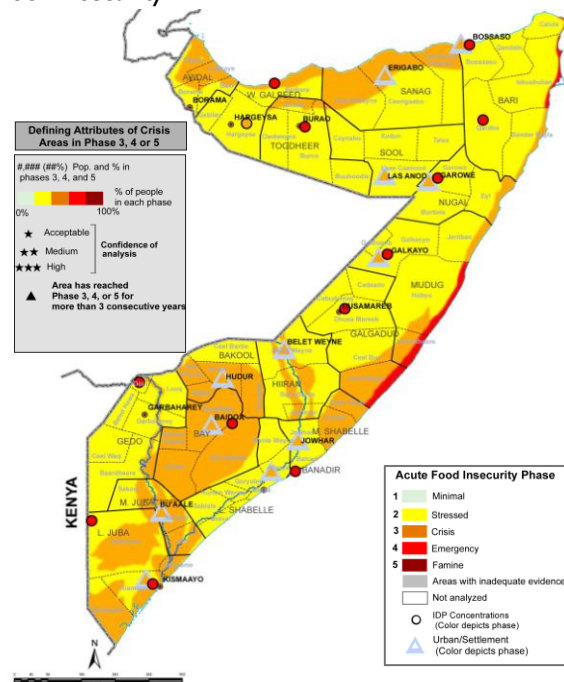


SOMALIA Post-Gu 2012 Food Security and Nutrition Outlook August to December 2012

Key Messages

- 2.085 million people in Somalia are currently food insecure (Figure 1). They face significant food gaps and are classified in Crisis (IPC Phase 3) and in Emergency (IPC Phase 4) levels of food insecurity.
- 2.12 million people, an increase of about two percent from the July estimate, are projected to remain in Crisis (IPC Phase 3) and Emergency (IPC Phase 4) levels of food insecurity through December 2012.
- As a result of the long dry spell during the April to June *Gu* rains, pest infestations, and other factors, the *Gu* 2012 harvest is significantly below average. Agropastoral areas in southern Somalia will be the most affected by the poor harvest including areas of Bay, Bakol, Hiran, Gedo, and Lower and Middle Juba regions.
- 236,000 children are currently acutely malnourished across the country, a 27 percent reduction since January 2012 by June and July 2012. In the same time period, severe acute malnutrition (SAM) reduced by 42 percent to 54,000 children across the country. Southern Somalia hosts about 70 percent of the acutely malnourished children in the country.
- Efforts to meet immediate needs are essential to prevent further deterioration of food security in the country. Programming to protect livelihoods, build the resilience of poor households, and improve food access remain necessary in Somalia. Immediate needs are very high in southern, agropastoral areas between now and the Deyr harvest in January 2013.

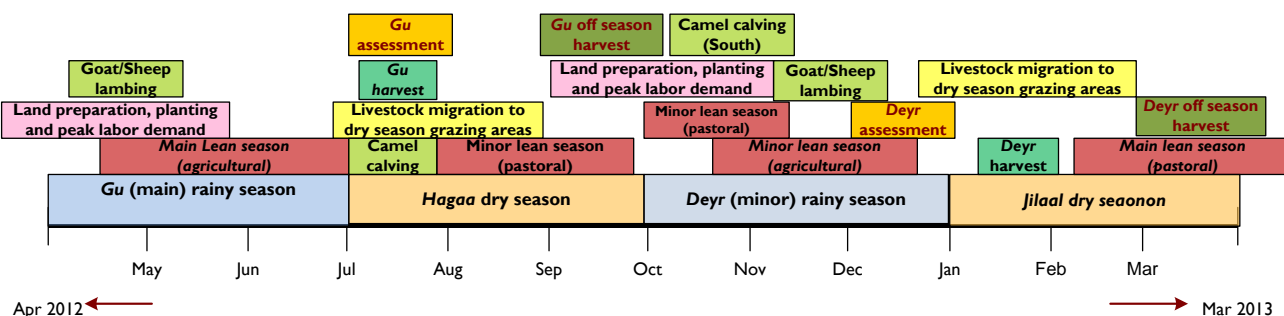
Figure 1. Current situation, July 2012, IPC acute food insecurity



Source: FSNAU

For more information on the Integrated Food Security Phase Classification (IPC) household group scale, please see: www.fews.net/FoodInsecurityScale

Seasonal calendar and critical events



Source: FEWS NET Somalia



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Current Situation

In Somalia, 2.085 million people including populations in both rural and urban areas and including internally displaced persons (IDPs) are currently food insecure. This represents a decrease of the population in need by 17 percent compared to the estimate from six months before. Despite the decrease of the population in need, the total remains among the world's largest. 53.7 percent of the food insecure are classified in Crisis (IPC Phase 3) in urban and rural areas, 7.9 percent are classified in Emergency (IPC Phase 4) in urban and rural areas, and 38.4 percent are IDPs in a food security crisis. Through December, 2.12 million people are projected to be food insecure (Figures 2 and 11).

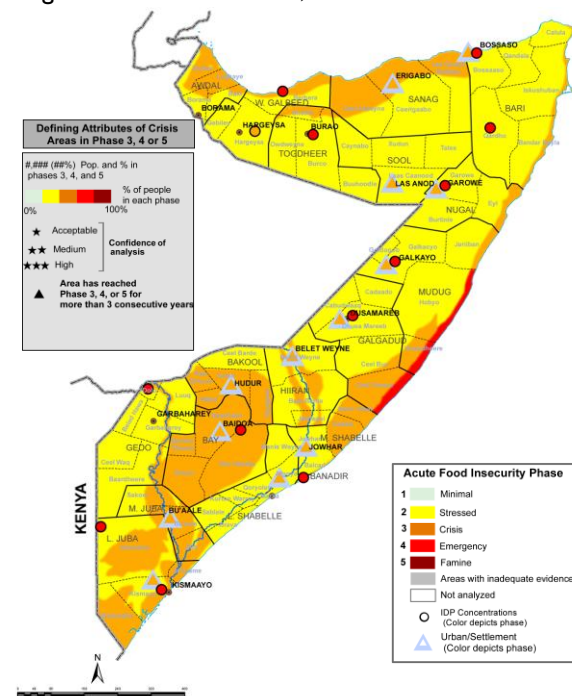
The April to June 2012 *Gu* rains were average in most of the northern regions and parts of the central regions (Figure 5). Rains were sporadic and light in intensity in most of the South and some parts of the central regions. Total rainfall was below the long-term mean. As a result of the delayed and unevenly distributed, April to June *Gu* rains, there was a substantial decline in both maize and sorghum production in southern Somalia. Total, national maize and sorghum production for the *Gu* is significantly below average; it is estimated as the third smallest *Gu* cereal harvest since 1995. In the South, an estimated area of 250,000 hectares (ha) was cultivated, but only an estimated 48 percent of the area planted was able to be harvested. In the North, the *Gu* and *Karan* season harvest takes place from October, and the current projection is that this cereal harvest will be both above the post-war (15-year) average and the five-year average (Figure 4). In Somalia, the total annual cereal production, combining the *Deyr* 2011/2012 harvest in January and February with the more recent *Gu* harvest is estimated to be marginally above the 15-year and five-year average. Markets and some households have stocks from the 2011/2012 *Deyr* still available.

While the *Gu* rains were not sufficient for the agricultural season in rainfed areas, they did improve pasture and water availability in much of the country. Regenerated pasture and improved water availability have improved livestock body conditions to average and to above average in most pastoral livelihood zones. Not all areas experienced this regeneration though, and several areas had poorer livestock body conditions due to poor pasture and water availability including Guban pastoral and the Coastal Deeh livelihood zones. There were other pocket areas of poor pastoral conditions in both the North and the South. In most areas, milk availability at the households level improved due to kidding and lambing in March and April 2012. Cow milk availability increased due to calving in July and August. Similarly, camel calving is expected in November and December in most of southern and central pastoral areas and a few areas in the North. Across the country, livestock migration patterns have been relatively normal within movements between normal wet and dry seasonal grazing areas. However, some abnormal livestock migration has been reported from the Guban pastoral livelihood zone of Sanaag region towards the Sool plateau and the lower Nugaal Valley in the Sool region.

Current nutritional status

The nutrition situation across most rural livelihood zones of Somalia showed continued improvement since December, mostly due to improved food access. This has resulted in decreased cases of acutely malnourished children from 323,000 in January 2012 to 236,000 in July 2012. The improved nutrition situation and reduced mortality rates are mostly attributable to increased milk availability and access to humanitarian support in the nutrition, food, and health sectors. Currently, retrospective crude death rates are below one per 10,000 people per day, at the **Acceptable-Alert** phase.

Figure 2. Projected Outcomes, most likely scenario, August to December 2012, IPC acute food insecurity



Source: FSNAU

Please, see Figure 11 for a larger version of this map.

For more information on the Integrated Food Security Phase Classification (IPC) household group scale, please see: www.fews.net/FoodInsecurityScale

From January to July 2012, in East Golis livelihood zone of the Northwest and the Northeast, the nutrition situation improved from the **Critical** to the **Serious** phase. In the Southern Inland Pastoral livelihood zone of Middle and Lower Juba, it has improved from **Very Critical** and to **Critical** phase, and the same phase is identified in the northern parts of Hiran region (Figure 3).

However, in the West Golis and Guban pastoral livelihood zones, the nutrition situation has deteriorated from **Serious** to **Very Critical** due to poor access to milk and other food products. There is deterioration **Serious** to the **Very Critical** phase as well in Nugal Valley, and **Critical** in the Hawd Pastoral livelihood zone of the Northwest. These trends are mainly attributed to high morbidity and disease outbreaks rather than food security conditions, which are favourable. Specifically, in Burao and Ainaba districts in the Nugal Valley Pastoral livelihood zone, there was a suspected measles outbreak during the April to July period, which has aggravated the nutrition situation. In the Hawd Pastoral livelihood zone of the Northwest, the morbidity level, based on recall, is high with a statistically significant association with acute malnutrition. The situation in Gedo, Bay, and Bakool in the rural livelihood zones remains generally **Very Critical**, attributed to the multifaceted causes of acute malnutrition including household food access, high morbidity levels, and the poor social care environment for children.

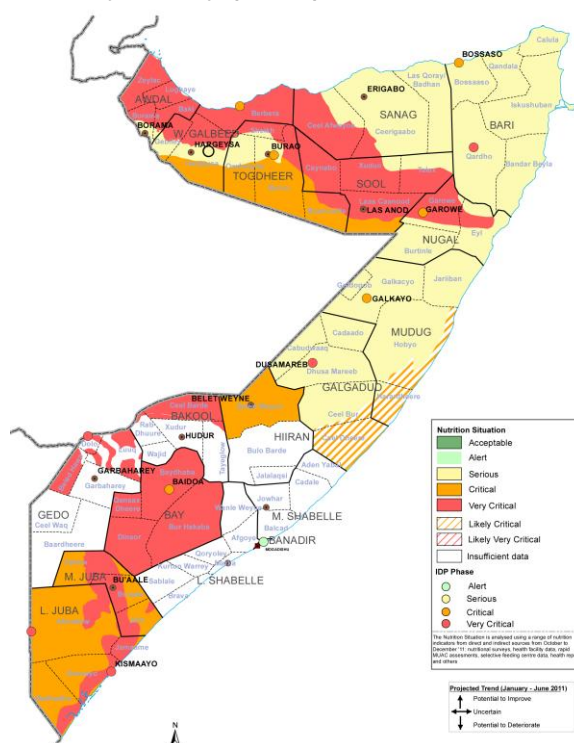
In the urban areas of the North, the nutrition situation continues to be in the **Alert** phase in Sanaag and Woqoyi Galbeed regions and in the **Serious** phase in the other regions. The exception is Togdheer region where there was a deterioration from **Alert** to **Serious**. In Galgaduud region, the nutrition situation in the urban livelihood zone is **Very Critical**. In the Mogadishu urban livelihood zone, the situation has improved to **Serious** from **Very Critical** in January 2012. IDPs in the northern and central regions remain vulnerable, but they are within the usual **Critical-Very Critical** nutrition phases, except for the Hargeisa IDPs who continue to be in the **Serious** phase. IDPs in the southern regions remain in a **Very Critical** nutrition situation phase except for Mogadishu where they are in the **Serious** phase. The situation for Mogadishu IDPs is linked to the high level of humanitarian response over the past year.

Current urban and IDP outcomes

The food security assessments carried out from June to July 2012, indicated an improved situation in urban areas of the country. However, 450,000 people still face an acute food security crisis. The improved situation is largely due to the reduced cost of living following a decrease in both local and imported food prices from January to July. This trend had a positive effect on the food access of market-dependent urban households, the majority of whom do not have access to their own food production. However, continued conflicts in Bakol and Lower Juba regions disrupted trade and economic activities, which aggravated the food security situation of the urban population. The cereal and imported food prices for sugar and vegetable oil in have increased by 10 to 17 percent in Bakool and 20 to 25 percent, particularly in Lower Juba. Labor wages declined 25 to 40 percent in Bakol during the January to July period. Kismayo port activities typically provide labor opportunities for many urban households, but port activity has been reduced since January. Currently, the primary income sources for the urban population includes petty trade, limited casual labour, and self-employment.

Conversely, the ability of the urban poor to purchase food has significantly improved in southern and central Somalia where the cost of the minimum food basket (CMB) declined by 9 to 17 percent from January to July. As a result, the purchasing power of the urban poor who primarily rely on casual labour as a source of income has strengthened. In July, in most regions of the South, 9 to 16 kilograms (kg) of cereals could be purchased through one day's casual labour wage versus 7 to

Figure 3. Current nutrition situation, August 2012 based on June and July surveys



Source: FSNAU

12 kgs in January 2012. The terms of trade between casual labour and locally produced cereals was equivalent to 9 to 11 kg in the Northwest and 5 to 6 kgs in the central regions and the Northeast.

Significant improvement in the food security situation was observed in Banadir region where the proportion of population with “poor” food consumption measured through the food consumption score (FCS) reduced from 22 percent in December 2011 to only four percent in July 2012. However, the share of food spending in households expenditures has shown an increase

from 67 percent of the total in December 2012 to 78 percent in July 2012. This is due to the survey timing coinciding with the month of Ramadan when households generally increase their food expenditures. The findings of the survey show increased access to various income sources. Specifically, from January 2012 to July 2012, the proportion of households engaged in petty trading increased from 7 to 41 percent. For skilled labor, households pursuing this income source increased from 10 to 27 percent. The proportion of households reporting remittances as a source of income has tripled from January to July. The IDPs in the settlements remain in Emergency (IPC 4), as demonstrated by the high proportions of IDP households with poor food consumption scores (42 percent with “poor” FCSs) and the high proportions relying on severe to very severe coping strategies (35 percent of households). The IDPs main sources of income included casual labour (64 percent of households) and petty trading (14 percent of households). Although the malnutrition rates have reduced in this settlement to a global acute malnutrition (GAM) rate of 9.6 percent, the crude death rates (CDR) is estimated at 1.41 per 10,000 people per day. About eight percent of total IDPs have arrived in the last three months preceding the July survey. Almost two thirds of the newly arrived IDPs are from Lower and Middle Shabelle regions while 22 percent are from Bay. The rest are from other regions.

The food security situation remained relatively stable in the northern regions. The pressure on households budget was slightly eased by the reduced cost of food basket from January to June 2012 (a three to eight percent decline), which is reflected in the decreased percentage of household spending on food from an average of 79 percent in January 2012 to 74 percent in June 2012. The coping strategies of the households varied from mild to moderate across the northern regions. The nutrition situation in most regions of the North is **Serious**, with the exception of Bari region where it is **Critical** and Togdheer and Woqoyi Galbeed regions, which are at **Alert**.

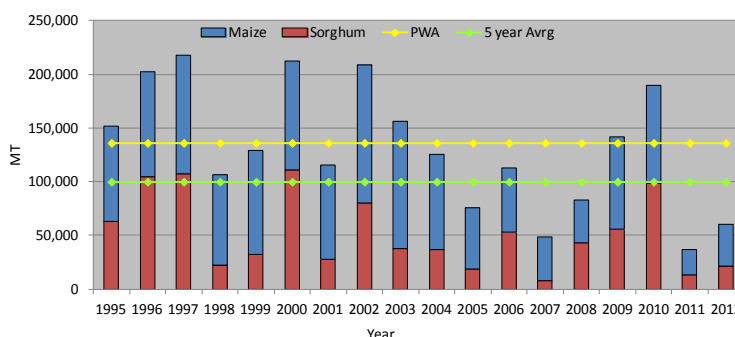
IDP settlements in most parts of the North are classified in Emergency (IPC Phase 4) apart from those in Hargeisa who are classified in Crisis (IPC Phase 3). The GAM rates in these settlements vary from 16.3 percent to 21.7 percent. A large proportion of IDPs’ incomes is spend on food (79 percent of expenditures). The major income sources of IDPs include casual labour (55 percent of households); self-employment (17 percent of households), and petty trading (14 percent of households).

Most-likely food security scenario August to December 2012

National overview

Despite improvements since December, food security outcomes in Somalia still remain precarious. These outcomes were determined based on the recent post-*Gu* 2012 assessment findings by the Food Security and Nutrition Analysis Unit-Somalia (FSNAU), managed by the Food and Agriculture Organization (FAO) of the United Nations, and Famine Early Warning Systems Network (FEWS NET). According to FSNAU and FEWS NET, an estimated 2.12 million people will remain in a food security crisis (IPC Phase 3 or higher) for the August to December 2012 period. The improvements are primarily attributed to sustained humanitarian interventions over the last twelve months, food stocks at both the household and the market levels following the exceptional January 2012 *Deyr* harvest, improved milk availability, and high livestock prices in

Figure 4. *Gu* crop production trends



Source: FSNAU

most pastoral areas of Somalia. For areas with deterioration, the primary driver of food insecurity tends to be the well below *Gu* harvest in July and August (Figure 4).

The July to December 2012 outlook is based on the following, national assumptions:

Climate:

- A mild to moderate El Niño is likely to start between now and December. This will lead to average to above average October to December *Deyr* rains. While the October to December *Deyr* rains are unlikely to be evenly spatially or temporally distributed leading to mixed conditions in rainfed, agricultural areas.
- The enhanced rains and high river levels will also likely lead to flush flooding in agropastoral areas and flooding in riverine areas. The Juba Valley will be at an especially high risk of flooding. Flooding will disrupt agricultural activities, communications infrastructure, and limit trade.

Agriculture:

- Some off-season crop harvest will occur, primarily in riverine areas, during September. The volume of grain harvested is likely to be lower than the average *Gu* off-season harvest due to poor July and August *Hagaa* showers. It will not be high enough to make the overall *Gu* harvest approach either the five-year or post-war averages.
- Demand for agricultural labor will be seasonally normal with high demand for land preparation and weeding for the *Deyr* season from September to November.
- Agricultural labor wage rates will increase during the September to November period due to high agricultural labor demand.

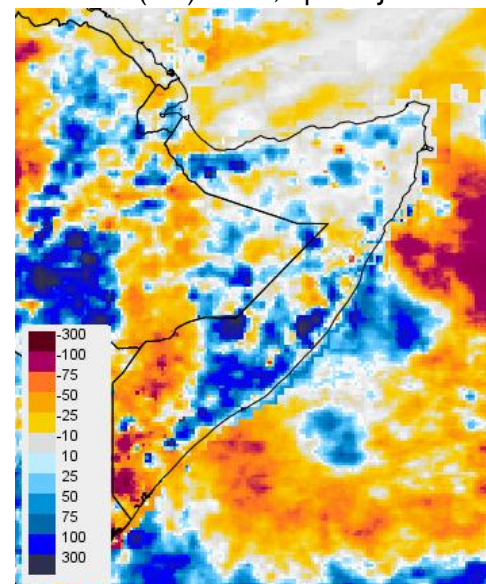
Livestock

- Based on the medium cattle calving rate in July and August, cow milk availability is expected to improve primarily through September. Milk sales are expected to increase, increasing household income.
- Due to a medium conception rate during the *Gu* rains, a medium level of kidding and lambing is expected to occur in November and December. This will increase household level milk availability.
- Milk gifts from better off to poor households are expected to increase from the present and will be most prevalent during peak milk availability.
- Due to poor cattle conceptions during the April to June *Gu* rains, high conception rates for cattle are expected during the October to December *Deyr* rains.
- Camels will be calving in November and December, so they are unlikely to conceive during the *Deyr* rains. Following the start of the *Deyr* rains in October, seasonal in-migration of livestock will improve household access to milk.
- Livestock prices across the country will seasonally increase in September and October for the *Hajj* exports. After this period, they will decline but not to particularly low levels.

Markets and trade:

- Local cereal prices will likely increase from now until December due to the seasonal rise during the October to December agricultural lean season, the below average 2012 *Gu* harvest, and a reduced level of expected food aid for the next six months. However, prices are highly unlikely to approach their peaks from 2011 (Figure 6). These prices will likely peak in November before green consumption of *Deyr* crops begins in December.
- Rising international prices of wheat and sugar are likely to be transmitted to Somalia's markets. Wheat products made up 63 percent of commercial imports for the past three calendar years, and they will continue to be an important component of the Somali diet. However, it is unknown how much of the wheat products are re-exported to Ethiopia, Kenya, and Djibouti.

Figure 5. *Gu* season rainfall anomaly in millimeters (mm) of rain, April to June 2012



Source: USGS/FEWS NET

- The Somali shilling (SOS) is likely to continue to very slightly appreciate against foreign currencies due to continued growth of the economy of Mogadishu and other inward investments. The Somaliland shilling (SLSH) is unlikely to significantly depreciate as foreign currency earnings in the Somaliland shilling zone of the Northwest peak during the livestock export period in September and October that precedes the *Hajj*.
- International rice prices are likely to remain relatively stable, and imported rice prices in Somalia will continue to be relatively stable.

Humanitarian assistance:

- Based on the Somalia food security cluster's (FSC) intervention plan through December, the planned figures for assistance will decrease from October to December. Cereal availability will decrease due to decreasing deliveries of in-kind food aid, which will place additional upward pressure on staple food prices.
- In central and southern Somalia, humanitarian access from now to December will be reduced as insecurity and fighting are expected to continue.
- Humanitarian support may increase in some areas of the North which are relatively more secure and accessible to humanitarian agencies.

Conflict:

- Insecurity is expected to increase in southern Somalia and disrupt trade and livelihoods in Mogadishu and in southern Somalia.
- Conflict may limit cross-border trade both with Kenya and with Ethiopia.

Nutrition Outcomes

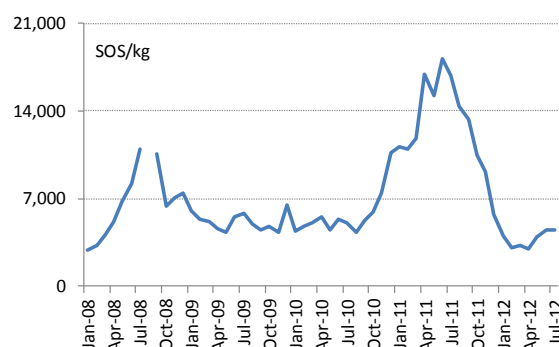
In the South, the projected nutrition situation up to November 2012 is likely to remain **Critical** to **Very Critical**. The drivers of malnutrition will be the below average *Gu* 2012 crop harvest in July and August and the projected seasonal outbreaks of acute watery diarrhea (AWD) and suspected cholera from October to November 2012. In the North, the situation is likely to remain unchanged across all rural livelihood zones except for West Golis-Guban Pastoral and Nugaal Valley Pastoral livelihood zones, where it is projected to improve to **Critical**. In the Hawd Pastoral livelihood zone of the Northwest, the situation is projected to improve to **Serious**.

Areas of concern

Guban pastoral livelihood zone of the Northwest

The past two consecutive December to February *Hays* rains failed. The December to February *Hays* rains are the only rainy season in this area. The failed rains, along with consistently high temperatures, currently over 46 degrees Celcius, have led to dried shallow wells, poor pasture and water availability, and long water trekking distances to reach boreholes. Trekking distances have increased, resulting in significant livestock body condition deterioration to a below average level (Figure 8). Drought related diseases were reported during the July 2012 assessment, though livestock deaths have so far been limited. Poor water and pasture availability has meant that neither camels, sheep, nor goats have conceived since late 2010 and early 2011. As births have been very low over the past year and conceptions are limited, milk availability is very poor. During the long dry season, pastoralists in Guban often migrate to neighboring areas of Ethiopia and Djibouti or to the Golis Mountains. However due to poor rainfall in Shinile zone of Somali region in Ethiopia and Ali Sabieh region of Djibouti, livestock migration options are more limited.

Figure 6. Red sorghum in Baidoa market, Bay region, January 2011-July 2012, Somali shillings (SOS) per kilogram (kg)



Source: FSNAU/FEWS NET

Water prices have also risen significantly, and they are likely to continue to increase until November. Though livestock prices are higher than average like in most of Somalia, resulting in somewhat favorable terms of trade (TOT) between livestock and cereals, most pastoralists have very few saleable animals. Poor households' current primary source of income are remittances from family members who migrated to Djibouti in search of labor. Also, there is some inconsistent assistance from humanitarian agencies and the governments of both Djibouti and Somaliland.

Household food consumption has been reduced. Milk availability was observed to be low, and diets are limited to only consisting of cereals, sugar, and vegetable oil. The average debt levels of poor households increased from July 2011 to July 2012 by 38 percent an average of USD 125 to an average of USD 200 per household. Access to credit is declining. The estimated malnutrition rate deteriorated from **Serious** in January 2012 to the **Very Critical** level in July 2012 with the gross acute malnutrition (GAM) rate reaching 21.7 percent.

Poor households' livestock holdings have been significantly reduced. In July, households in Guban pastoral livelihood zone had a high offtake of livestock over the past year, and their holdings are now well below the baseline. In July, camel holdings have also been reduced. Both poor households and the area are currently classified as being in Crisis (IPC Phase 3).

In addition to the national assumptions described above, for the outlook through December, the following assumptions for Guban pastoral livelihood zone have been made:

- The July to September *Karan* rains over the Golis mountains will generate limited runoff to the coastal plains of Guban pastoral livelihood zone.
- High temperatures will continue. They will likely be above 46 degrees Celcius through to November, but temperatures will drop during the December to February *Hays* rains.
- Water prices likely to continue rising until the *Hays* rains in December.
- The remaining livestock herds of poor households will not be healthy enough to migrate to neighboring regions of Ethiopia and Djibouti to areas with better pasture and water conditions. Many livestock will not be saleable.
- Households will sell few of their saleable livestock as the value will be low.
- No additional large scale humanitarian assistance is assumed to occur between August and December. The current plans of the Somalia food security cluster only indicate a small number of beneficiaries.
- Milk production will be minimal if there is any at all between now and December.
- Cross-border labor migration from the area is likely to increase. During migration and returns, theft of livestock for meat will increase.

Distress sales of livestock will occur between now and December, but sales income will be well below normal for this time of year. Households may sell two to three goats through December, but income from the sale of livestock will be lower than usual. Milk and ghee sales will be well below normal as most livestock, even camels, will not be milking. While remittances will remain a vital, key source of income for many households, overall remittance income will decline through December despite increased labor migration. Competition between migrants and locals in Djibouti will reduce the daily labor wages. Debt levels will continue to increase, but gradually, credit will decline as creditors are unwilling and unable to provide additional credit to households increasingly unable to repay. Based on the impacts of reduced income from livestock, livestock products, and labor migration, access to food from market purchases will be reduced.

Despite ongoing assistance and some access to remittances, poor households are unable to fully meet their food needs. Further erosion of livelihood assets is expected, and losses of livestock to disease and other hazards will increase. Crisis (IPC Phase 3) levels of food insecurity are expected to persist through December, but a small portion of poor, pastoral households will deteriorate to Emergency (IPC Phase 4).

Figure 7. Drought affected camels near Abdiqadir and Luughaya villages



Source: FEWS NET

Southern agropastoral areas in Gedo and Lower and Middle Juba regions

As a result of the late start of the rains, below average rainfall totals, reduced planted area, and cricket outbreaks, the agropastoral areas in these regions had a near failure of the *Gu* harvest in July and August. Field reports and satellite imagery confirm that very few crops have grown this year (Figure 7). Local cereal prices unseasonably increased from June to July. For Lower Juba region, the estimated cereal harvest is only 18 percent of the the post-war (15-year) average.

Water prices have increased by 14 and 18 percent from June 2011 to June 2012 in agropastoral areas, primarily due to the poor rains not refilling water points. However, more livestock-dependent agropastoralist have access to dry pasture and browse, which has sustained normal livestock migration patterns. Due to the medium cattle calving rate in July and August, milk availability has increased at the household level over the past several months. This has improved access to a key income source to fund market purchases of food. In addition, livestock body conditions remain average to above average. Poor households' livestock holdings increased marginally since January.

The July 2012 nutrition survey by FSNAU and partners found nutritional status improvements from the last *Deyr* assessment, but the malnutrition rate still remained at **Very Critical** in Lower and Middle Juba and Gedo. In Juba agropastoral areas, the GAM rate was estimated to be 25.1 percent (22.2-28.3).

In addition to the national assumptions described above, the following assumptions have been made about agropastoral areas in Gedo, Middle Juba, and Lower Juba:

- The July to September *Hagaa* rains will remain below normal in Lower and Middle Juba regions.
- Lower and Middle Juba will have the most disrupted trade patterns in Somalia due to likely flooding and conflict.

The mild to moderate El Niño will result in average to above average October to December *Deyr* rainfall which will enhance pasture conditions, increase water availability, and result in average to above average *Deyr* crop production in January and February. As the labor wage rate is expected to be favorable from September through November, labor will fund most food purchases from September to December. Medium calving and kidding is expected in November and December, hence milk availability and sales of ghee will increase at that time.

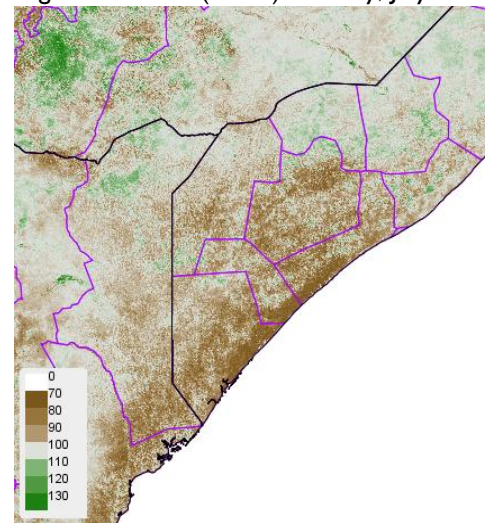
The El Niño will bring rain to rainfed areas, but it is likely to bring floods to nearby riverine areas. Flooding will interrupt trade and other activities that depend on roads and communications infrastructure. The more limited trade, cut off both by poor road access following floods and continuing conflict in these region, will drive up prices for cereals, vegetable oil, sugar, and other foodstuffs. While labor incomes will be somewhat favorable to poor households, increasing prices may prevent labor to maize terms of trade from seasonally improving.

As agropastoral areas in Gedo region are more livestock-dependent than crop-dependent, milk availability and favorable livestock prices will allow poor households to access more food. These areas will improve to Stressed (IPC Phase 2). However, in agropastoral areas in Gedo region, over half of poor households will remain in Crisis (IPC Phase 3). Agropastoral areas in Middle and Lower Juba are more crop-dependent than livestock-dependent, and these areas will likely have more disruptions to trade from conflict and flooding, so they will remain in Crisis (IPC Phase 3) through December.

Agropastoral areas in Bay and Bakol regions

In most agropastoral areas of Bay and Bakol, the July and August crop production was well below average. Cricket infestations coupled with the below average rains during the crop establishment stage have led to a poor harvest. In Bay

Figure 8. eMODIS Normalized Difference Vegetation Index (NDVI) anomaly, July 1-10



Source: USGS/FEWS NET

agropastoral high-potential livelihood zone, replanting took place after the rains resumed during the third and fourth weeks of May, primarily with maize and secondarily with sesame and cowpeas. However, poor rains with dry intervals in June retarded crop establishment. Signs of moisture stress such as drooping leaves were observed. In Bakol, the sorghum crop in the western parts of the region wilted before reaching the establishment stage. In addition to poorly spatially distributed rains, erratic timing of rains persisted throughout July, and a well below average *Gu* crop has been harvested, estimated to be only 21 percent and 39 percent of the post-war (15-year) average in Bay and Bakol, respectively.

A household economy approach (HEA) outcome analysis using the livelihoods integrated analysis spreadsheet (LIAS) was conducted for the agropastoral livelihood zones in Bay and Bakol regions. In addition to the national assumptions described above, the following quantitative assumptions were made regarding agropastoral areas in Bay and Bakol regions:

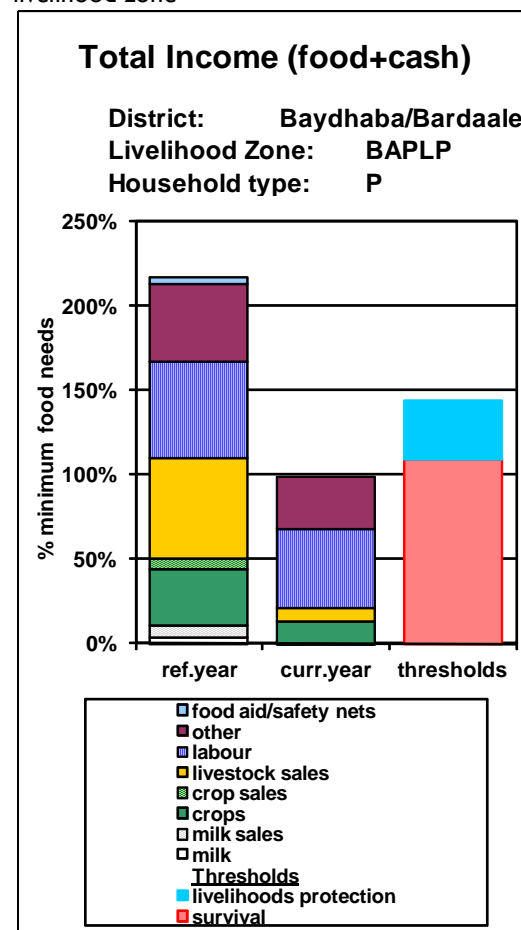
- The failed July to September *Hagaa* showers have eliminated the possibility of a later, off-season crop.
- Local cereal prices will increase to 20 percent over the July price for the July to December period.
- Sugar prices were expected to increase to 25 percent above the July 2012 prices.
- Milk volumes per milking female are expected to be the same as in the baseline year.
- The reported herd sizes from the FSNAU seasonal assessment were used to determine both the herd size and the number of milking females.
- No change to the current inflation rate or exchange rates was estimated.
- Agricultural labor wage rates were estimated to be the same as in November 2011 for land preparation and weeding, and the same as in January 2012 for harvesting. Labor availability was estimated to be the same as in the baseline year.
- Firewood and charcoal prices were estimated to remain the same as in July 2012 through December.

Based on these assumptions coupled with the production estimates for the July and August *Gu* crop harvest, agropastoral households will face both livelihoods protection and survival deficits (Figure 9), especially in the later part of the scenario period in November and December. These results triangulate fairly closely with other analysis, placing the agropastoral areas of Bay and Bakol regions in Crisis (IPC Phase 3) from July to December.

Urban areas and IDPs

The number of people in a food security crisis is projected to increase in the August to December 2012 period by 18 percent to 530,000 people. The major assumptions behind the declining food security situation in urban areas include the anticipated increase in food prices which will affect the purchasing power of the market dependent urban population. The price increases will be mostly driven by the shortfall of *Gu* production and by rising international food prices. Trade and other economic activities may decline due to the likely deterioration of the security situation in southern Somalia. Given the poor road infrastructure, the forecasted El Niño during the October to December 2012 *Deyr* rains will likely increase rainfall and flooding, affecting trade movements within the country. Reduced trade may have an affect on food availability

Figure 9. Income estimates for July to December for Baydhaba/Bardaale districts of Bay in Bay-Bakol agropastoral low potential livelihood zone



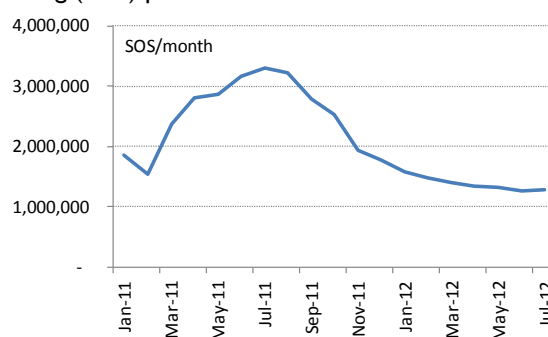
Data and Analysis: FSNAU/FEWS NET

Graphic design: Food Economy Group (FEG)

and thus place upward pressure on food prices. An increase of the prices of locally produced cereals of between 3 and 13 from June to July was already observed in many key markets in Somalia. The trend of increasing international prices will also place additional pressure on urban households' ability to purchase food which comprises the majority of their expenditures (70 percent of expenditures). Sugar prices are especially likely to rise over the next several months. However, prices are unlikely to reach their high levels from 2011 as the cost of the minimum expenditure basket (CMB) remains much lower than last year (Figure 10), and the prices of some imported goods such as rice may remain relatively stable.

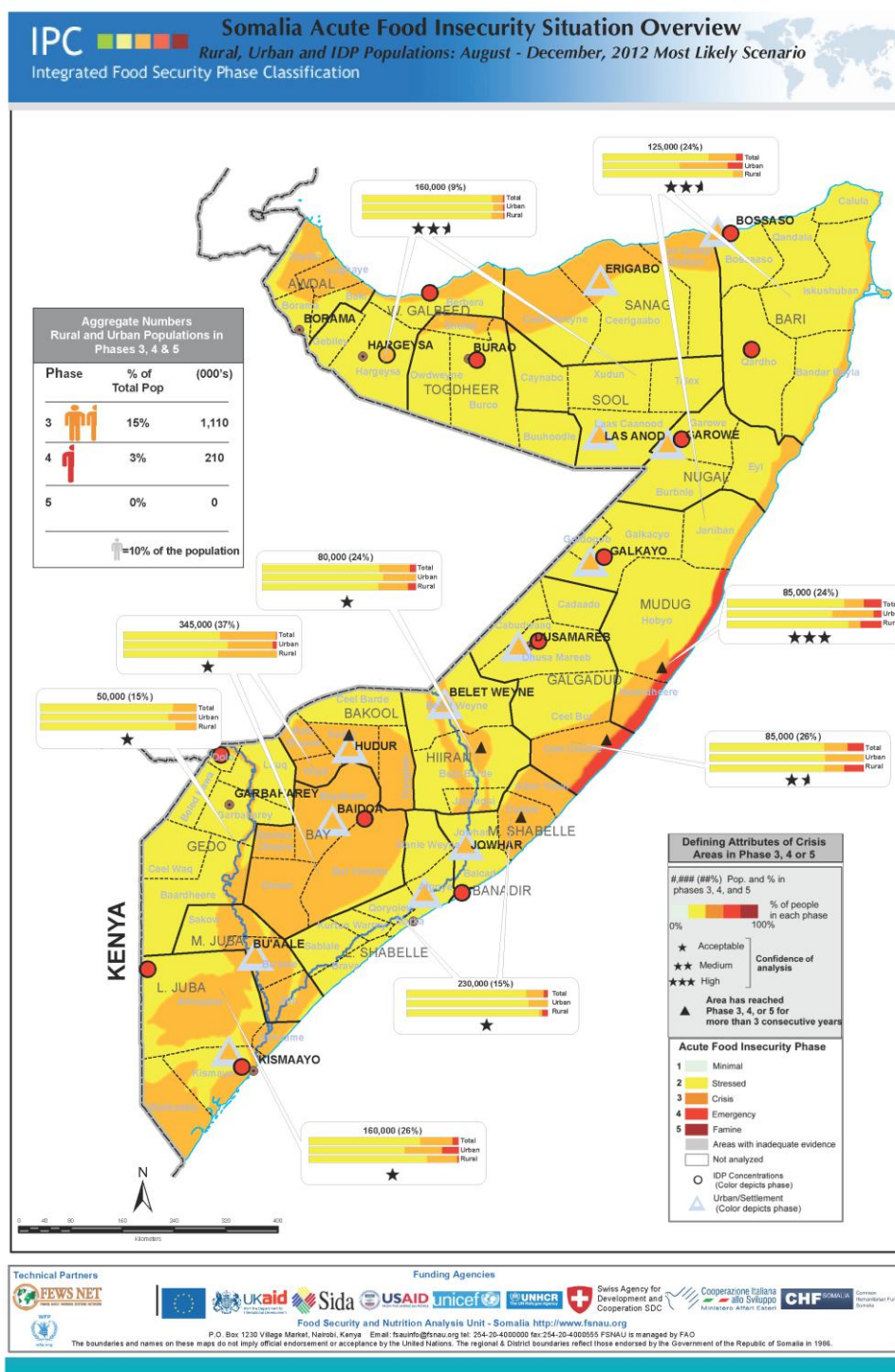
The deterioration of security in urban areas in southern and central regions will lead to an increased level of displacement. Insecurity will also disrupt livelihoods. The number of people in a food security crisis is projected to increase from July by 18 percent to 530,000 people in the August to December 2012 period.

Figure 10. Cost of the minimum expenditure basket (CMB) in Banadir, January 2011-July 2012, Somali shilling (SOS) per month



Source: FSNAU

Figure 11. Projected Outcomes, most likely scenario, August to December 2012, IPC acute food insecurity



Source: FSNAU

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