

Climate

Markets

Nutrition

Agriculture

Livestock

Civil
Insecurity

Emerging
Regional
Issues

This special FSAU brief provides a summary of the key findings of the post *Gu* '08 Assessment and Analysis, which are the results of fieldwork (July 4- 22), regional and national analysis workshops (July 23 – Aug. 13) and a Technical Verification and Partner Vetting Meetings (Nutrition Aug. 13, and Food Security Aug. 20). FEWS NET Somalia along with 55 partners, including regional authorities, UN and international agencies and local and international NGOs participated and supported in this post *Gu* assessment and analysis process.

FSAU presented these results in Nairobi at a Somalia Support Secretariat Special Meeting on August 22 and issued a Press release on August 26. Somalia regional presentations were given in Garowe (August 24 and 28), Hargeisa (September 1), Baidoa (September 3), and Dolow (September 6). The press release and presentation, in addition to the Phase Classification Map, estimated population numbers by region, district, and livelihood zone, are available on the FSAU Website.

KEY FINDINGS

The findings of the FSAU, FEWSNET and partner post *Gu* '08 seasonal assessment confirm earlier reports (April '08 and June '08) that the humanitarian crisis is continuing to deteriorate and at an accelerated rate. The current assessment estimates that 3.25 million people, representing 43% of the total population of Somalia, will need humanitarian assistance at least until the end of the year, which is a 77% increase since January 2008. The dramatic increase in the number of people in need of assistance is attributed to a growing urban food security crisis, affecting more than 705,000 urban poor, and a deepening rural crisis reflected by a 64% increase in the rural population in crisis, from 850,000 earlier this year to more than 1,395,000 currently. In addition, the number of people displaced by conflict is continuing to increase and is now estimated at 870,000 (Table 1 and Map 1).

The unfolding humanitarian disaster is widespread and the level of human suffering and deprivation is shocking. One in six children under the age of five is acutely malnourished, and the number is continuing to increase. Rates of malnutrition in most of southern and central Somalia are above emergency threshold levels of 15% and in many areas are now greater than 20% and increasing. The number of severely malnourished children is continuing to increase in many urban towns and among internally displaced populations (IDPs). In the north, where malnutrition rates are normally low and stable, the nutrition situation is also now deteriorating.

One of the main driving factors of the crisis is the escalating civil insecurity, which is not only leading to human suffering in terms of killings, violence, human rights abuses, and population displacement, but is creating an economic crisis that is now having a wider and more devastating impact on the broader population and humanitarian situation. The impact of the worsening economic crisis, characterized by currency devaluation, disrupted trade and market activities, and hyperinflation of basic food and nonfood items, is further compounded by the overall poor performance of the *Gu* rains, which has resulted in below normal local cereal production and a deepening drought and water crisis in pastoral areas. Although *Gu* cereal production in Bay and parts of the Shabelle regions is expected to help mitigate food access constraints for rural communities in these areas, the overall impact on food prices will be insignificant. 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 increasingly difficult through December this year.

The four key defining elements of the current crisis are:

- **Deepening Drought and Humanitarian Emergency in Central, Hiran and Bakool Regions:** The number of rural people in **Humanitarian Emergency (HE) and Acute Food and Livelihood Crisis (AFLC)** continues to increase in these drought stricken areas, now estimated at **605,000 people**. This deterioration is due to another rain failure, now the fourth consecutive season, combined with hyperinflation of basic food and nonfood items, including water. This is confirmed by recent nutrition reports that indicate a doubling in the caseload of severely malnourished children in ACF feeding centres in Galgadud, a *Critical* and still deteriorating nutrition situation in the central regions and a deterioration from a *Critical* to *Very Critical* nutrition situation in the Bakool region (Map 9).

The drought is the worst the region has experienced in decades and is characterized by severe water and pasture shortages, large abnormal migrations of people and livestock to areas with permanent water sources, poor livestock body conditions, productivity and value, increased deaths of pack animals and small ruminants, sales of breeding animals; high and over-extended debt levels, and overall decreased

FSAU - Somalia
Box 1230, Village
Market,
Nairobi, Kenya

Tel: +254 20 374 5734
Fax: +254 20 374 0598
email:
fsauinfo@fsau.or.ke
www.fsausomali.org

food access. The next rains are not expected before mid-October and food prices are continuing to increase therefore, the situation will continue to deteriorate, and humanitarian and livelihood support interventions are critical.

- Growing Urban Food Security Crisis:** Somalia is facing a new emerging urban food security crisis due to sustained hyperinflation of food and non-food prices. Food prices, both local and imported, are at record levels, having increased up to 340% within the last six months and 700% within the last year. Prices are still increasing and this trend is likely to continue. More and more urban households are falling into **Acute Food and Livelihood Crisis (AFLC)** and **Humanitarian Emergency (HE)**, as they cannot cope with the sustained increases in food prices, which are significantly eroding their purchasing power. Currently, it is estimated that more than **705,000** urban people are either in **AFLC** (565,000) or **HE** (140,000), a 22% increase compared to estimates in April '08. Most or 88% of these are poor urban households, with the largest concentration of urban population in crisis in the south (53%), followed by the northwest (20%), northeast (18%) and central regions (9%). The urban poor classified in **Humanitarian Emergency (HE)** are largely concentrated in the main urban centres of Afgoi, Mogadishu, Dhusamareb, Las Anod, Bossaso, Erigavo, and Burao (Table 3). Many of the urban poor are now severely indebted and are adopting extreme coping strategies, including skipping meals, begging, selling of assets, and migrating to camps for support ('keenan').
- Concentration of People in Crisis in the Shabelle Regions:** The Shabelle regions (Lower and Middle Shabelle) remain the worst affected in the current humanitarian crisis. The total number of people in crisis, including rural, urban, and IDPs in the Shabelle regions including Mogadishu, is estimated at **1.08 million** people, which represents a 62% increase from January '08. The rural population in **Acute Food and Livelihood Crisis (AFLC)** and **Humanitarian Emergency (HE)** is estimated at 475,000, while the urban is estimated at 110,000. In addition, these two regions are also hosting the largest concentration of new IDPs from Mogadishu, totaling more than 495,000 people.

Table 1: Somalia Combined Rural, Urban and IDP Population Numbers, July - Dec. 2008

Region	UNDP 2005 Total Population ¹	UNDP 2005 Urban Population ¹	UNDP 2005 Rural Population	Urban in Acute Food and Livelihood Crisis (AFLC) ²	Rural in Acute Food and Livelihood Crisis (AFLC) ²	Urban in Humanitarian Emergency (HE) ²	Rural in Humanitarian Emergency (HE) ²	Total in AFLC and HE as % of Total population
North								
Awdal	305,455	110,942	194,513	10,000	5,000	0	0	5
Woqooyi Galbeed	700,345	490,432	209,913	10,000	20,000	0	0	4
Togdheer	402,295	123,402	278,893	55,000	50,000	20,000	0	31
Sanaag	270,367	56,079	214,288	20,000	30,000	5,000	0	20
Sool	150,277	39,134	111,143	15,000	20,000	5,000	0	27
Bari ³	367,638	179,633	202,737	80,000	0	25,000	0	29
Nugaal	145,341	54,749	75,860	25,000	10,000	0	0	24
Sub-total	2,341,718	1,054,371	1,287,347	215,000	135,000	55,000	0	17
Central								
Mudug	350,099	94,405	255,694	30,000	50,000	0	55,000	39
Galgaduud	330,057	58,977	271,080	15,000	60,000	10,000	115,000	61
Sub-total	680,156	153,382	526,774	45,000	110,000	10,000	170,000	49
South								
Hiraan	329,811	69,113	260,698	20,000	65,000	5,000	115,000	62
Shabelle Dhexe (Middle)	514,901	95,831	419,070	30,000	100,000	0	150,000	54
Shabelle Hoose (Lower)	850,651	172,714	677,937	65,000	125,000	15,000	100,000	36
Bakool	310,627	61,438	249,189	25,000	65,000	0	80,000	55
Bay	620,562	126,813	493,749	35,000	15,000	0	0	8
Gedo	328,378	81,302	247,076	30,000	80,000	0	20,000	40
Juba Dhexe (Middle)	238,877	54,739	184,138	25,000	35,000	0	5,000	27
Juba Hoose (Lower)	385,790	124,682	261,108	45,000	25,000	0	0	18
Sub-total	3,579,597	786,632	2,792,965	275,000	510,000	20,000	470,000	36
Banadir	901,183	901,183	-	30,000	-	55,000	-	9
Grand Total	7,502,654	2,895,568	4,607,086	565,000	755,000	140,000	640,000	28

Assessed and Contingency Population in AFLC and HE	Number affected	% of Total population	Distribution of populations in crisis
Assessed Urban population in AFLC and HE	705,000	9⁵	22%
Assessed Rural population in AFLC and HE	1,395,000	19⁵	43%
Estimated number of new IDPs-updated August 1st	870,000⁴	12⁵	27%
Estimated number of protracted IDPs	275,000	4⁵	8%
Estimated Rural, Urban and IDP population in crisis	3,245,000	43⁵	100%

1 Source: Population Estimates by Region/District, UNDP Somalia, August 1, 2005. FSAU does not round these population estimates as they are the official estimates provided by UNDP

2 Estimated numbers are rounded to the nearest five thousand, based on resident population not considering current or anticipated migration, and are inclusive of population in High Risk of AFLC or HE for purposes of planning

3 Dan Gorayo is included within Bari Region following precedent set in population data prior to UNDP/WHO 2005

4 Source UN-OCHA/UNHCR: New IDP updated August 1, 2008 (868,160) rounded to the nearest 5,000. Protracted IDP revised from UN-OCHA/UNHCR estimate (previously 400,000) following the new IDP movement which included protracted IDP (February 2008)

5 Percent of total population of Somalia estimated at 7,502,654 (UNDP/WHO 2005)

The Shabelle regions also have the highest caseload of acutely and severely malnourished children in Somalia, estimated at 34% and 38% respectively. The deterioration in the situation is due to the combined impact of delayed and poor *Gu* '08 rains, another season of below average crop production, exhausted rangeland conditions, persistent hyperinflation of food and nonfood commodity prices, reduced purchasing power, disrupted market and trade activities, and high levels of population influx and displacement due to escalating conflict.

- **Emerging Pastoral Livelihood Crisis in the North:** There is an emerging **Acute Food and Livelihood Crisis (AFLC)** in the north as pastoralists struggle to cope with another season of below normal rainfall, deteriorated water and pasture conditions and soaring water and food prices. To cope, pastoralists are selling more animals, splitting families and migrating with their livestock to areas where water and pasture is available. As a result, an estimated 125,000 pastoralists are in **AFLC** in the Hawd, Sool Plateau, Kakaar-Dharor, and Nugaal Valley livelihood zones. Depending on the outcome of the *Deyr* rains (Oct. – Nov.) and the rate of food and water prices increases in the coming months, there is a moderate risk that some of these households may fall into **HE** before the end of the year.

IMPLICATIONS FOR RESPONSE

1. **Actions to increase humanitarian space to ensure that the growing number of people in need receive assistance.**

2. **Rural Populations in Crisis in the South-Central**

In Humanitarian Emergency (HE): Scale-up of integrated emergency humanitarian assistance to save lives, especially in drought-affected areas (central, Hiran and Bakool regions), as well as in the Lower and Middle Shabelle regions, where the largest concentration of people in need of assistance is located. Of the total rural population in **HE** (640,000), 85% are in three areas of Lower and Middle Shabelle (250,000), Central (170,000), and Hiran (115,000), of which most are agro-pastoralists (55%) and pastoralists (31%) (Table 2). **HE** response strategies include:

- Balanced food aid rations; safe/clean water and protection of water sources; health and hygiene promotion; establishment of additional selective feeding centres and shelters for IDPs; immunization campaigns; and deployment of mobile clinics.
- Livelihood protection and support is also critical for these households to restore their ability to cope and recover (see opportunities for livelihood support below).

In Acute Food and Livelihood Crisis (AFLC): Scale-up integrated emergency livelihood support to agro-pastoralists and pastoralists in the south and central regions to protect and prevent the total loss of livelihood assets, particularly in the worst drought-affected regions of Central, Bakool and Hiran. The most severe livelihood crisis areas are in central, Hiran and Bakool (240,000 or 32% of rural population in crisis). Other livelihood crisis areas of agro-pastoralists and agriculturalists are in the Shabelles (225,000), Gedo (80,000), Juba (60,000), and Bay (15,000). **AFLC** response strategies include:

- Pastoralist and Agro-pastoralist Livelihoods: Support to improve livestock water supply and to reduce water prices, including rehabilitation of water points; maintenance and repair of boreholes; allocation of back-up generators for boreholes; fuel subsidies, and water trucking. Other livelihood support measures include livestock health interventions, debt relief and the purchase of weak animals at fair prices, with redistribution of meat to the poorest households.
- Agro-pastoralists and Riverine Livelihoods (Hiran/L. & M. Shabelle/Gedo/Juba): Increase access to crop production inputs in preparation for *Deyr* '08/09 seasonal planting (input subsidies for seeds, tools, traction, and fuel pump irrigation). Other livelihood support includes micro-finance; improved storage facilities; alternative non-agricultural income-generating activities; cash aid (cash for work); food aid interventions (food for work, food for assets, school feeding); support to small scale irrigation schemes; and repair of river embankments, culverts and canals.

Table 2: Somalia Distribution of Rural Population in Crisis

Livelihood system	Estimated Population of Affected Livelihood Zones	Acute Food and Livelihood Crisis (AFLC)	Humanitarian Emergency (HE)	Total in AFLC & HE	% of Total in AFLC & HE
Agro-Pastoral	1,889,027	320,000	350,000	670,000	48
Fishing	10,689	0	0	0	0
Pastoral	2,340,538	330,000	200,000	530,000	38
Riverine	366,833	105,000	90,000	195,000	14
Grand Total	4,607,086	755,000	640,000	1,395,000	100

Zone	UNDP 2005 Total Population	UNDP 2005 Rural Population	Acute Food and Livelihood Crisis (AFLC)	Humanitarian Emergency (HE)	Total in AFLC & HE	% of Total in AFLC & HE
Central	680,156	526,774	110,000	170,000	280,000	20
North East	1,213,324	488,510	10,000	0	10,000	1
South	4,480,780	2,792,965	510,000	470,000	980,000	70
North West	1,128,394	798,837	125,000	0	125,000	9
Grand Total	7,502,654	4,607,086	755,000	640,000	1,395,000	100

- All Livelihoods: Parallel interventions to rehabilitate water sources for human consumption; health and hygiene education; immunization campaigns; school feeding; waivers for school fees; the establishment of selective feeding centres, where acute malnutrition rates are high; and support for local health services and mobile clinics.

3. Rural Populations in Crisis in the North

In Acute Food and Livelihood Crisis (AFLC): Livelihood support interventions for pastoralists in newly developing **AFLC areas**, including the Hawd of Togdheer and Hargeisa, Nugal Valley and Sool Plateau. Of the total rural population in **AFLC** crisis, 135,000 or 18% are in northeast and northwest, consisting mostly of pastoralists and some agro-pastoralists. Response opportunities include:

- Livelihood support interventions needed include debt relief; access to credit and credit support services; protection of productive assets including livestock (water, feed, health) and rangelands (control degradation, charcoal burning); cash/food for work (focused on building assets and infrastructure); veterinary interventions; and the conservation and preservation of feed.
- Increase value-adding processes (carcass meat, skins); and input vouchers (supporting livestock, seeds, tools, veterinary drugs, fertilizers)
- Improve rural infrastructure (roads and markets) for livestock and other livelihood assets (frankincense, gums); and targeted social safety nets (cash transfer, voucher, school meals)
- Parallel interventions to rehabilitate water sources for human consumption; distribution of ORS; health and hygiene education; immunization campaigns; establishment of selective feeding centres, where acute malnutrition rates are high; and support to local health services/mobile clinics are also needed to alleviate critical levels of acute malnutrition.

4. Urban Populations in Crisis

In Humanitarian Emergency (HE): Initiate integrated emergency humanitarian assistance for the urban poor (140,000) located in main urban centres of Burao, Erigavo, Las Anood, Bossasso, Dhusamareb, Belet weyne, Afgoi and Mogadishu. Opportunities for response include:

- Balanced food aid rations, support to local health centres, immunization campaigns, establishment of selective feeding centres and local hospitals in key crisis areas, public health campaigns on health and hygiene, safe clean water and protection of water sources with distribution of water containers where appropriate.
- Livelihood protection and support is also critical for these urban households to help restore their ability to cope and recover (see opportunities for livelihood support below).

In Acute Food and Livelihood Crisis (AFLC): Emergency livelihood support is needed for the poor urban populations that are unable to cope with soaring food prices and declining purchasing power. The largest concentration of urban populations in **AFLC** is in the south (300,000 or 53%), followed by the north (215,000 or 38% in northeast and northwest), the majority of which are 'poor' households (88%). The urban population in **AFLC** (565,000) is almost as high as the number of rural people in **AFLC** (755,000). Strategies for response include:

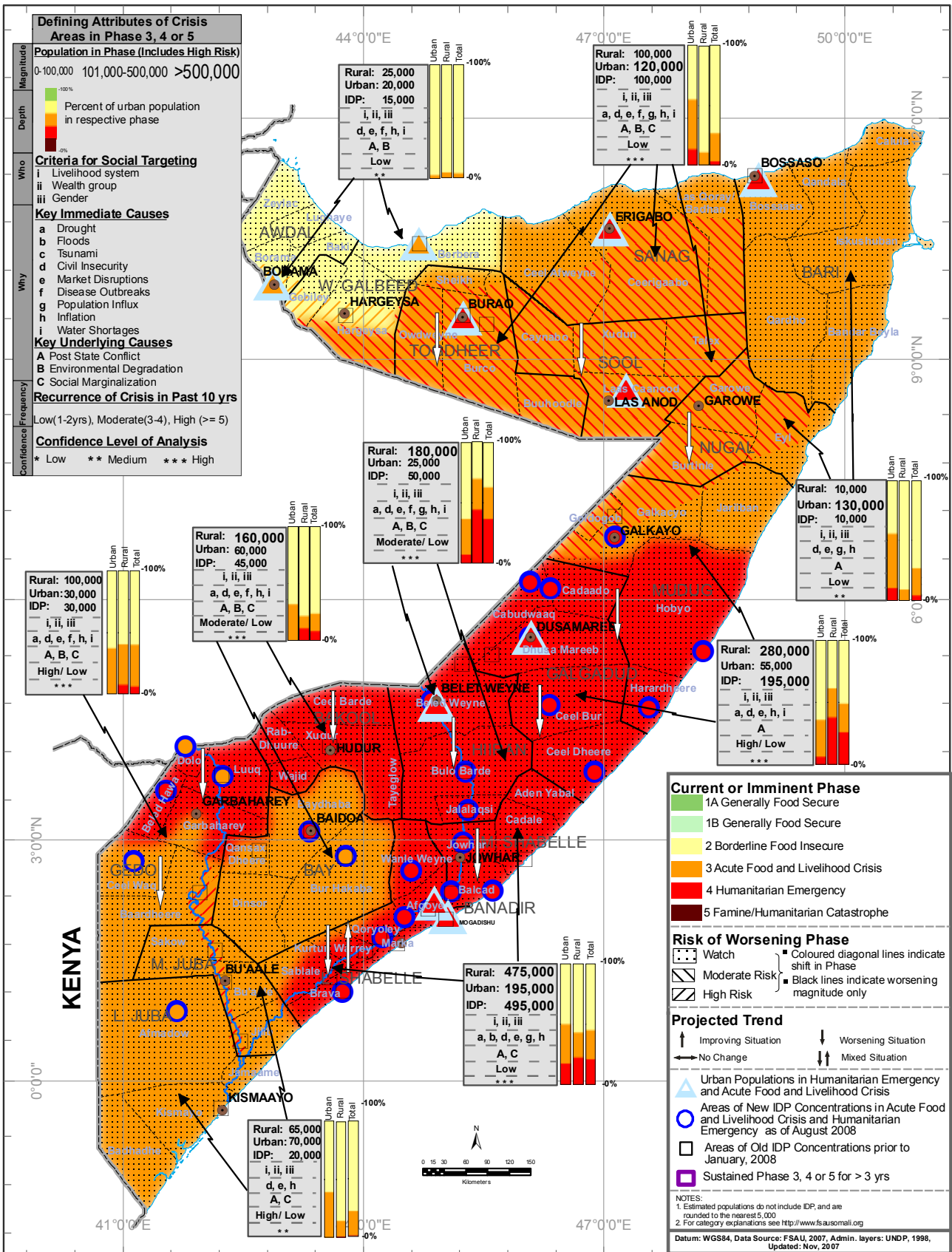
- Public work programmes for cash transfers (cash vouchers, cash for work); increased safety net programmes; improved social services; educational support (school feeding, take-home rations, waivers for school fees); micro-finance of agricultural projects and other training programmes; food for work programmes; supplementary feeding through health clinics; subsidized basic services (rent, electricity, water, transport); and debt relief.
- Parallel interventions to rehabilitate water sources for human consumption; distribution of ORS; health and hygiene education; immunization campaigns; establishment of selective feeding centres, where acute malnutrition rates are high; and support for local health services or mobile clinics.

Table 3: Somalia Distribution of Urban Population in Crisis

Zone	UNDP 2005 Total Population	UNDP 2005 Urban Population	Acute Food and Livelihood Crisis (AFLC)	Humanitarian Emergency (HE)	Total in AFLC & HE	% of Total in AFLC & HE
Central	680,156	153,382	50,000	10,000	60,000	9
North	512,979	234,382	105,000	25,000	130,000	18
South	4,480,780	1,687,815	300,000	75,000	375,000	53
North West	1,828,739	819,989	110,000	30,000	140,000	20
Grand Total	7,502,654	2,895,568	565,000	140,000	705,000	100

	Acute Food and Livelihood Crisis (AFLC)	Humanitarian Emergency (HE)	Total in AFLC & HE	% of Total in AFLC & HE
Poor	480,000	140,000	620,000	88
Middle	85,000	0	85,000	12
Better-off	0	0	0	0
Grand Total	565,000	140,000	705,000	100

**Map 1: SOMALIA INTEGRATED PHASE CLASSIFICATION MAP,
Rural, Urban and IDP Populations, Projections July - December '08**



integrated phase classification map

Food Security Analysis Unit - Somalia <http://www.fsausomali.org>

P.O. Box 1230 Village Market, Nairobi, Kenya Email: fsauiinfo@fsau.or.ke
Tel: 254-20-3745734 fax: 254-20-3740598
FSAU is managed by FAO.

The boundaries and names on these maps do not imply official endorsement or acceptance by the United Nations.
The regional & District boundaries reflect those endorsed by the Government of the Republic of Somalia in 1986.



SOMALIA'S URBAN FOOD SECURITY CRISIS

In March '08, FSAU conducted its first *Rapid Emergency Urban Food Security Assessment* to measure hyperinflation in Somalia's markets and to ascertain its impact upon urban populations, particularly the urban poor (See results in FSAU FSNB, May 9, 2008). In June '08, FSAU once again conducted a rapid urban assessment to determine whether food access for urban populations had further deteriorated due to the ongoing hyperinflation. In addition, in order to test the representativeness of the March results, FSAU expanded its sample size for the June assessment from 29 urban and rural towns to a total of 51 towns.

To determine if the urban poor are coping with the hyperinflation, FSAU developed a minimum expenditure basket; calculated the cost of that basket (CMB) for each town for three periods (Mar. '07, Mar. '08 and June '08); and then collected information on actual household expenditure and income patterns, examining how both of these also changed over three periods. This analysis was then cross-referenced with other Integrated Food Security Phase Classification (IPC) reference outcome indicators to determine an IPC for Somalia's urban populations. These indicators included the overall nutrition situation of urban populations, which includes current MUAC values and dietary diversity, disease prevalence, number of population displaced, the IPC of surrounding rural populations and the security situation.

To measure price inflation, FSAU developed a minimum basket, consisting of essential basic food items such as sorghum, vegetable oil and sugar (comprising 2100k/cal/pp/d for a household of 6-7 for one month) and basic non-food items (i.e. water, kerosene, firewood), with slight variations to account for differences in expenditure

patterns between regions and between urban and rural towns (Table 4). It then assessed the cost of the minimum basket (CMB) for each town surveyed during the three periods (Mar. '07, Mar. '08 and the expanded sample in June '08), using FSAU/FEWSNET main market/SLIMS data to confirm survey price data.

Table 4: Minimum Basket

MINIMUM BASKET	SOUTH		CENTRAL/NORTH	
	Minimum Food			
Cereal	Urban Town	Rural Town	Urban Town	Rural Town
Sorghum	95kg	95kg	95kg	95kg
Wheat Flour	3.75kg	3.75kg	3.75kg	3.75kg
Sugar	5kg	5kg	5kg	5kg
Vegetable Oil	4Lt	3Lt	4Lt	3Lt
Milk	15Lt	x	20Lt	x
Meat	4kg	2kg	10kg	5kg
Tea Leaves	0.5kg	0.5kg	0.5kg	0.5kg
Salt	1.5kg	1.5kg	1.5kg	1.5kg
Cowpeas	6kg	x	4.0kg	x
	Minimum Non-Food			
Kerosene	1.5Lt	1.5Lt	1.5Lt	1.5Lt
Soap (Laundry Bar)	4pcs	4pcs	4pcs	4pcs
Firewood	30	x	10	x
Water (Jerican 20Lt)	5	5	5	5
Human Drugs	20,000	10,000	20,000	10,000
School Fees	1	1	1	1
Grinding Cost	30kg	30kg	9kg	13kg
Clothes	30,000	30,000	30,000	30,000
Social Tax	12,500	12,500	12,500	12,500
Other (Specify)	30,000	30,000	30,000	30,000

Figure 1: Total Cost of Minimum Expenditure Basket for Rural Towns (March '07, March '08 and June '08)

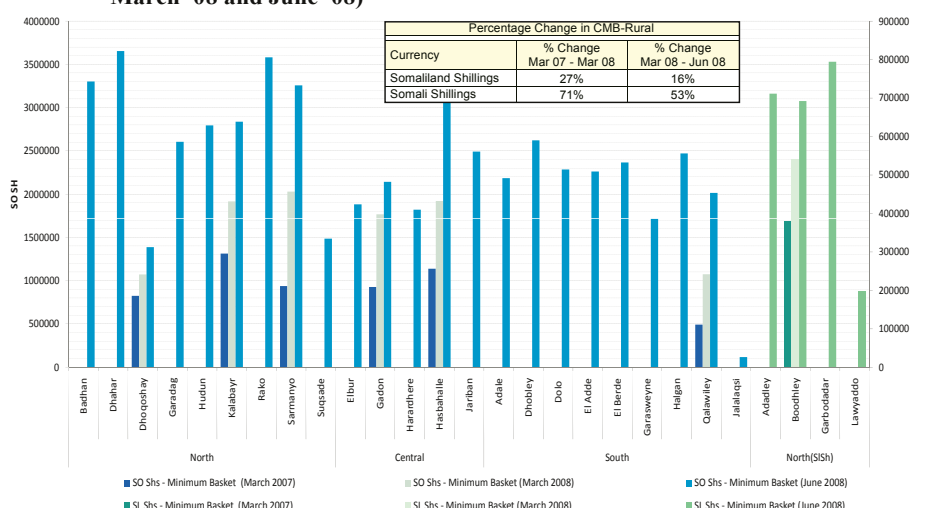
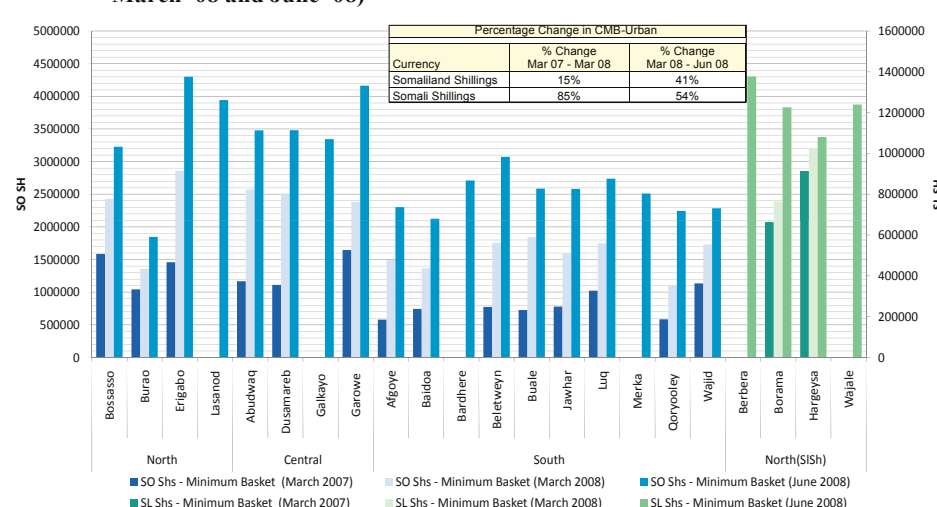


Figure 2: Total Cost of Minimum Expenditure Basket for Urban Towns (March '07, March '08 and June '08)



The analysis indicates significant increases in the cost of the minimum basket (CMB) over the three periods. In one year, from Mar. '07 to Mar. '08, the average CMB increase was 85% for urban towns and 71% for rural towns, with the exception of the northwest (Figure 1 and 2). The significant increases in the CMB during this period were mostly attributed to large increases in the price of sorghum in most areas. Because sorghum constitutes the largest proportion of the minimum basket, any fluctuations in its price will considerably affect the total CMB. In just over a three month period, from Mar. '08 to June '08, similar dramatic increases in the CMB were observed, once again due mostly to significant increases in sorghum prices. In the northeastern, central and southern regions, the average CMB increase from Mar '08 to June '08 was 53% (urban and rural towns), with the largest increases occurring in urban towns. The highest CMB increases occurred in the urban towns of Qoryoley (105%), Beletweyne (75%) and Garowe (75%); and in the rural towns of Qaliwiley (87%) and Hasbahalle (63%). Even in the northwest, where it is generally more stable, there were increases in the CMB, particularly in the towns of Boroma and Boodhley. The average increase in the CMB for the northwest for both urban and rural towns was 29%. In some cases, there was significant variability in the CMB between towns in the same region. Again, this was due mostly to variations in the price of sorghum between those towns.

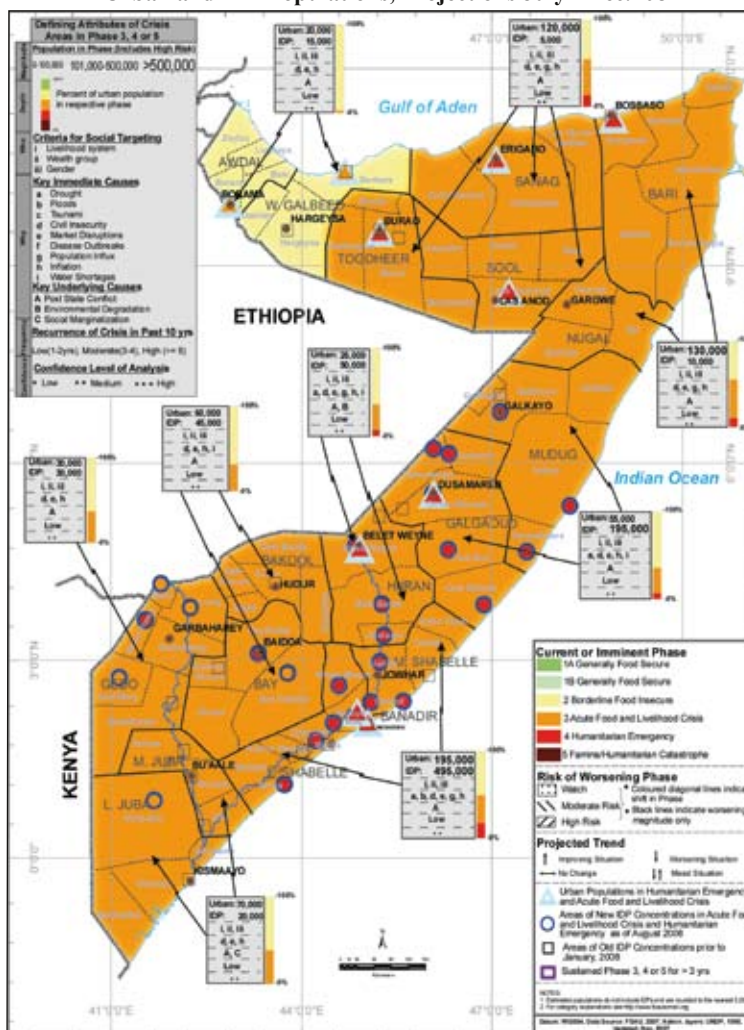
From Mar. '07 to Mar. '08, there was a larger average increase in the CMB in urban towns (85%) than in rural towns (71%); however, from Mar. '08 to June '08, this difference completely diminished, as an average CMB increase of about 53% was recorded for both, indicating similar levels of hyperinflation between urban and rural towns. In addition, the average monthly rate of increase in the CMB more than doubled between the two periods. From Mar. '07 to Mar. '08, the average monthly rate of increase in the CMB for urban towns was 7% and for rural towns, 6%; however, from Mar. '08 to June '08, the average monthly rate for both urban and rural towns was 18%, which further demonstrates the extent of the hyperinflation in Somalia.

As part of its urban analysis, FSAU used average income levels of poor households to calculate minimum basket expenditure gaps (the amount of the minimum basket households are unable to afford) for each town. Although FSAU is still in the process of developing its methodology, the June '08 expenditure gap analysis revealed a significant decline in purchasing power for the urban poor in the northern regions of Sool, Sanaag and Bari, the central region of Galgudud and in the Gedo and Shabelle regions. The highest expenditure gaps were recorded in Lasanod, Erigavo, Abudwaq and Afgoi, indicating a serious inability on the part of the urban poor to cope with the hyperinflation within these areas.

Using a combination of expenditure gap analysis, MUAC values and other field information and trends, FSAU developed an urban IPC. Indicators revealed that the food security situation for urban populations had deteriorated since Mar. '08. The total number of the urban population currently in **Acute Food and Livelihood Crisis (AFLC)** and **Humanitarian Emergency (HE)** is 705,000, a 22% increase when compared to April '08 estimates. The largest concentration of urban population in crisis is found in the south (53%); followed by the northwest (20%); northeast (18%); and central regions (8%). Eighty-eight percent of the total number of urban people in crisis is poor, with 480,000 urban poor in **AFLC** and 140,000 in **HE**. The towns which have the highest number of urban poor in **HE** and the highest MUAC values are Burao, Erigavo, Lasanod, Bossasso, Dhusamareb, Belet Weyne, Afgoi and Mogadishu.

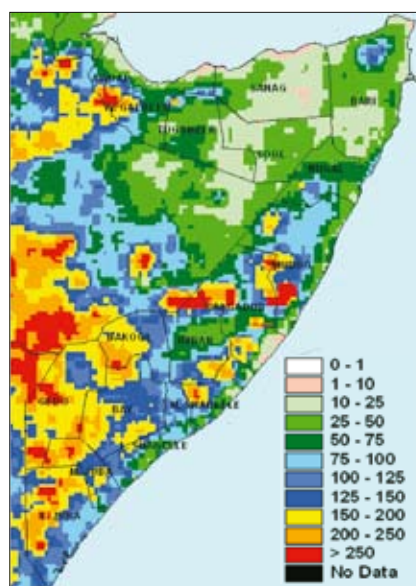
Overall, the urban analysis revealed that although the urban poor have employed various coping mechanisms to contend with the hyperinflation including reducing quantities purchased, switching to cheaper cereals, skipping meals, selling essential livelihood assets and seeking additional remittances, food aid and gifts, many are still unable to meet their basic food needs. In addition, many now find themselves severely indebted, leaving them significantly vulnerable to any future food price increases. The growing urban food security crisis in Somalia is likely to worsen over the coming months, making it more difficult for the urban poor to cope. FSAU will continue to monitor the impact of hyperinflation upon urban populations on a quarterly basis.

Map 2: SOMALIA INTEGRATED PHASE CLASSIFICATION MAP, Urban and IDP Populations, Projections July - Dec. '08

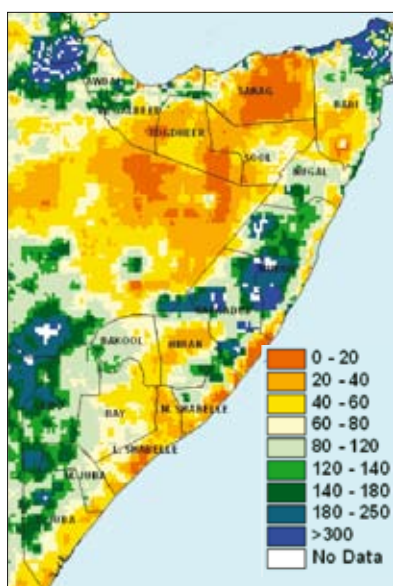


SECTOR HIGHLIGHTS

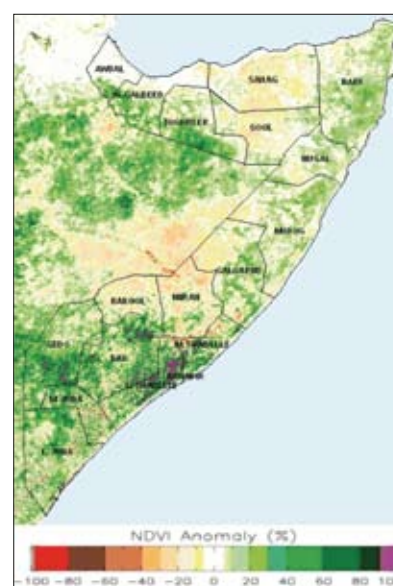
Map 3: Cumulative Rainfall (mm) Apr 1-June 30, 2008



Map 4: Percent of normal rainfall (April 1-June 30, 2008)



Map 5: NDVI anomaly for June 2008



Sources: FEWS NET, NOAA, CPC

CLIMATE

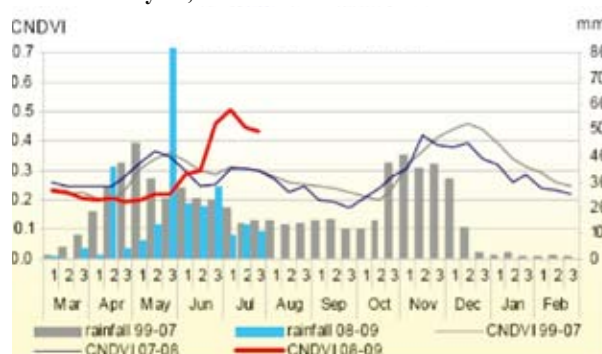
The overall performance of the *Gu* 2008 rains, in terms of spatial and temporal distribution and intensity, were mostly below normal, negatively affecting crop and rangeland conditions for most parts of the country (Map 3 and 4). The onset of the *Gu* rains was delayed about three weeks in the south and central regions, with the exception of pastoral areas in the Juba regions, parts of Gedo region bordering Kenya and parts of the Bay region. In addition, the *Gu* rainy season also ended early in late May. The Middle Shabelle, Bakool, Hiran and central regions were especially affected by the late start and poor performance of the *Gu* rains.

Although satellite imagery indicates good amounts of rainfall (due to cloud coverage) in most of the drought-stricken areas of Bakool, Hiran, and central regions, information collected through ground truthing and field reports confirms that the *Gu* rains generally failed. Consequently, water availability, pasture and browse conditions in these regions are extremely poor. In neighbouring parts of Ethiopia, *Gu* rains were also poor, resulting in abnormal cross border pastoral migration into Somalia (see *Livestock Section*). On the other hand, in the Juba regions and in Bay (except Burhakaba district) region, rains were largely normal, leading to good crop and rangeland conditions (Map 3 and 4).

Gu rains also performed poorly in the northern key pastoral areas of Sool, Sanaag, Togdheer and Nugal regions, which led to a further deterioration in rangeland conditions as the previous *Deyr* 07/08 rains were also below normal. These regions now face serious water and pasture shortages. A comparison between the actual and long-term mean indicates a significant reduction in rainfall for these regions, with levels ranging from only 20 to 40% of the normal year for the period between April and June. Exceptions are some pockets of the Addun pastoral livelihood zone (LZ) in the central regions, most of the Bari region, and parts of Nugal, Awdal and the Hawd of Hargeisa, where *Gu* rains were above normal (Map 3 and 4).

In the northwest, although the performance of the *Gu* rains was mostly below normal, affecting the yield of short-cycle maize crops, the performance of *Karan* (Aug.- Oct.) long rains are reported to be exceptionally good, especially in the key cropping districts of Gabiley, Hargeisa and Borama.

Figure 3: Crop NDVI Lower Shabelle rainfed July 30, 2008



Sources: JRS-MARS

Unusual and above normal *Hagaa* rains in late May through July in the coastal areas of the Juba and Shabelle region-sprovided much needed relief, significantly improving rangeland and crop conditions in areas where initial *Gu* rains were erratic and localized, particularly in the Lower Shabelle region. A substantial amount of rain, ranging from 20 - 80 mm was received for four consecutive dekads - May 20 - June 30 (Figure 3) and continued in July. Although satellite imagery of rainfall levels do not reflect this, field reports confirm that these rains have improved standing crops and have led to a significant increase in the area planted for off-season maize. As a result of this extended planting, most of the districts in the Lower Shabelle, where crop failure was imminent, are expecting a good maize harvest in late September/early October.

The good *Hagaa* rains are reflected in the improved vegetation conditions as shown by satellite NDVI (Map 5). Normally, *Hagaa* rains are received in the coastal areas of southern Somalia and extend 100 km inland from the Indian Ocean. However, information from the field confirms that the intensity and spatial distribution of *Hagaa* rains this June were exceptionally good, with rainfall exceeding normal areas of coverage.

CIVIL INSECURITY

Civil insecurity and conflict has steadily worsened over the last seven months, especially in the southern and central regions, and currently the security situation is the worst the country has experienced since the collapse of the government in the early 1990's. Civil instability and insecurity continues to escalate with increased incidents of abductions, assassinations, killings and armed conflict. Clans have split with new political and religious divisions that are adding layers of uncertainty and volatility. There is now multiple 'insecurity epicentres' throughout south/central and the entire area is identified at risk of further deterioration (Map 6).

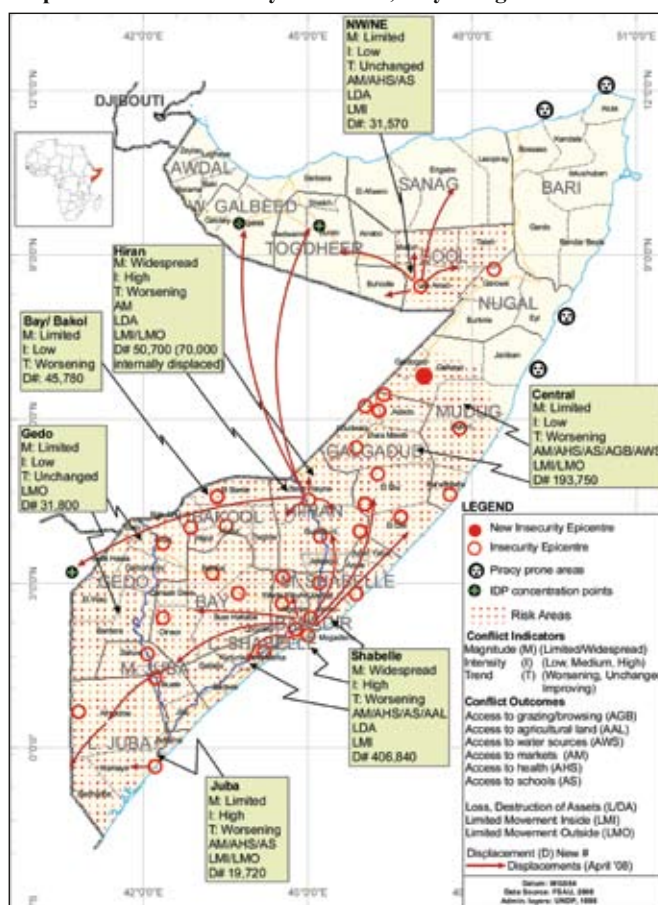
Direct Impacts

The armed conflict and insecurity is escalating and continuing to directly lead to human suffering in terms of human rights abuses, violence, killings, increased criminality, and population displacement. In addition, the heightened insecurity is also disrupting trade, economic activities, and transportation networks, leading to the loss and destruction of assets, and limiting humanitarian access. The security situation in Mogadishu remains extremely volatile. Reports indicate that inhabitants who remain in the city are now living in a state of terror and are under constant threat of harassment. Many districts within the city are deserted. Many household and business assets abandoned by residents fleeing the violence, have either been looted or destroyed. The increasing civil insecurity will continue to limit trade and economic activities, as well as restrict port and market movement in and out of the city, thus ensuring continued high prices of basic commodities and reduced income earning opportunities for those that remain.

In the Hiran region, the security situation also deteriorated. In July, the region became a battleground between Ethiopian troops and opposition/insurgent groups. Destruction of assets through shelling and looting, killing of civilians and other human abuses were reported. The ongoing conflict resulted in a total collapse of Belet Weyne's economy as urban-rural links were severed. There was mass migration from the main towns (Belet Weyne and Bulo Burto) to rural areas and to neighbouring regions. In the past few months, over 70,000 people (mostly poor) have moved from Belet Weyne town to outlying rural areas and are now facing a difficult humanitarian situation, resulting from a lack of food, water and shelter. In addition, rural communities' resources are strained as they struggle to accommodate the influx of IDPs migrating from urban centres.

In Lower Juba, in late August, heavy fighting was reported between clan militias, in control of Kismayo since early 2007, and ICU forces. After 2-3 days of heavy fighting, ICU forces recaptured Kismayo, the main seaport town of southern

Map 6: Somalia Insecurity Outcomes, July - August '08



Source: FSAU, July 2008

Somalia. Over 70 people were killed and hundreds more injured during the fighting. In addition, a significant portion of the population fled from Kismayo to outlying rural areas. The violence has since subsided, but the area remains tense. In the last six months, the number of people fleeing Mogadishu has increased by 23%, from 703,200 in Jan. '08 to 868,160 in July '08. Most of these people or 45% of these newly displaced people are heavily concentrated in Lower Shabelle region, which is a region already facing the worst in terms of food access, collapsing livelihoods and emergency nutrition levels. During the same period, an additional 30% of internally displaced persons were reported in Banadir, with populations moving from insecure villages to safer areas within larger towns.

Recent displacements are contributing to further deteriorations in the humanitarian situation in many areas. The impact will be particularly felt in areas with the largest IDP concentrations such as the Shabelle, Hiraan and the central regions. These IDPs are concentrated in regions where the host communities are already severely stressed and face conditions of *Acute Food and Livelihood Crisis* or *Humanitarian Emergency*. The growing number of IDPs, particularly from Mogadishu, is increasing pressure on host communities, straining food and water resources and health infrastructure, increasing the demand for rental properties and increasing competition for already scarce employment opportunities. In addition, both IDPs and host communities must also cope with record high food and non-food prices. The abduction and killing of humanitarian aid workers in Mogadishu and in the regions of Hiran, Galgaduud, Bay, Lower Shabelle and Lower Juba, have also made it extremely difficult for humanitarian agencies to operate. Since January 23, aid workers have been killed in Somalia and 18 workers have been abducted; 11 individuals are still being held captive. Because of increased security risks, many agencies have already pulled out or suspended operations. Those that remain are doing what they can to reach those in need; however, the challenges are becoming increasingly difficult. Currently, humanitarian access in southern and central Somalia is insufficient to meet the growing humanitarian needs.

Indirect Impacts

The prolonged and escalating conflict and civil insecurity is creating an economic crisis throughout the country – which is having a wider and more devastating impact on the broader population and the humanitarian situation. The unfolding economic crisis is the result of a number of compounding factors. Increased military and insurgent/opposition group activity has severely disrupted trade (local cereals and other commodities) within the country and across regional borders, resulting in reduction in trade flows and market access, increasing the cost of transporting goods and leading to market price inflation. There are notable increases in the number of illegal checkpoints and reported cases of extortion in humanitarian crisis areas in Hiran and Galgaduud. In Puntland, inter-clan conflict continues and increased sea piracy continues to limit import capacity and internal trade. All these factors combined have led to a slow-down in the economy.

The economic crisis is also fueled by the uncontrolled and excessive printing of the local currency, in large part to locally fund the growing conflict. Newly printed Somali shilling notes have flooded the markets, rapidly increasing the money supply and sending the value of the Somali shilling into freefall, hitting record low levels of exchange - depreciating 165% since January '07. The dramatic devaluation of the Somali Shilling is further contributing to the hyperinflation of basic food and non-food items, and many rural and urban households not directly affected by conflict are now struggling to meet basic food needs, especially the poor, who are market dependent and have limited capacity to cope with soaring food prices and their declining purchasing power and asset base (see Market Section).

Table 5: Newly Displaced Populations from Mogadishu, March '07 - April '08

Region	Estimated population (UNDP 2005)	Estimated Urban Population (UNDP 2005)	Estimated # of IDPs to-date	% of total (estimated) IDPs by region	% of Regional Total Population	% of Regional urban Population
Awdal	305,455	110942	170	0	0.1	0.2
Woqooyi Galbeed	700,345	490432	16,120	2	2.3	3.3
Togdheer	402,295	123402	1,410	0	0.4	1.1
Sanaag	270,367	56079	760	0	0.3	1.4
Sool	150,277	39134	4,400	1	2.9	11.2
Bari	367,638	179633	8,500	1	2.3	4.7
Nugal	145,341	54,749	210	0	0.1	0.4
Mudug	350,099	94405	64,050	7	18.3	67.8
Galgaduud	330,057	58977.00	129,700	15	39.3	219.9
Hiraan	329,811	69113.00	50,700	6	15.4	73.4
Bakool	310,627	61438.00	2,300	0	0.7	3.7
Bay	620,562	126813.00	43,480	5	7.0	34.3
Middle Shabelle	514,901	95831.00	60,730	7	11.8	63.4
Banadir	901,183	901183	88,000	10	9.8	9.8
Lower Shabelle	850,651	172714.00	346,110	40	40.7	200.4
Gedo	328,378	81302	31,800	4	9.7	39.1
Middle & Lower Juba	624,667	179421	19,720	2	3.2	11.0
TOTAL	7,502,654	2,895,568	868,160	100.00	11.6	30.0

Source: Population Estimates, UNDP Somalia 2005, Number displaced and/or returned, IASU Somalia Protection Cluster; August 1, 2008

AGRICULTURE

The *Gu* 2008 cereal production in southern Somalia is estimated at 84,750 MT, the third lowest cereal production in the last fourteen years and representing 58% of the Post-war Average (PWA 1995-2007) and 170% of last year's *Gu* '07 cereal production, which was the lowest in more than a decade (Table 6 and Figure 4). Of the total production, 50% is sorghum, 48% maize and 2% rice.

Table 6: *Gu* '08 Cereal Production Estimates in Southern Somalia

Regions	Gu 2008 Production in MT			Gu 2008 as % of Gu 2007	Gu 2008 as % of Gu PWA (1995-2007)	Gu 2008 as % of 5 year average (2003-2007)
	Maize	Sorghum	Total Cereal			
Bakool	10	100	110	87%	5%	16%
Bay	2,200	31,500	33,700	1093%	93%	153%
Gedo	800	100	900	1034%	15%	31%
Hiran	600	1,400	2,000	105%	51%	113%
Juba Dhexe (Middle)	2,400	100	2,500	50%	28%	74%
Juba Hoose (Lower)	5,000	40	5,040	166%	88%	212%
Shabelle Dhexe (Middle)	4,200	1,200	5,450 (7,450) ¹	68% (93%) ¹	32% (44%) ¹	34% (46%) ¹
Shabelle Hoose (Lower) ²	25,000	8,100	33,100	122%	52%	61%
Gu 2008 Total	40,210	42,540	82,750 (84,750)³	170% (175%)³	58% (59%)³	80% (82%)³

1. Includes 2,000MT of rice from Jowhar

2. Off-season not included, estimated at 12,000MT of maize; harvest expected in Sept/Oct. '08

3. Includes 2,000MT of rice from Jowhar

Most of the *Gu* '08 cereal production is from two regions, Bay and Lower Shabelle at 40% and 39% of the total *Gu* cereal production, respectively. This is due to average rainfall levels and an increase in area planted within these regions, particularly in Bay. Rehabilitation of the main irrigation canals in the riverine, cereal producing areas in Lower Shabelle also improved cereal production. In contrast, crop failure occurred in the Bakool, Gedo and Middle Juba regions, with cereal production estimated at only 5%, 15% and 28% of *Gu* PWA, respectively. These significantly below normal cereal production levels are attributed to late, poor and unevenly distributed *Gu* '08 rains.

Sorghum

Typically the bulk of Somalia's sorghum is produced in the Bay and Shabelle regions, accounting for more than 90% of the PWA for southern Somalia. In contrast, *Gu* '08 sorghum production from these regions is estimated at 40,800 MT, which is 96% of the total seasonal sorghum production and 93% of PWA of the three regions. The total *Gu* '08 sorghum production for all other regions is estimated to be 1,740 MT, which is only 18% of PWA and 4% of total sorghum production. Poor levels of production are attributed to poor and unevenly distributed rainfall.

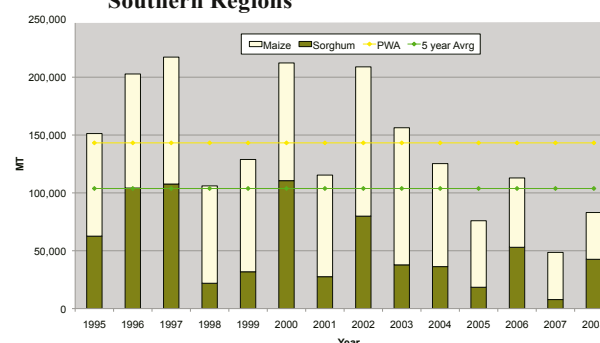
Maize

The Shabelle regions, which generally supply most of the maize production for southern Somalia, produced only 42% of the *Gu* maize PWA and 92% of *Gu* '07 total maize production. However, good rains in late May and June resulted in off season planting. Currently, maize is being cultivated in most parts of the rainfed Lower Shabelle region and is estimated to produce an additional 12,000MT. FSAU and its partners will carry out an off-season crop assessment in late September/early October 2008 in the Lower Shabelle region.

Production Constraints

Although below normal and poorly distributed rainfall was a key factor leading to poor crop production this season, other factors including silted canals, damaged culverts and barrages, river breakages, pest damage, and poor agricultural services, further limited area planted and overall production. Riverine irrigated cereal production could have been significantly greater if irrigation infrastructure was sufficient and river management improved. In addition, pest damage, caused by stalk borer and Quelea Quelea birds, as well as plant diseases, such as leaf blight and smut were also reported by farmers.

Figure 4: Trends in *Gu* Cereal Production (1995-2008) - Southern Regions



Northwest Gu/Karan Cereal Establishment

In the northwest agro-pastoral areas of Awdal, Galbeed and Togdheer regions, cereal establishment projection estimates are below average due to the below normal and unevenly distributed Gu '08 rains. The Gu/Karan crop establishment cereal production projections estimate a total production of 10,110 MT, which is 56% of the PWA and 11% of the total cereal production this Gu '08. However, favorable Karan rains were received in late July and August 2008 in the Awdal and Galbeed regions, therefore crop production is expected to be higher than the crop establishment projections made during the post Gu '08 Crop Survey Assessment. FSAU, along with its partners, plan to carry out a post Gu/Karan '08 Crop Harvest Assessment in Somaliland in late Nov/early Dec. '08.

Cereal Prices and Availability

FSAU crop production survey and cereal availability analysis indicates that many rural households in the Shabelle, Juba and Bay regions have some cereal stocks, estimated to last up to five to seven months. The level of domestic cereal stocks in the country is dependent upon both past and current seasonal production levels. For instance, in the Bay region, cereal stocks are available due to above normal to normal crop harvests during three of the last four seasons (Deyr '06/07 228%, Deyr '07/08 129%, and Gu '08 93% of Gu PWA). In the Shabelle regions, where there is below average cereal production, middle and better-off households maintain cereal stocks to ensure sufficient supply for own consumption.

Both maize and sorghum prices increased significantly from Jan. to July '08 by 220-275%. When compared to July '07, prices for both cereals in July '08 increased 370-700% (Figure 5). Cereal price levels and price increases vary among markets within southern Somalia with the highest maize prices recorded in Lower Juba and Middle Shabelle (20,000/kg in Jamame and Jowhar) and the highest sorghum prices in Beletweyn and Hudur (15,000 - 17,000/kg). Cereal prices increased due to a combination of low cereal production and supply, increasing high demand and further depreciation of the Somali Shilling, which has resulted in increased costs of production and transportation. Many households are also withholding cereal stocks for own consumption. In addition, in order to make more income, some households are waiting to sell their stocks until prices increase further.

Over the coming months, prices of cereals are expected to increase further due to several factors, including the overall poor performance of the Gu '08 season. Disruptions to market activities and restrictions to inter-regional trade due to civil insecurity, combined with the devaluation of the SoSh will also contribute to cereal price increases. FSAU will closely monitor cereal market availability and prices in the main markets in the coming months.

Terms of Trade

The decline in agricultural activities due to Gu '08 crop failure in most parts of southern Somalia resulted in reduced employment and other income-earning opportunities for poor households. However, labor opportunities in the Bay and Lower Shabelle regions improved in terms of harvesting, weeding and protecting fields against pests (birds in particular). In all southern regions, loss of income and significant increases in cereal prices dramatically affected the purchasing power of households. For example, in the Shabelle, Sorghum Belt and Juba regions, the terms of trade (TOT) between labor and cereal dropped by 34%, 61% and 39% between Jan and July '08, respectively. Compared to July last year, the current TOT between cereals and labour are lower in the Shabelle, Sorghum Belt and Juba regions by 22%, 66% and 66%, respectively (Figure 6). Close monitoring of agricultural labour availability will be crucial in the next few months.

Figure 5: Regional Trends in Cereal Prices (SoSh)

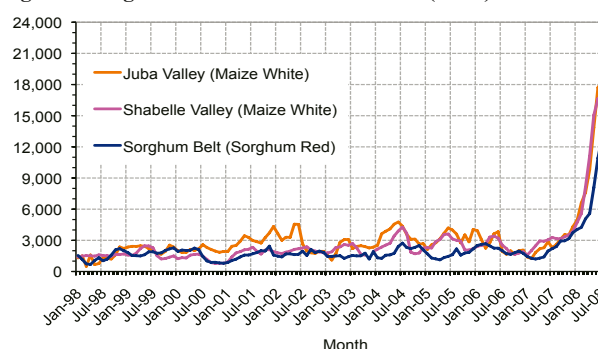
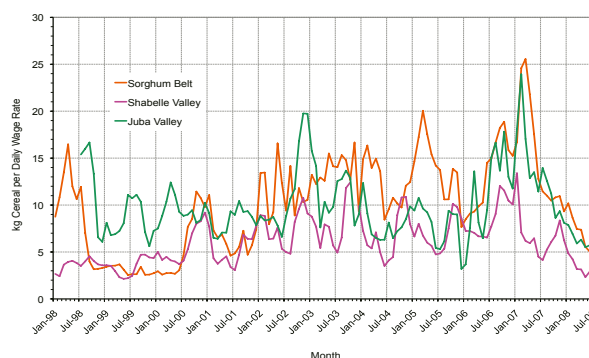


Figure 6: Regional Trends in Terms of Trade Cereal to Labour



LIVESTOCK

Rangeland and Water Conditions

Rangeland conditions in the drought-affected areas of the Central, Hiran and Bakool regions and the rain deficit areas of the *Hawd* livelihood zone (LZ) of the Togdheer, Sool, Nugal and Mudug regions further deteriorated after another seasonal rain failure. Other areas also adversely affected by the poor *Gu* '08 rains include Gedo, Bakool, the Sool plateau and the Gabi Valley LZ of Sanaag. Since Aug '07, most poor and middle households in these areas have had to resort to water trucking. However, many can no longer afford this due to high debts incurred from expensive water and food purchases over the last 12 months.

Poor rainfall during the *Gu* '07 and *Deyr* '07/08 seasons, as well as this past *Gu* '08 caused most shallow wells within pastoral areas to dry up, forcing livestock migration to the riverine areas of the Gedo and Hiran regions, as well as the regions of Bay, Juba and the Shabelles. Rangeland in the W. Galbeed, Awdal, Shabelle, Bari, Bay and Juba regions benefitted from normal *Gu* '08 rainfall, as well as good *Hagai* rains in the south and good *Karan* rainfall in the northwest, which replenished water catchments and shallow wells and subsequently improved rangeland conditions. However, the influx of livestock from Kenya, Ethiopia as well as other regions of Somalia has put pressure on water and pasture resources.

Livestock Migration

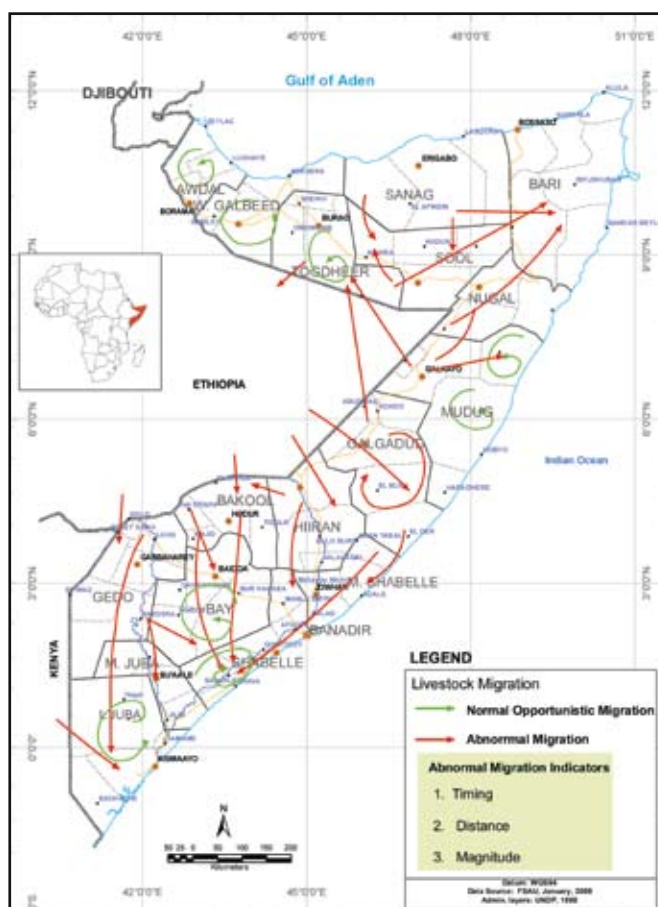
Abnormal livestock migration is ongoing in most of the country, with the exception of normal migration patterns in W. Galbeed, Awdal, Bari, parts of Mudug, Bay, Lower Shabelle and Juba (Map 7). In Galgaduud, some livestock out-migrated to Hawd of Togdheer, Middle Shabelle and Zone 5 of Ethiopia; however, because many animals were physically unable to migrate due to weak body conditions, most herds were forced to remain within the region (El Bur district), where pasture conditions were extremely poor. Recent stability in Hiran, north Jowhar and Wanleweyn districts in Middle Shabelle have enabled livestock from Hiran (mainly cattle and small ruminants) to migrate to the Shabelle and Bay regions. Herds of the *Sool* and *Gabi Valley* LZs of the Sanaag region, Hawd plateau LZ of the Buhodle/Togdheer, Sool, Nugal and Mudug regions and parts of the Addun LZ of Mudug out-migrated to the Bari region. Coastal Deeh livestock of Adale and Adanyabaal districts of Middle Shabelle region are reported to have migrated to Lower Shabelle for better pasture. Bakool livestock out-migrated to Bay region and then some moved to Lower Shabelle.

Livestock Body Conditions and Herd Growth

Livestock body conditions are very poor to poor due to the overall deterioration of pasture and water conditions in the drought-stricken regions of Central, Hiran and Bakool and the rain deficit areas of northern Mudug, Togdheer, Nugal, Sanaag and Sool. In contrast, livestock body conditions are average to good in Awdal, W. Galbeed, Bari, Shabelle, Bay, Gedo and Juba regions due to overall improvement of pasture and water conditions in these areas. The *Gu* '08 season calving/kidding rates for camels, cattle and sheep/goats is zero in the drought-affected regions of central, Hiran and Bakool, but low in the rain deficit areas of Gedo, Mudug, Nugal, Togdheer and Sanaag. However, in the Juba, Bay, Shabelle, Bari, Awdal and W. Galbeed regions, camel, cattle and sheep/goats calving/kidding rates are medium to low due to medium to low conception rates in *Deyr* '07/08 for sheep/goats, *Gu/Hagaa* '07 for cattle, and *Gu* '07 for camel.

The FSAU *Gu* '08 pastoral herd dynamics model indicates a decreasing trend in herd sizes when compared to the end of *Deyr* '07/08 season (Dec. '07). For example, in the drought-affected areas of central, Hiran, and Bakool, pastoralists are showing a significant decline in herd sizes when compared to Dec '07 herd sizes (i.e. camel declined by 18%-31%; cattle declined by 38%-58%; and sheep/goats declined by 39%-48%), which is attributed to high abortion and death rates, as well as to the additional off-take needed to cover increasing water trucking costs and food prices. Similarly,

Map 7: Somalia Livestock Migration Trends, July - Dec. '08



Source: FSAU, July 2008

the rain deficit areas of Hawd, Golis/Guban pastoral, Sool and Gabi Valley LZs are also showing a significant decline in herd sizes, although they have not yet fallen below baseline levels. The exceptions are the Sool and Gabi Valleys, where camel and sheep/goat herd sizes have yet to recover from the 2004 drought. Camel populations did increase in the Sool plateau of Bari, the Southern Inland Pastoral LZ of Juba and Gedo and in the Dawa pastoral, Guban/Golis and Nugal Valley LZs. Generally, there are no outbreaks of major livestock diseases. However, cases of Peste des Petits Ruminants (PPR) are reported in the Sool plateau of Sanaag. Common diseases (i.e. tick-borne disease and endo-parasites) are widely reported in the drought-affected regions.

Livestock Prices and Pastoral Purchasing Power

Generally, prices of all livestock species throughout Somalia have steadily increased since Jan. '07 and are higher than the 5-year average, primarily as a result of the devaluation of the Somali Shilling, rising cereal prices and general inflationary pressure.

Average increases of prices for cattle from Jan. to July '08 in the Sorghum Belt, Shabelle and Juba regions are 144%, 178%, and 223% higher when compared to the Jan. to July 5-year averages, respectively. Similarly, average Jan. to July '08 prices of local quality goats in the northeast, northwest and central regions are also significantly higher when compared to the 5-year average of the same period (Figure 7). Livestock prices are expected to continue to increase in response to the Somali Shilling devaluation and general inflationary trends, as well as during the Ramadan and Hajj period (September and December), when demand from external markets increases; however the drought-affected areas of central and Hiran will not benefit from these increases. There is a slight decline in export quality goat prices in the last 3 months in the central, northeast and northwest regions, which is attributed mainly to a seasonal high tides (*Hagaai* monsoon) and subsequent reduced export opportunities. Similarly, cattle prices in the Sorghum Belt, Shabelle and northwest regions have slightly declined.

Figure 7: Regional Trends in Local Quality Goat Prices (SoSh/SiSh)

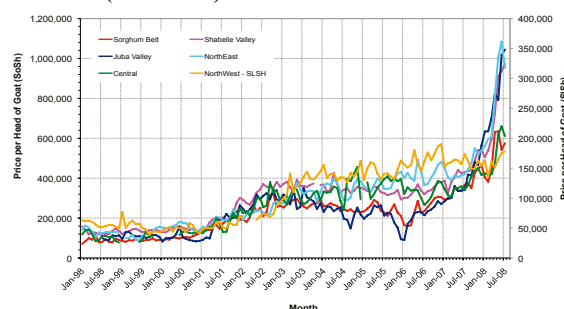
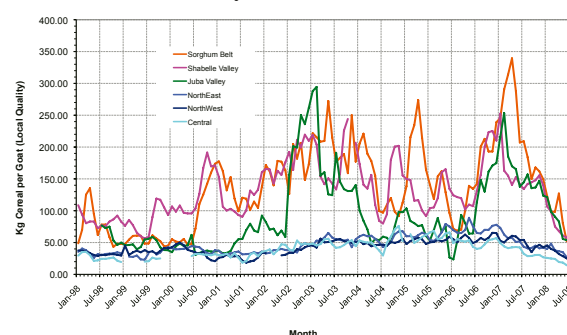


Figure 8: Regional Trends in Terms of Trade, Cereal to Local Quality Goat



Although livestock prices have increased significantly, increased income from livestock sales has not compensated for the dramatic increase in cereal prices. As a result, pastoralist purchasing power, as measured by the terms of trade (TOT) between livestock and cereals has declined dramatically in all regions, hitting record low levels of exchange (Figure 8). Average terms of trade for export quality goat to rice in the central, northwest and northeast regions are 50%, 32% and 42% lower when compared to the Jan to July five year average, respectively and at the lowest exchange in ten years. This is due to the significant price increases of imported rice in the central, northeast and northwest regions (321%, 312% and 95% for the same period respectively) and a similar significant increase in local cereal prices in the central and northeast regions (170% and 143%) when compared to Jan. to July 5-year average.

Livestock Exports

In the south, cross border cattle trade between Somalia and Kenya improved in July due to strong demand from Kenya. However, in the central and north, overall livestock export volumes for all species decreased due to livestock trade restrictions imposed by the Ethiopian authorities and the significantly reduced availability of export quality livestock caused by drought and successive seasons of rain failure in key pastoral LZs of central, northern regions and neighboring regions of Zone 5 in Ethiopia. Livestock exports from Jan. to July '08 through Berbera and Bossaso ports reached 796,737 heads of which 85% were sheep and goats. This is 38% lower than the Jan-July five-year average (1,268,564 heads), one of the lowest export figures since 2001.

Of the five abattoirs in the country, all have been shut down since January this year, except two located in Burao and Galkayo. Insecurity in Hiran and Mogadishu forced the closure of slaughter houses, significantly reducing exports of chilled meat to the Gulf States from those areas. In the first 7 months of 2008, the Burao abattoir exported a total of 96,798 carcasses, which is 217% higher than the same period during 2007 (30,548 heads), while the Galkayo abattoir exported 49,273 heads.

MARKETS AND TRADE

Over the last year, the escalating conflict and political instability has led to uncontrolled and excessive printing of the Somali Shilling, in large part to fund the growing local conflict (see Civil Insecurity Section). As a result, newly printed Somali Shilling notes have flooded the markets, rapidly increasing the monetary supply and causing serious devaluation of the Somali shilling, which hit record low levels of exchange - depreciating 165% since January '07 (Figure 9). Since January of this year, the Somali shilling has depreciated an additional 50-65%. In contrast, the Somaliland Shilling has remained fairly stable, although it lost value slightly from SLSH 6,000 per dollar in January to SLSH 6,228 in July, a 4% decrease.

Trade, transportation networks and economic activities are also severely disrupted in most of the southern and central markets and at seaports due to civil instability. In Mogadishu, which is one of the epicentres of insecurity and a major trade transit point and economic business centre serving the south and central regions, the majority of trade businesses remain closed.

In addition, as a result of the escalating civil insecurity, renewed marine piracy, higher port tariffs, and a depreciated Somali Shilling (which makes imports more expensive), import commodity levels are lower than normal, and imported food commodities, such as rice, sugar, vegetable oil and wheat flour are in short supply. Cereal imports from January to July this year are estimated at 150,000 MT, which is 22% lower than the three-year average for the same period. Cereal imports are critical to Somalia's overall cereal supply, as Somalia is a net importer of cereals, importing on average 60% of the country's cereal requirements.

The combined impact of low imported commodity supplies, high international food and fuel prices, disrupted and costly trade and transportation of goods and the continued devaluation of the Somali shilling is fueling further price increases and hyperinflation of basic food and non-food items (Table 7). Rice prices have increased dramatically in all markets. For instance, in the main market of Merka in Lower Shabelle, the price of rice increased by 229%, from SoSh 13,000/kg in Jan '08 to SoSh 42,750/kg in July '08 (Figure 10). In Dhusamareb, located in central Somalia, the price of rice increased by 167%, from SoSh 18,000/kg to SoSh 48,000/kg over the same time period. Similar trends were observed in Afmadow, Baidoa, Bardera, Jowhar, Beletweyne, and Galkayo.

In the northern markets of Erigavo and Burao, rice prices increased by 221% and 141%, respectively from Jan. '08 to July '08. When compared to the same period last year, rice prices more than tripled in most of the southern markets, as well as in the north. Prices of other imported commodities, such as sugar, wheat flour and vegetable oil increased by similar margins. Fuel prices also remained at high levels in July, ranging from about Sosh 30,000 to SoSh 45,000 per litre in most of the Southern markets.

Table 7: Percent Price Increase Jan to July '08

Area	Rice	Sugar	Petrol	% of SoSh devaluation
Juba	224%	107%	88%	61%
Shabelle	225%	82%	71%	51%
Sorghum-belt	229%	124%	84%	56%
Central	191%	92%	97%	63%
Mogadishu	143%	76%	60%	51%
Northeast	231%	100%	106%	65%
Northwest	99%	13%	29%	4%

Figure 9: Trends in Exchange Rates - SOSH and SLSH to USD

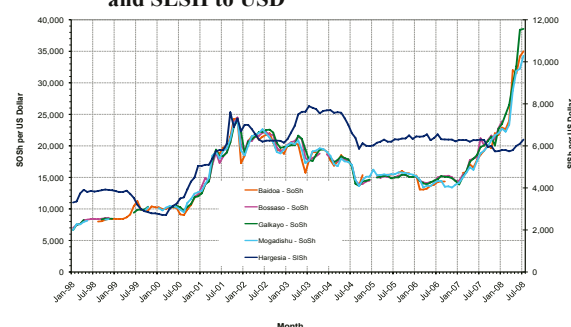
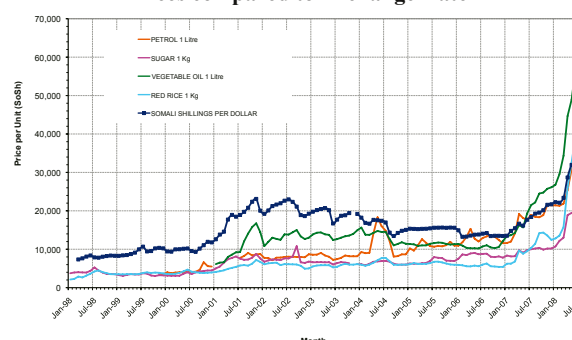


Figure 10: Shabelle Valley Trend in Imported Commodity Prices compared to Exchange Rate



NUTRITION OVERVIEW

An integrated analysis of the nutrition information¹ collected from January to July 2008 indicates a varied nutrition situation throughout the country (Map 8 and 9). Civil insecurity and political insurgence in Mogadishu and most of South Central areas, the impacts of on-going displacement of people into neighbouring regions and the drought conditions in parts of South, Central, and the Northwest and Northeast regions are the key driving factors in the current analysis. In addition, hyperinflation of costs for basic food and non-food items throughout the country is creating problems of food access for urban population, especially the urban poor, while morbidity and poor child care practices underpin the chronic sub-optimal nutrition situation in most rural Somali populations.

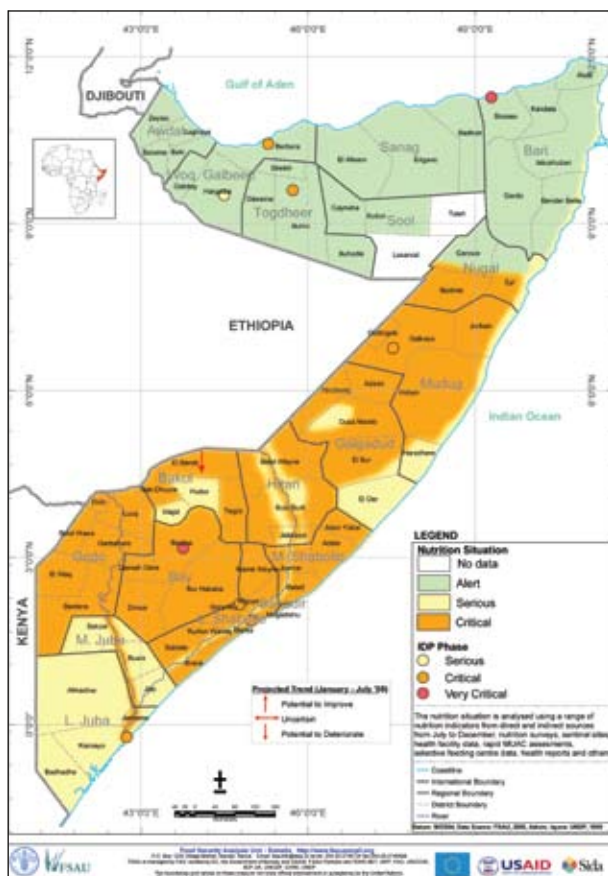
A total of 19 representative nutrition surveys were conducted by FSAU and partners to date in 2008, and 1 by ACF. Of these 20 surveys, 4 reported rates of global acute malnutrition² (GAM) <15%, 8 reported rates from 15-20% with the remaining 8 reporting rates >20%. The median rate of acute malnutrition for all 20 surveys was 18.6%, an increase from 15.7% from the last round of comparable surveys. Rates of severe acute malnutrition remained high in many parts, with a median rate of 2.5% for all 20 surveys. However, crude and under five years mortality rates remained below the respective emergency thresholds of 2 and 4 deaths per 10,000 population per day. Based on the integrated analysis conducted, (ref Nutrition Update August 29, 2008) survey results and the application of median rates, (*referring to NCHS WHZ*) approximately 180,000 children are estimated to be acutely malnourished in South Central Somalia and the IDP population in the north. Of the total malnourished children, 26,000 are estimated to be severely malnourished. Over half of these children are in Shabelle and Central regions. A summary of the key findings are presented below, with detailed analysis by region and livelihood within the Nutrition Update August 29, 2008.

South Central: The sustained *Critical* nutrition situation in South and Central Somalia is a result of cumulative shocks, including civil insecurity, political tension, hyper inflation and drought, that has led to loss of livelihoods and massive displacement of people within the region, thereby exerting pressure on the limited resources (water, pasture, food and health care). Humanitarian activities have also been minimized due to civil insecurity and political insurgence, further limiting access to basic resources.

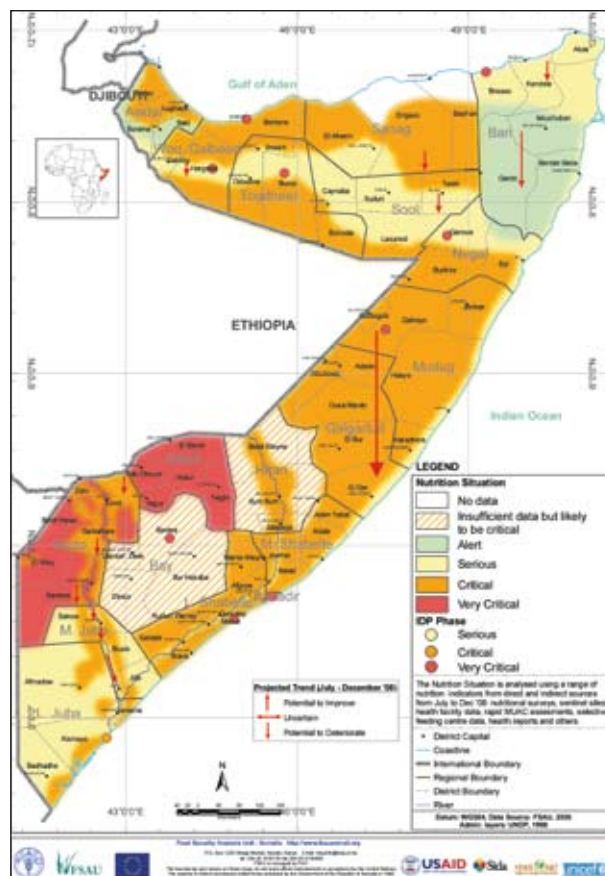
¹The analysis was conducted on a range of nutrition information collected from January to July 2008 including 20 surveys (19 by FSAU and partners, 1 by ACF between April – July 2008), 81 Health facilities, Rapid MUAC assessments in conducted in 315 sites (NW: 147, NE: 27, Central and Hiran: 72, Bay/Bakool: 9, Gedo: 55, Juba: 5), data from partners on feeding centres, WHO Acute Watery Diarrhoea Updates and other secondary data.

²For the main survey results presented, the rates apply to the NCHS 1977 references. However results expressed using WHO 2005 are also presented in the tables per region in the update.

Map 8: Somalia Estimated Nutrition Situation January 2008



Map 9: Somalia Estimated Nutrition Situation August 2008



From this analysis, of most concern is the deterioration in parts of the rural areas in the South, most marked in Bakool and Gedo Regions, which has resulted in rates of global acute malnutrition (GAM) of **24.1%** and **25.5%** in Bakool pastoral and agro-pastoral respectively, **22.3%** in Wajid area and **23.3%** and **21.5%** in Gedo Pastoral and riverine livelihood zones respectively, all of which are significantly above the emergency threshold³ of 15% and indicate a *Very Critical* nutrition situation.

A *Very Critical* situation is also reported amongst Galkayo and Garowe IDPs with GAM rates of **21.1%** and **22.6%** respectively. Similarly, a sustained *Critical* nutrition situation prevails in the Central regions based on findings from assessments conducted in the Hawd and Addun pastoral, however of concern are other indicators which are showing a likely deterioration in the situation.

The situation in the Shabelle regions⁴ including the IDPs in Afgoye and Merka, indicate sustained *Critical* rates with continuing excessively high rates of severe acute malnutrition (SAM) in the rural populations in excess of 3%. A lower rate of 1% of SAM was reported in the IDP populations, possibly linked to improved access to humanitarian interventions. The nutrition situation deteriorated in the Juba Agro-pastoral livelihood zone from *Serious* in the Post Deyr '07/08 to *Critical*, with a GAM rate of 19.5% recorded⁵.

Northern regions

In the northwest region, there has been significant deterioration in the nutrition situation from *Alert* in January 2008 (Post Deyr '07/08) to *Critical* levels across all the livelihood zones (Map 8 and 9) with the exception of Nugal Valley and the agro-pastoral population who are in a *Serious* phase, and the West Golis pastoral, currently in a sustained *Alert* phase. For IDPs in the northwest region, the nutrition situation has also deteriorated from *Serious* in Hargeisa IDPs, and *Critical* in Berbera and Burao IDPs in the Post Deyr '07/08 to *Very Critical* levels. This is likely linked to the increasing pressure on poor households to access food in the urban centres with the continuing high food prices.

In the northeast region, the nutrition situation in Sool Plateau and Karkar-Dharor pastoral livelihood zones remain in a sustained *Alert* phase while the population in the Coastal Deeh is faced with a sustained *Serious* phase. However there is deterioration in the Nugal Valley, Gagaab and East Golis from *Alert* in January 2008, to *Serious*. The key driving force in the northern regions are an emerging drought in pastoral areas and hyperinflation leading to increasing food prices.

Urban Nutrition Analysis

Rapid nutrition assessments were also conducted in 73 urban centres and settlements in Somalia in July 2008 with a total of 8,864 children (6-59 months) assessed using Mid Upper Arm Circumference (MUAC). Analysis of findings indicate a worrying situation in many centres; however as the sample sizes were not representative, the results have not been published here. The information has been used as one indicator as part of the overall integrated nutrition and food security analysis of the urban situation (Page 6 and 7).

³ Bakool Agro-Pastoral population recorded a GAM rate 25.2% (22.1-28.6) and a SAM rate of 3.8% (2.6-5.6); Gedo Pastoral population recorded a GAM rate of 23.3% (18.9-27.7); Gedo Riverine population recorded a GAM rate of 21.5% (17.6-25.4).

⁴ The Hawd Pastoral population recorded a GAM rate 19.3% (15.6-23.0) and a SAM rate of 2.3% (0.9-3.7); Addun Pastoral population recorded a GAM rate of 18.4% (14.9-21.8); Shabelle Agro-Pastoral population recorded a GAM rate of 18.1% (14.4-21.8), Shabelle IDPs, Merka-Afgoye corridor recorded a GAM rate of 15.0% (11.5-18.4)

⁵ The Juba Agro-pastoral population recorded a GAM rate of 19.5% (14.4-24.6) and a SAM rate of 2.5% (0.0-5.1).



A Mother and Child, Shabelle IDP Camp, July 2008



A water catchment in Hiran, Gu'08

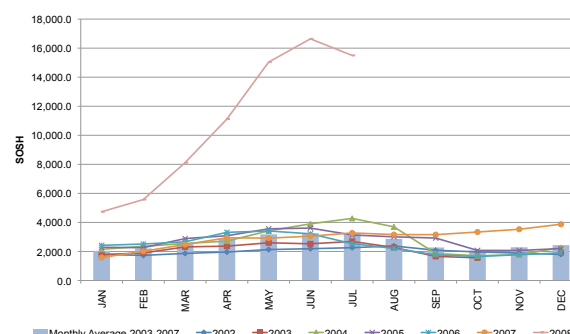
REGIONAL HIGHLIGHTS

SOUTHERN REGIONS

Shabelle Regions

Populations within the Shabelle regions continue to be in a state of **Humanitarian Emergency (HE)** and **Acute Food and Livelihood Crisis (AFLC)** with an early warning level of **Watch** over the next six months. In the recent urban assessment, a large portion of Shabelle's urban population was also identified to be in either a state of **Acute Food and Livelihood Crisis** (95,000 people) or **Humanitarian Emergency** (15,000 people) with an early warning level of **Watch**. Currently, about 585,000 riverine, agro-pastoral, pastoral, and urban people are in a state of either **HE** or **AFLC** and in need of humanitarian assistance (Table 1). Of these, 265,000 people are in **HE**, and 320,000 in **AFLC**, a 35% increase in the number affected since April '08. This further deterioration is the result of delayed and poor *Gu* '08 rains; consequently, another season of below-average crop production; the high cost of input (fuel) for agriculture; exhausted rangeland conditions; and persistent hyperinflation, which has significantly reduced purchasing power. In addition, continued civil insecurity has resulted in an IDP influx, placing additional pressure on already strained regional resources.

Figure 11: Shabelle Regional Trends in Maize Prices



In the Riverine livelihood zones (LZs), below average *Gu* rainfall, together with high input costs, has led to significantly below average cereal production. In Middle Shabelle, cereal production is estimated to be 44% and 46% (including rice) of the *Gu* PWA and the *Gu* five-year average (2003-2007), respectively; and in Lower Shabelle: 52% and 61% of the PWA and 5-year average, respectively. In most areas of the riverine and agro-pastoral LZs, several seasons of below-average crop production and exhausted agricultural infrastructure (mainly in Middle Shabelle) are the primary causes of the current low food stocks and limited market supply, which has resulted in record-high maize prices (about 200% and 400% higher compared to Jan. '08 and July '07, respectively). These factors, together with limited labour availability, have significantly undermined the purchasing power of poor riverine and agro-pastoral LZ, particularly households in Middle Shabelle. This decline in purchasing power is demonstrated by the 50-60% decline in the cereal-to-labour terms of trade (TOT) since Jan. '08 (Jowhar market). The rate of exchange for cereal to local quality goat (a measure of purchasing power of poor pastoral and agro-pastoral households) is also 40% and 50% lower than Jan. '08 and July '07 TOT, respectively. Imported food and non-food commodity prices continue to climb with sugar, vegetable and fuel prices doubling since Jan '08. Overall, these factors continue to have a serious impact upon food and income sources and the nutritional status of a significant portion of the population in the Shabelles.

The nutrition situation in the agro-pastoral LZ of the Lower and Middle Shabelle regions remains persistently *Critical*, while the riverine LZ remains in a *Serious* nutrition situation, demonstrating no change since *Deyr* '07/08. The riverine population have had better access to fish, fruits and vegetables than their agro-pastoral counterparts. This, along with some humanitarian intervention, explains the slightly better nutrition conditions in the riverine LZ. IDPs in the Afgoi/Merka corridor are currently in the *Critical* phase. Humanitarian interventions have partly mitigated any major deterioration among the IDP population, which continues to suffer from civil security, rising food prices and subsequent high morbidity rates. In Mogadishu, the nutrition situation is *Very Critical*. This categorization is based on integrated analysis of key outcome evidence, which include rapid nutrition assessments conducted by FSAU in 12 sites in July '08 (N-1293), indicating a high proportion of the assessed children (21%) with MUAC (<12.5/oedema); HIS data from health facilities, indicating consistently very high numbers during the period of April – June '08 (Source: HIS data Jan.-June '08). In June '08, Banadir hospital received an increased caseload of 211 cases of AWD from the region, with 6 related deaths (Source: Somalia Health Cluster Bulletin, June 2008); however, this has been contained.

Bay and Bakool Regions

The food security situation for livelihoods in Bay and Bakool regions is varied. The situation in Bakool deteriorated for all livelihoods, including the urban poor since *Gu* '07. An estimated 145,000 agro-pastoralists and pastoralists in the region are now either in **Acute Food and Livelihood Crisis (AFLC)** or **Humanitarian Emergency (HE)**. In addition, a total of 25,000 urban poor are also now in **AFLC**. Poor rains in all livelihoods resulted in complete crop failure (5% of PWA); significant deterioration in vegetation conditions (pasture and browse); acute water shortages; decreased herd sizes from Dec. '07; 19% for camel, 31% for cattle, and 17% for sheep/goats; huge livestock migration to the Bay and Lower Shabelle regions; and low livestock milk production. Levels of social support (*zakat*) in the form of cereal donations also reduced significantly as a result of the crop failure.

In contrast the food security situation in the Bay region varies considerably. Due to an average cereal production this past *Gu '08* (93% of PWA), the food security situation improved for agro-pastoralists in Berdal and a number of Bay's rural population in **AFL** outside of Baidoa district are classified as **I**. The food security situation slightly deteriorated at 35,000.

Three recent nutrition assessments in Bakool agro-pastoral and pastoral livelihood zones have reported *Very Critical* levels of malnutrition and a deterioration from the *Critical and Serious* situation reported in the Post Deyr '07/08. The deterioration is likely attributed to decreased access to milk, increased morbidity and sub-optimal care practices and food security conditions. In Bay, health information systems (HIS) data shows high levels and increasing numbers of acutely malnourished children. Additionally, there has been increased admission of malnourished children into supplementary feeding programs within the last six months.

[illegible]

improved for agro-pastoralists in Berdal and Mowlimaad, and as a result, they improved from **HE to AFLC**. The total number of Bay's rural population in **AFLC** is 15,000; the majority are located in Baidoa district. Rural populations outside of Baidoa district are classified as Borderline Food Insecure (BFI). In regards to Bay's urban populations, the food security situation slightly deteriorated. The total number of Bay's urban population now in AFLC is estimated at 35,000.

Lower and Middle Juba Regions

The food and livelihood security situation in the Juba regions is varied. Currently, the food security situation in Middle Juba continues to deteriorate with 36,000 of its rural population and 25,000 of its urban population in **AFLC**. In addition, approximately 7,000 people, primarily located in the Buale, Jilib and Sakow riverine areas, that were previously in **AFLC**, are now in **HE**. Poor rains this *Gu* '08 in both the riverine and agro-pastoral livelihoods resulted in poor crop production (28% of PWA); poor pasture conditions; slightly decreased herd sizes for camel (6%), and sheep/goats (2%), and a slight increase for cattle (6%) since Dec. '07; low milk production; reduced social support (*zakat*); and reduced labour opportunities, which all contributed to a significant decline in purchasing power for poor households in these areas. The deterioration of food security situation is also attributed to huge increases in local and imported cereal prices. For example, maize prices in Buale increased dramatically from 2,120/kg in Jul '07 to 16,000/kg in July '08, a 655% increase and by over 260% since Jan. '08. Cereal prices are expected to continue to increase until the next harvest (*Deyr* '08/09).

The food security situation in Lower Juba has seen some improvement due to average rainfall and cereal production levels, increased labour opportunities and improved rangeland and livestock body conditions. The 13,000 who were previously in **HE** are now in **AFLC**. The number of rural population in **AFLC** is now 25,000, and the number of urban people in **AFLC** is 45,000. Total cereal production from Jamame, the main cereal producing district, is estimated to be 3,655MT (96% of PWA), and in Kismaayo, 780MT (113% of PWA). Cereal stock availability analysis in Lower Juba indicates that stocks could last up to three to five months, depending on district production levels. Although cereal production was generally good, cereal prices increased significantly from July '07 to July '08. The highest maize prices were recorded in Jamame (SoSh 20,000/kg), which was 1,017% higher than July '07 prices and 275% higher when compared to Jan. '08; the high increases are partly attributed to the increased devaluation of the SoSh. The prices of maize, as well as other cereals, are expected to continue to increase until the next *Deyr* '08/09.

The integrated Post *Gu* '08 nutrition situation analysis indicates an improvement in the riverine population from *Critical* levels recorded in Post *Deyr* '07/08 to a *Serious* phase. The improvement is likely attributed to increased access to fruits and vegetables, especially in the Lower Juba areas, and to humanitarian interventions targeting the riverine population. However, the nutrition situation of the riverine community in Middle Juba is likely to deteriorate due to worsening food security, which will eventually affect food intake.

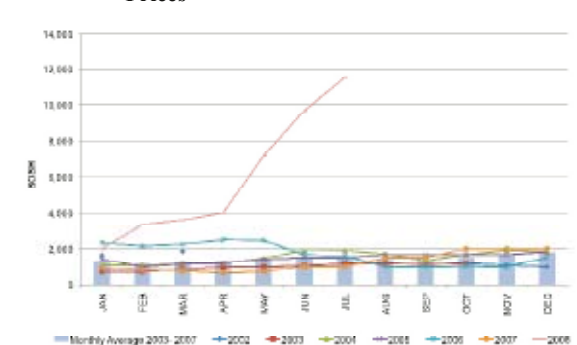
Findings from the June '08 nutrition assessments by FSAU and its partners indicate sustained *Serious* levels in the pastoral population, as recorded in Post *Deyr* '07/08 analysis. The sustained *Serious* nutrition situation in the pastoral community in Juba regions is associated with continuing access to milk and milk products for consumption or income through sales. In-migration of livestock from other regions has also contributed to increased milk access in the region. In the agro-pastoral population, the nutrition situation has deteriorated from *Serious* levels in Post *Deyr* '07/08 to *Critical* in *Gu*'08. This is attributed to reduced access to food due to the impact of rain failure in Lower Juba agro-pastoral areas during the *Deyr* '07/08 and currently in the agro-pastoral parts of Middle Juba and the resultant crop failure, loss of income from sale of crops and casual labour from farmland. The nutrition situation of Kismayo IDPs is in a sustained *Critical* phase since the *Deyr*'07/08.

Gedo Region

The current food security situation in Gedo has deteriorated due to crop failure; exhausted pasture resources (which resulted in widespread livestock out-migration); limited food stocks; and increased food prices, reversing the significant pastoral and agricultural improvements made during *Deyr* '07/08. The number of people in need of humanitarian assistance in the Gedo region has increased from 45,000 in Jan. '08 to 130,000. About 20,000 riverine, agro-pastoral and pastoral people, mostly located in northern Gedo, are in a state of **HE**, while 110,000 people from all livelihood zones (LZs), including 30,000 urban poor, are in a state of **AFLC**.

Overall *Gu* '08 rains were very poor, except in pastoral areas in Ceelwaaq and Bardera districts, where improved rangeland conditions attracted large numbers of livestock from within Gedo and from Kenya and Ethiopia, depleting pasture and browse resources and subsequently prompting significant livestock out-migration (camel and cattle) toward the Juba regions. Due to poor rains, cereal crops failed in the agro-pastoral zones, while poor irrigation infrastructure and the high cost of inputs drastically reduced the area of crops planted. Current cereal production is estimated to be 15% of the PWA and 31% of the five-year average.

Figure 12: Gedo Bardera Regional Trends in Sorghum Prices



Poor rangeland conditions, weak livestock body conditions and reduced herd sizes (cattle and sheep/goats) have resulted in limited access to food and income for many pastoral and agro-pastoral livelihoods, whose debt levels have significantly increased to an average of \$242 per household in *Gu* '08 from \$43 per household in *Deyr* '07/08. Continued hyperinflation, limited access to labour, limited self-employment options and soaring food prices have severely undermined the purchasing power of poor households in all livelihoods. The price of sorghum in Bardera market was nearly five times higher in July '08 than in Jan. '08 (increased from SoSh2,000 to SoSh11,500) and the price in Luuq market has more than doubled over the same period (SoSh4,500 to SoSh10,000).

The dramatic increase in cereal prices has significantly reduced purchasing power, heavily impacting poorer households. The labour to cereal TOT in July '08 (for Bardera market) reduced from 22kg/day's labour in Jan. '08 and 19kg/day in July '07 to about 5kg/day in July '08. Similarly, the rate of exchange between one local quality goat and sorghum reduced from 230-440kg in July '07, to 100-250kg in Jan. '08, and then to just 62kg in July '08.

Integrated analysis of information from nutrition assessments conducted in Gedo in May '08 and qualitative and health information data, indicates an overall deterioration in the nutrition situation in the pastoral and riverine populations from *Critical* levels recorded during Post *Deyr* '07/08 to *Very Critical* in the Post *Gu* '08. The worsening nutrition situation is partly attributed to reduced availability and access to food and hence declining dietary diversity. In the agro-pastoral population however, the nutrition situation is in a sustained *Critical* phase since the Post *Deyr* '07/08, but is likely to deteriorate due to poor dietary intake and diversity following crop failure and loss of income from the sale of crops.

CENTRAL REGIONS

Central Regions

The food security and overall humanitarian situation for all livelihoods in the central regions has further deteriorated since *Deyr* '07/08 due to complete rain failure during the *Gu* '08 and previous successive seasons of poor rainfall, which worsened drought conditions. Since April '08, the number of people in **Humanitarian Emergency (HE)** has increased by 64% from 110,000 to 180,000. The number of the people in **Acute Food and Livelihood Crisis (AFLC)** has increased by 24%, from 125,000 to 155,000, with early warning levels of Watch for all livelihoods.

The widespread deterioration in the food security situation resulted from multiple shocks, including successive below normal seasonal rains, which caused crop failure and water shortages; a decline in the terms of trade (TOT), which is at its lowest; and inadequate pasture, which caused poor livestock body conditions and out-migration. Milk availability is low due to extremely poor calving/kidding rates for all species.

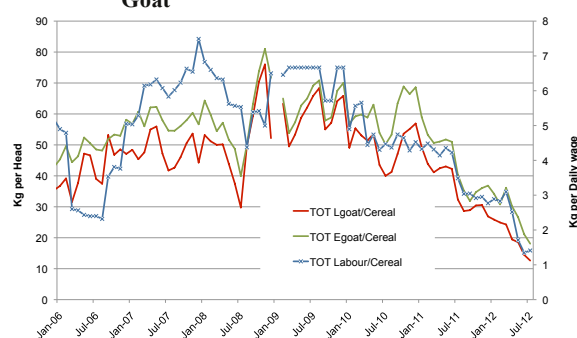
The conception rate for big ruminants is zero and for sheep/goats, low to zero. In regards to livestock trade, there are no marketable cattle available. The availability of sheep and goats is also extremely low, which has increased prices. The price for local quality goat increased in July '08 by 179% when compared to same month last year (340,667 SoSh/head in July '07 to 610,667/head in July '08). Although sheep/goat prices have increased, income from livestock sales will not offset the high cereal prices, which have significantly weakened the TOT. In addition, livestock prices are expected to decline in the next few months.

Prices of cereal are at an all time high and are expected to increase further in the coming months. Sorghum prices increased in July '08 by 481% when compared to July '07 (4,500 SoSh/kg in July '07 to 21,633/kg in July '08). As a result, the TOT drastically declined in July '08, when compared both to the July '07 TOT and the 5-year average (Figure 13). The TOT of local quality goat to cereal in July '08 is 61% lower than the July '07 TOT (12.62 kg/goat in July '08 and 32.36 kg/goat in July '07), demonstrating a continuing downward trend. Livestock herd dynamics analysis indicates a decline in herd sizes for all species (31%-35% for camel, 49%-59% for cattle and 42%-48% for sheep/goats since *Deyr* '07/08). The decline is attributed to high livestock abortion/death rates and increased sales of livestock assets during this past *Jilaal* season. As pastoralists' income and subsequently their ability to purchase food



Very poor camel body Hawd/Addun Pastoral Livelihood in Galgaduud Region

Figure 13: Central Region Terms of Trade - Cereal to Goat



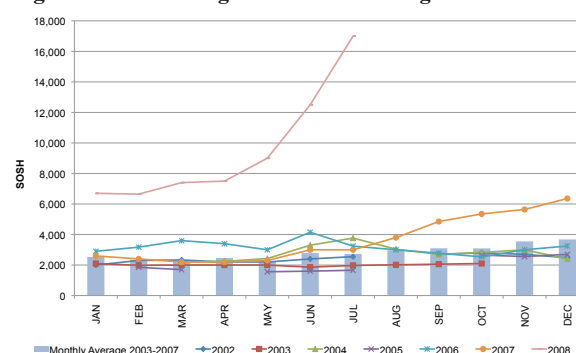
depend upon the quality of their livestock holdings, continued poor livestock body conditions and low herd sizes will significantly diminish pastoralists' access to cereals, thereby limited their ability to meet their most basic needs.

The FSAU Post Gu '08 integrated nutrition situation analysis indicates all livelihoods in Galgadud and south Mudug to be in a *Critical* nutrition phase, with the exception of the Coastal Deeh, where the situation is in a sustained *Serious* nutrition phase. The Hawd and Addun pastoral areas of Galgadud, Hiran and Mudug regions have reported a persistent *Critical* nutrition situation that is likely to deteriorate further due to worsening food security indicators. Areas within Dusamareb district, where the nutrition situation was *Serious* in Deyr '07/08 due to previous interventions have also deteriorated to *Critical* nutrition levels. In the agro-pastoral (Cowpea Belt) areas of El Bur, El Der and Harardhere districts, the nutrition situation has also deteriorated, from *Serious* in Deyr '07/08 to *Critical* in Gu '08.

Hiran Region

The food security situation in Hiraan region has deteriorated since Deyr '07/08. The number of people in **Humanitarian Emergency (HE)** in the region increased significantly, from **25,000 to 120,000** (including rural and urban populations), which is an increase of **380%**. The number of people in both **Acute Food and Livelihood Crisis (AFLC)** and **HE** has doubled since Deyr '07/08 and currently stands at 205,000, representing more than two-thirds (69%) of the rural population, with approximately 25% in **AFLC** and 44% in **HE**. The serious deterioration in the food security situation is attributed to the fifth consecutive season of rain failure, which has seriously disrupted Hiraan's livelihoods.

Figure 14: Hiran Regional Trends in Sorghum Prices



The worst affected livelihood zone (LZ) is the agro-pastoral LZ, where 66,000 people are now in **HE** and 37,000 in **AFLC**. This is followed by the riverine LZ, where 24,000 people are in **HE** and 5,000 in **AFLC**. The humanitarian situation of the *Hawd* and Southern Inland Pastoral LZs has continued to deteriorate since Jan '08. The number of people in **HE** now includes 19,000 people, with another 3,000 people in **AFLC**. Southern Inland Pastoral LZ, the most drought resilient LZ in the region, is now struggling after experiencing multiple shocks including drought, civil insecurity and market stress, which led to a serious deterioration in the food security situation and subsequently resulted in those previously categorized as Borderline Food Insecure (BFI) to be placed in **AFLC** or **HE**.

The serious deterioration in the region is due to overall crop failure, resulting from poor Gu '08 rainfall (50-70% of LTM). Gu '08 cereal production in the Hiran region, mainly from the riverine areas, is 2,000 MT, which is 51% of PWA. Low cereal production in the riverine areas was due mostly to moisture stress and increased fuel prices, which are 333% higher than the five-year average (2003-2007). Cereal prices are the highest ever observed in southern Somalia. In July '08, sorghum and maize prices increased by 523% and 644% respectively, when compared to five-year averages. Pastoralists in the region have also experienced the effects of the poor Gu '08 rainfall. Factors that have contributed to the deterioration of pastoral livelihood are early water trucking (beginning in May 08); higher costs of water trucking; limited rangeland resources (water and pasture) resulting in poor livestock body conditions; and the subsequent reduction in the number of marketable animals.

Widespread civil insecurity and a high concentration of IDPs from Mogadishu and Belet Weyne town have also affected rural communities in Hiran, straining already limited resources. This is confirmed by recent nutrition reports in June '08 that indicate critical acute malnutrition rates for all livelihoods, a significant deterioration since Deyr '07/08. The nutrition situation has remained persistently *Critical* for the riverine population in Hiran region since the Deyr '07/08, while the agro-pastoral areas have indicated a deterioration from *Serious* (Deyr '07/08) to *Critical* (Gu '08). Although there is insufficient data to make a definite classification in the pastoral areas of Hiran, due to a lack of current representative surveys or MUAC data, according to existing indicators and historical nutrition survey data, the nutrition situation is most likely to be *Critical*.

NORTHERN REGIONS

Northeast Region

The food security and livelihood situation of pastoralists in the northeastern regions has deteriorated since Deyr '07/08 due to poor seasonal rainfall performance, hyperinflation and other market disruptions.



Water Trucking resumed right after Gu '08 Rains ended, Jariban, Mudug Region, July '08

The worst affected livelihoods zones (LZs) are Hawd and Nugal, which were Borderline Food Insecure (BFI) with Watch during *Deyr* '07/08, but have now deteriorated to **Acute Food and Livelihood Crisis (AFLC)** with **Moderate risk of Humanitarian Emergency (HE)**. The Sool and Addun LZs remained BFI; however, their early warning level changed from Watch to **Moderate Risk of AFLC**. The total population in **AFLC** and **HE** in the Bari and Nugal regions are estimated to be 140,000, of which 130,000 are in urban communities. Of the total number 82% are in **AFLC** and 18% are in **HE**.

Both the availability and access to pasture and water in the Hawd Livelihood Zone (LZ) of the Mudug and Nugal regions remains poor due to successive poor rainfall (*Deyr* '07 and *Gu* '08). *Berkads* in the Hawd LZ still have yet to replenish, causing some of the *berkads*' foundations to crack and to subsequently lose their capacity to hold water. Because of water shortages, both the demand and price of water increased this past *Gu*. Water prices reached levels of *Jilaal* '08 prices (50,000-80,000 SoSh/200 litre). In some areas, water trucking has continued since *Jilaal* '08. Pasture and browse in Hawd and Nugal only slightly regenerated due to poor *Gu* rainfall and were overgrazed by large numbers of livestock. Most of the middle and better-off families migrated to the *Sool*, *Addun*, and *Hawd* areas of Togdheer in early May. Those from poorer households remained behind, unable to meet the transportation costs associated with migration due to limited income caused by a limited number of marketable animals.

Market availability of rice and wheat flour is below average. The poor and middle wealth groups have limited access to these cereals due to increased prices and inadequate supply, which has caused both groups to switch to purchasing cheaper cereals. Consequently, prices of maize and sorghum also dramatically increased by 265% (maize) and 165% (sorghum) from July '07 to July '08 respectively; and 310% and 210% higher than the July 5-year average (2003-2007). Prices of imported rice and wheat flour in July '08 are 381% and 318% higher than July '07 prices and 580% and 510% higher than July 5-year averages, respectively. Thus, the purchasing power of both pastoralists and urban communities declined significantly this past *Gu*. Terms of trade (TOT) between local goat and rice in July '08 is 54% lower than the July '07 TOT (from 43.41kg/head to 20.17kg/head) and 61% lower than the 5-year average. Export quality goat yields about 22.32 kgs of rice, which is about 55% lower than the July '07 TOT; the TOT between labour and cereals decreased by 60% from July '07 and almost 70% from the 5-year average.

The FSAU Post *Gu* '08 integrated nutrition analysis indicates a *Serious* nutrition situation in Golis, Gaagaab and Nugal Valley, and the Coastal Deeh, while Sool plateau and Karkaar remains in a sustained *Alert* nutrition phase. The nutrition situation in the Hawd and Addun pastoral livelihood remains *Critical* with no significant change since the Post *Deyr* '07/08 analysis. In Galkayo and Garowe, the situation remains *Very Critical* for IDPs, due to high morbidity rates and poor access to food, water and sanitation in IDP settlements. The lack of an established livelihood system for the IDP population, as well as limited access to basic services, has compromised the nutritional status of the population.

Northwest Region

The food and livelihood security situation of the some of the pastoral and agro-pastoral areas in the northwest regions deteriorated from the last *Deyr* '07/08 assessment due to successive rain failure and hyperinflation, which resulted in high levels of livestock off-take. As a result, the Togdheer agro-pastoral and the Hawd, Sool and Nugaal valley pastoral livelihood zones (LZs) are now classified in **Acute Food and Livelihood Crisis (AFLC)**. Depending on the outcome of the *Deyr* '08/09 rains and the rate of hyperinflation over the next few months, there is a Moderate Risk to **Humanitarian Emergency (HE)** for the poor before the end of year. Awdal and Galbeed agro-pastoral LZs are identified as **BFI** with a high risk of deteriorating to **AFLC**. As a result of this overall deterioration, the number of the people in **HE** and **AFLC**, which includes IDPs, has significantly increased from 134,000 in April '08 to 370,000 in July '08.

Gu'08 rainfall was generally below normal in most parts of the northwest (20-40% RFE); however, a few localities received normal rains, particularly West Golis and parts of Nugal and Hawd (150-200mm) (see FSAU Climate Data Update, April-June 2008). Water availability and access is average in the Golis and Nugal livelihood zones (LZ), but poor in the Sool Plateau, Upper Nugal and Hawd LZ. The Sool Plateau, Upper Nugal, southwestern and northwestern



Poor Pasture, Ceelgaal Village, Awdal, July '08



Camel Calf suffering from Skin Disease, Golis, Awdal, July '08

Hawd LZs of Togdheer and southern parts of W. Galbeed region, which received well below normal rains (20-40% of normal RFE), are expected to face acute water shortages following the *Hagaa* season.

Livestock body conditions are average to poor due to poor pasture availability, resulting from below normal rainfall. Camel milk availability is poor to average. Kidding/calving rates during *Deyr* '08/09 are expected to be low due to low conception rates this *Gu* '08 both for small ruminants and *Deyr* '07/08 for camel. Due to unfavourable rainfall conditions, increased livestock off-take, and increased incidents of livestock disease, livestock holdings declined drastically (16%-38% decline for camel; 30%-78% decline for sheep/goats); however, they are still above baseline levels, with the exception of camel herds in the Sool Plateau, which did not recover from the drought of '04.

In the first 7 months of '08, the Burao abattoir exported a total of 96,798 carcasses, which is 217% higher when compared to the same period in '07 (30,548 heads); this is due to increased demand of chilled meat from the Gulf States. Livestock exports from Jan. to July '08 through Berbera port totalled 346,153 heads of which 84% was sheep/goats. This is 15% lower when compared to the period of Jan.-July '07 (405,973 heads), and one of the lowest export figures since 2001.

In the northwest agro-pastoral areas, *Gu/Karan* '08 crop production is estimated at 10,500MT, which is 42% of *Gu* '07, 56% of PWA, and 43% of the 5-year average. Local cereal supply in the main markets is average due to high cereal prices, which led agro-pastoralists to sell more of their cereals, leaving the middle and the better-off with only 2-3 months of stocks.

The current post *Gu* '08 nutrition analysis indicates a deterioration in the nutrition situation in most of the northwest since *Deyr* '07/08. Currently, the Hawd pastoral, East Golis/Gebi of Sanaag, Sool-Sanaag Plateau pastoral, and Guban LZs are classified as *Critical*, while Nugal Valley and Northwest agro-pastoral are in the *Serious* phase.

The West Golis Pastoral LZ (Golis of Awdal pastoral goats, camel, sheep) is the only area that maintained the previous nutrition classification of *Alert* from the Post *Deyr* '07/08. The nutrition situation among Hargeisa IDPs has deteriorated from *Serious* in the Post *Deyr* '07/08 to *Very Critical*, while the nutrition situation for IDPs in Burao and Berbera declined from *Critical* to *Very Critical*. The agro-pastoral LZ is classified as *Serious* and has deteriorated from an *Alert* phase since the *Deyr* '07/08.



Empty Barked, Sool, Lafawayne Village, July, '08

Recent and forthcoming publications and releases

FSAU Press Release, August 26, 2008

FSAU Special Release - Implications for Response, August 26, 2008

FSAU/FEWSNET Market Data Update, August 2008

FSAU/FEWSNET Climate Data Update, August 2008

FSAU Nutrition Update, July - August, 2008

FSAU Technical Series Report, Post Gu '08 Analysis, September 2008 (Forthcoming)

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



Technical &
Managerial Support



European
Commission



Funding Agencies

