short cycle crop production, the performance of ongoing Karan rains are reported to be exceptionally good, especially in key cropping districts of Gabiley, Hargiesa and Borama

In the south, unusual, sustained, and above normal *Hagai* showers in Juba, parts of Bay and Shabelle regions have significantly improved rangeland resources. In Lower Shabelle, a substantial amount of rains, ranging 20-80 mm, were received for four consecutive dekads (May 20-June 30), and exceptional *Hagai* rains are continuing into July. Though satellite images do not show this, field reports confirm that these rains have improved standing crops, and led to significant increase in area planted to off season maize. The good *Hagai* rains are reflected in the improved vegetation conditions as shown by satellite NDVI (Map 2).

CIVIL INSECURITY

The security situation in many parts of the country, especially in south and central regions, continues to deteriorate. Civil insecurity continues to escalate with increased incidents of abductions, killings, armed conflict, and political tension over the last month. The current insecurity situation is acknowledged to be the worst in the last seventeen years. This level of heightened insecurity is disrupting economic activities and trade, and limiting humanitarian access, which is in turn worsening the impact of the food price crisis and drought. The assassination of a humanitarian

Figure 1. Crop NDVI Lower Shabelle rainfed July 10, 2008



Sources: JRC-MARS

aid workers in Mogadishu, Hiran, Galgaduud, Bay and Lower Juba regions, as well as cases of humanitarian workers being abducted, has increased security risks and made it extremely difficult for humanitarian agencies to operate. Safe humanitarian space is shrinking and some agencies have partially pulled out or down-scaled their activities. Currently, humanitarian access in south central Somalia is insufficient to meet the growing humanitarian needs.

Market access and transportation networks are severely disrupted due to the increased military activities, insecurity and conflicts since early July. There is a notable increase in the number of illegal checkpoints and reported cases of extortion in **Humanitarian Crisis** areas in Hiran and Galgaduud regions, while targeted assassinations of business people is increasing the presence of militia. In Puntland, inter clan conflict is continuing with associated targeted assassinations. As the increased and persistent armed conflict will affect market and trade, staple food prices will remain beyond the reach of poor households. Civil insecurity and sea piracy is also limiting import capacity, internal trade, and humanitarian access.

AGRICULTURE

The FSAU and partner post *Gu* crop survey is still ongoing in Southern Somalia, however, early indications are that although overall cereal production will likely be below normal, following a delayed start, patchy performance of the main *Gu* rains (April to mid-June), and heavy pest damage, it may be better than expected. This is due mainly to average rains received in some areas, such as Juba and Bay region, and to early, sustained, and above normal *Hagai* rains in Juba, and parts of Bay, and Shabelle regions, which improved standing crops and created an opportunity for off season crop farming, especially in riverine areas of Juba and Shabelle regions.

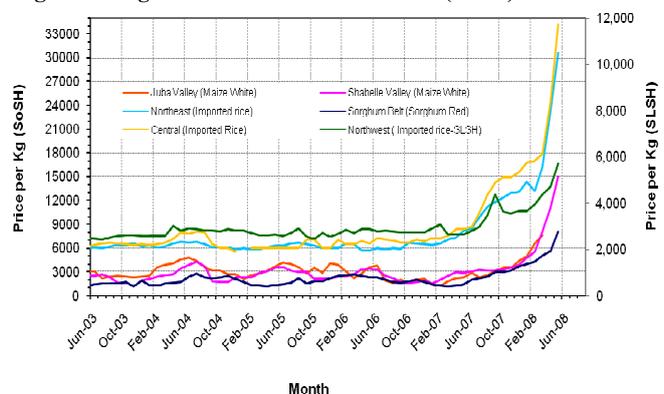
Initial field reports indicate that sorghum production may be near normal in Bay region and in Lower Shabelle's Wanle Weyne district, two areas that generally produce the bulk of sorghum in the south. In response to high cereal prices and increased demand, farmers in Bay region planted larger areas of sorghum than in previous seasons. In addition, urban families from Mogadishu, who fled to rural areas during the *Gu* season, took up agriculture, further increasing the area under cultivation. Although cereal production in Bay is expected to be good, there are reports of considerable bird damage, which will reduce yields.

In the Shabelle region, especially Lower Shabelle, a substantial amount of rainfall, ranging between 20-80 mm, was received for several consecutive dekads (10 day period) in late May and June, prompting riverine and other rain-fed farmers to carry out late planting of maize. This has resulted in an extended planting season and the replanting of earlier failed crops, which has subsequently increased demand for agricultural labour. Due to hunger demands, the consumption of green maize is widespread. In Shabelle, an extended cropping season, which includes maize replanting, will ensure continued green maize consumption over the next two months. The late planted crops will be harvested in late September to early October and are expected to account for the bulk of maize production this season. In the northwest, the production of the short cycle variety of maize was extremely poor in areas of Hargeisa, Gebiley and Borama due to poor *Gu* rainfall. Somaliland's overall sorghum production, expected in Oct./Nov., will depend on the performance of the *Karan* rains from early July.

Local maize and sorghum prices in the south and central regions are continuing to increase, after already hitting record highs (Figure 2). Locally produced sorghum prices have surpassed normal maize price levels, which are now higher than 'normal' prices of the more expensive imported rice.

Prices typically tend to decrease in August as the last of the *Gu* season's cereal harvest are released into the market, however, this is not expected to happen this year. Cereal prices are expected to remain high over the next two months for a number of reasons. There is little to no cereal stocks remaining due to generally poor cereal production during the last several seasons, very high consumption of green maize, and the overlap and extended cropping season means that there will not be a single peak release of harvested cereals into the market. In addition to the overall low local cereal supply, demand for locally produced cereal is abnormally high, due to the high prices of imported cereals. Cereal traders from the Hiraan and central regions have resorted to purchasing cereal directly from villages, while poor households have become dependent on food aid and gifts.

Figure 2: Regional Trends in Cereal Prices (SoSH)



LIVESTOCK

Given the poor and sporadic nature of the 2008 *Gu* rains, rangeland conditions in Somalia's pastoral areas, particularly in the drought stricken Bakool, Hiran, and central regions has continued to deteriorate. In the central regions, livestock conditions are extremely poor, affecting both productivity and value. Information from the field confirms an unusual number of livestock deaths due to hunger and disease caused by drought. The lack of rain during the *Gu*, combined with three consecutive seasons of poor rainfall, has further strained local water sources. The water supply from boreholes can no longer meet demand, and overuse of pumps has resulted in mechanical failure. The cost of fuel for pumps has also increased, as has the cost of water trucking. A 200 litre drum of water can cost anywhere from SoSh 30,000 to 50,000 at a borehole and up to SoSh 100,000 in outlying areas. In order to allow regeneration of pasture for private use, a new policy of land 'closures', or restricting land use by individuals, has been reported in the some areas in central regions. This could lead to an increase in resource-based conflict between clans.

Severe water and pasture shortages have led to a large migration of livestock and people - affecting up to 50% of the rural settlements – who are now concentrating around permanent water sources. Pasture and water sources are unlikely to adequately sustain area pastoralists through October. As the result of deteriorated livestock body conditions, pastoralists do not have saleable export quality animals and therefore will not benefit from the peak livestock marketing periods of Ramadan in October and Hajj in December. Increased food prices and the decrease in the number of marketable animals continues to put pressure on pastoral households' ability to meet the cost of food, fodder, water, and other essential inputs, such as livestock drugs and transportation costs (Figure 3). In the Hiraan and Bakool regions, a lack of water and pasture has forced pastoralists to resort to selling breeding animals in order to meet the high costs of food, fodder and water. By selling breeding animals, pastoralists risk reductions in herd sizes and thereby threaten the very core of their livelihood security.

In northern Gedo there is a large number pastoralists who have migrated from Liban and Afdheer zones of Ethiopia due to drought, which has led to a heavy concentration of livestock in the area and is causing considerable overgrazing. In Middle and Lower Juba regions, although water and pasture conditions are generally good, there is abnormal pastoral migration from the Gedo region which has resulted in significant competition for resources and markets. Early depletion of water sources in the hinterland will also lead to abnormal migration towards riverine areas, which will likely result in conflict between herders and farmers in those areas. Moreover the presence of livestock in tse tse fly infested riverine areas (*gosha*) through the onset of next rainy season in late October will increase the prevalence of livestock diseases resulting in high treatment costs. A new crisis is developing in the some key pastoral area of Sool, Sanaag and Nugal regions in the northeast as water and pasture continues to decline due to poor rainfall. Early water trucking and abnormal migration towards boreholes is reported in these areas. Despite an increase in livestock exports and higher prices since last June, this will not offset the increased costs of food, fodder and water. For instance in Burao, the terms of trade between cereal and goat declined from 47kg of cereal per head of goat in June '07 to 22kg/head in June '08. Similarly, camel prices declined from US\$319/head to US\$207/head.

MARKETS AND TRADE

The continued devaluation of the Somali shilling has greatly impacted all population groups in south, central and northeast regions, where the Somali shilling is the main currency causing a significant increase in imported commodity prices. Since January '07, the average exchange rate of Somali shilling per USD for the Sorghum Belt, Shabelle, Juba, northwest, and central regions has increased from SoSh 13,629 to SoSh 35,477, an increase of 160% (Figure 4). Just in Mogadishu's Bakaara market alone, the exchange rate increased 42% from SoSh 22,725 per USD in January '08 to SoSh 32,240 per USD in June. Other markets using the Somali shilling have also reported similar levels of depreciation.

Figure 3: Regional Trends in terms of trade Cereal to goat

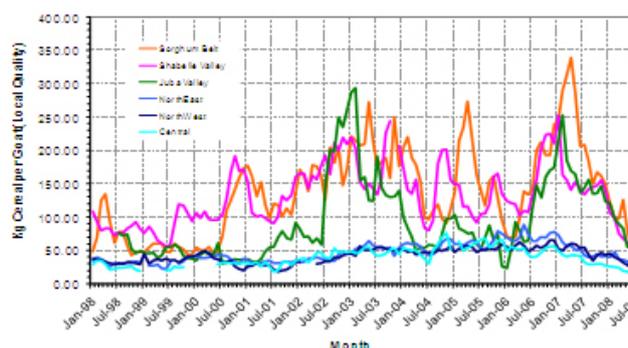
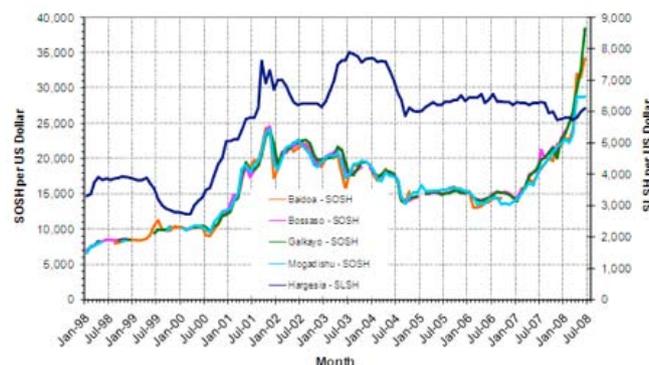
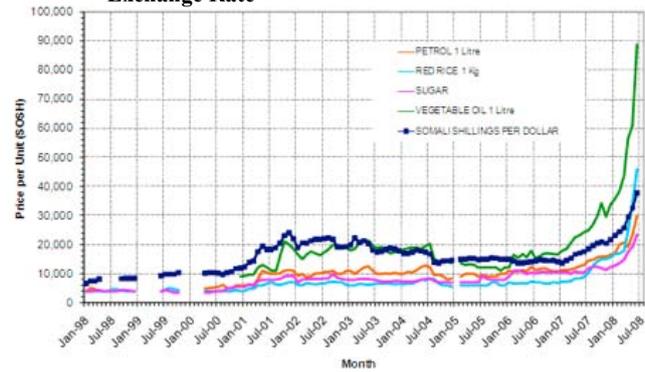


Figure 4: Monthly Exchange Rates - SOSH and SLSH to USD



As a result of the depreciation of the Somali Shilling, as well as high global food and fuel prices, imported commodity prices have increased dramatically. Rice has seen one of the highest increases with average prices for the northwest, central and southern regions increasing over 200% from SoSh 14,570/kg in Jan '08 to SoSh 43,770 in June. Even in Somaliland, where the main currency is Somaliland Shilling and where market prices are typically more stable, increases in rice prices have been remarkably high, with an 85% increase from January '08 to June (see FSAU Market Data Update, July '08). Also significant is the rise in petrol prices. In the central regions, fuel prices increased from SoSh 16,250/litre in January '08 to 30,000 in last month, a 77% increase. The dramatic rise in petrol prices is worsening the impact of the drought in central regions by significantly increasing water and food prices (Figure 5). Similarly, the knock on effects associated with higher transportation costs is negatively affecting all regions, leading to further price increases in other commodities. All imported commodity prices have increased significantly over the past year, including basic food items like vegetable oil and sugar (FSAU Market Data Update, July '08).

Figure 5: Central: Imported Commodity Prices Compared to Exchange Rate



NUTRITION

Findings from recent nutrition assessments indicate sustained **Critical** rates of acute malnutrition throughout South Central and IDP populations in northeastern regions of Somalia. Of the 17 detailed nutrition assessments conducted this year, 11 reported rates of acute malnutrition above 15% the emergency threshold, of which 6 have reported rates above 20% (Gedo and Bakool regions and with IDP populations in Galkahyo and Garowe). These figures continue to highlight the nutritional vulnerability of the population, particularly the IDPs. Even in areas with rates below 15%, severe acute malnutrition and mortality rates are still elevated (Adale district in Middle Shabelle and Shabelle Riverine).

When compared to the most recent assessments conducted, most areas did not indicate a significant change, with the exception of Bakool, where surveys conducted in Wajid by ACF and in El Berde by FSAU/IMC revealed a significant deterioration. Other issues of concern are the low levels of measles vaccination among the assessed population, limited access to protected water sources, and the lack of sanitation facilities and health services. All of these factors reduce the nutritional resilience of the population to further shocks.

The impact of increased food prices is also reflected in the increasing numbers of severely malnourished children in the main urban settings of Mogadishu, Afgooye, Wajid, Galkahyo, Belet Weyne and Baidoa. ACF, a French NGO that manages feeding centres in Wajid and Mogadishu, reported sharp increases in admissions of severely malnourished children in the last 3 months in all 3 locations. The greatest concern, however, is in Dusamareb, Galgaduud region, where feeding centres for severely malnourished children, also managed by ACF, have more than doubled the caseload in the last three months. This is a further indication of the crisis as a result of the severe drought in central regions. The trends of increasing numbers of severely malnourished children, however, is not consistent in all parts of South Central, where stable admission levels are reported in Juba and the rural parts of Bay region, areas where the food security indicators are more positive. The biggest concern now, is the shrinking humanitarian space for aid agencies to access the worst affected areas. Treatment of severely malnourished children requires specialist medical care, but the ability of aid agencies to provide this care is diminishing rapidly, thus increasing the risk of mortality for these children.

Recent and forthcoming publications and releases

- FSAU/FEWSNET Market Data Update, July 2008
- FSAU/FEWSNET Climate Data Update, July 2008
- FSAU Nutrition Update, May - June, 2008
- FSAU Technical Series Report, Post Deyr '07/08 Analysis, March 2008

NOTE: The above publications and releases are available on the FSAU website: www.fsasomali.org

