

Price Monitoring and Analysis Country Brief

Madagascar

October 2009

Key Messages

- Rice prices, which decreased following the good harvest, began to climb in August 2009. Prices remain higher than the levels in 2007.
- The country is characterized by unstable political situation and intense natural disasters which have exposed people to seasonal food insecurity.
- There is a consensus among agencies that the food security situation is alarming and particularly worrisome in the Southern regions due to rainfall deficits.
- The government provided technical and financial support to the agricultural sector and eliminated tariffs and VAT on imported rice.

Background

In 2008 the population in Madagascar was 19.11 million with a growth rate of 2% per annum. Estimates indicate that, in 2005, 67% of the population was living with less than 1\$ per day, while 37% was undernourished

Economic Indicators	View Data
Total Population - 2008 (WB)	19110941
Population growth rate - 2008 (WB)	2%
GNI per capita, \$ PPP - 2008 (WB)	1040
Population below 1\$ PPP per day - 2005 (MDGI)	67%
Rural population - 2007 (WB)	71%
Agriculture, value added (% of GDP) - 2008 (WB)	25%

Food Consumption	
Undernourished Population - 2005 (FAO)	37%
Cereal share in total dietary energy consumption - 2005 (FAO)	58%
Meat share in total dietary energy consumption - 2005 (FAO)	4%

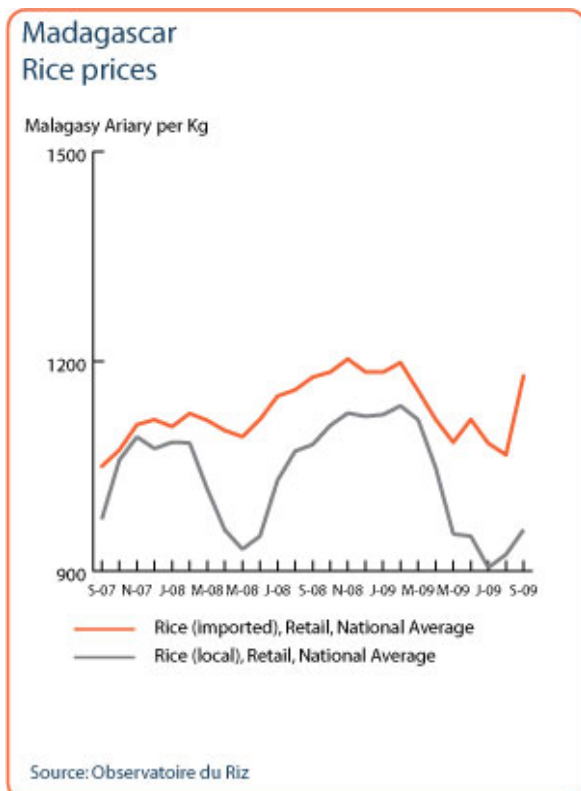
Health Indicators	
Pop. with sustainable access to improved sanitation - 2006 (WHO)	12%
Life expectancy at birth (years) both sexes - 2006 (WHO)	59
Pop. with access to improved drinking water sources - 2006 (WHO)	47%
Prevalence of HIV among adults aged >= 15 years - 2005 (WHO)	0%

Prices

Cereals: Prices of rice decreased during the first half of 2009, since peaking in November 2008, reaching a low of MGA 1083 per kg in July 2009. The fall in prices reflects the increased market availability following improved rice harvest in April-June 2009. However, rice prices began climbing in August and were fractionally higher in September 2009 compared to a year earlier, at MGA 1179 per kg. Prices still remain 11% higher than levels recorded in 2007 for the same month. The depreciation of the Ariary against the US Dollar may contribute to maintaining higher import rice prices, adding further inflationary pressure during the lean season.

Natural Disasters, Drought and Conflicts

The country is prone to natural disasters, including cyclones, drought and floods. Meteorologists forecast that four to five intense cyclones could strike Madagascar during the 2009/10 season. Political instability is exacerbating the already precarious situation for many vulnerable households and putting a halt to progress in disaster preparedness. The infighting that began in January 2009 ousted President Marc Ravalomanana and replaced him with his rival, Andy Rajoelina.



Source: [GIEWS Country Briefs](#)

Refugees and IDPs	n.a.	n.a.	2008
Total in the country	n.a.	n.a.	0
Total outside the country	285	289	294

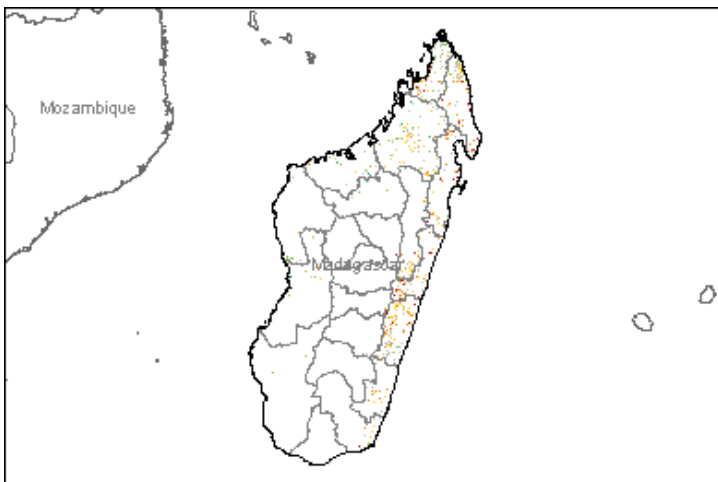
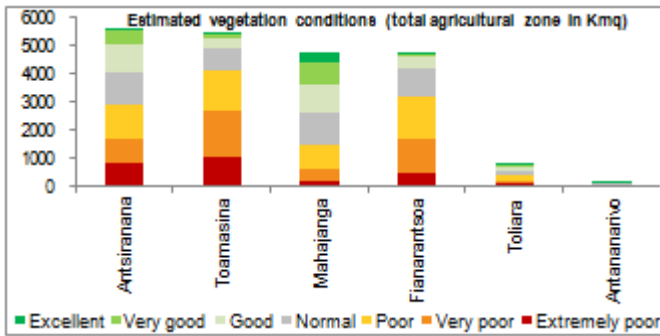
Source: [UNHCR Statistical Online Population Database](#), United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

Disaster Type (last year)	Date	Location	Alert
Flood	2009-01-22	Betsiboka	1/3
No Earthquakes	-	-	-

Source: [Global Disaster Alert and Coordination System](#) - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Vegetation Condition

Estimated vegetation condition in October 2009 with respect to the average of the last 10 years. The vegetation condition is calculated on the agricultural zone defined according to the GLOBCOVER land cover database. The charts report the areas of each vegetation condition class by province and have to be cautiously interpreted, in particular if in the dry season.



Source: JRC MARS – FoodSec

Food Security Situation

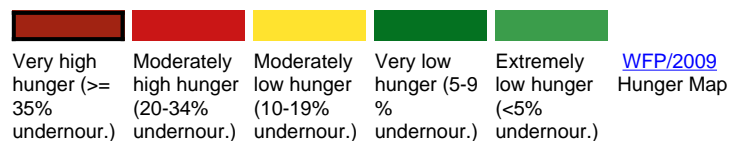
According to GIEWS, in the south, an estimated population of 560,000 is food insecure following a low cereal harvest in 2009. Food insecurity is characterised by both low availability and poor access to food. WFP and IFPRI agree that there will be a very high and alarming hunger problem in the long term.

CURRENT EMERGENCY ASSESSMENT

Madagascar is not part of the countries in crisis requiring external assistance [FAO/GIEWS CPFS 2009](#)

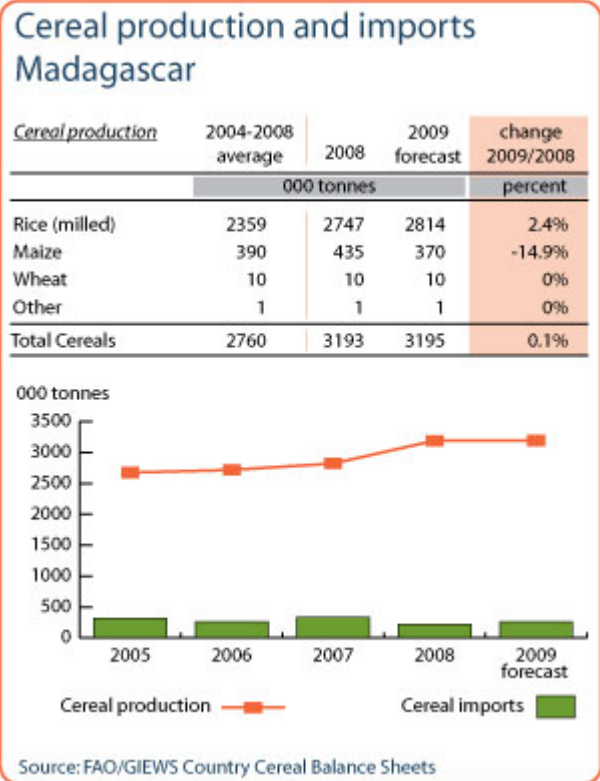
Madagascar is not covered by FEWSNET. FEWSNET coverage is limited 14 African countries 1 Caribbean (Haiti) and 1 Central Asia (Afghanistan). [FEWSNET](#) Food security status is given for different parts of the country in each case.

SCALE OF HUNGER



Food Balance Sheet

Favourable rainfall contributed to an increase in rice production in 2009, estimated at 2.8 million tonnes. However, dry conditions in the south led to lower production levels. For the 2009/2010 marketing year the country faces a cereal deficit of 206,000 tonnes. The Government has pledged to import 150,000 tonnes of rice in 2009/10 marketing year, with the commercial sector expected to import the remaining cereal requirement.



Source: GIEWS Country Briefs

Governance Policies

The Government maintained the elimination of VAT and tariffs on imported rice, which will help mitigate the inflationary effects of the currency depreciation. Moreover it supported production through input subsidies and irrigation schemes while providing food assistance to poor households.

Consumer and market oriented measures	Suspended VAT; Storage facilities
Producer oriented measures	Support to input for crop/animal production; Irrigation; Market information
Trade policy measures	Reduced tariffs on imports
Safety net (increased or introduced)	Food assistance

Market and trade policy measures adopted (as of 1 December 2008)

Current events to watch (Click to see the full report)

No News Found

For more information, contact: Information-for-action@fao.org
Website: www.foodsec.org

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