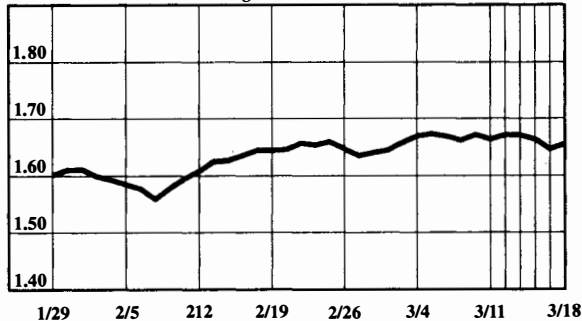


## Currency Rates

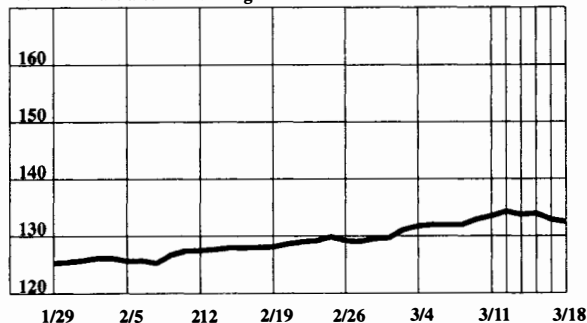
### The dollar in deutschemarks

New York late afternoon fixing



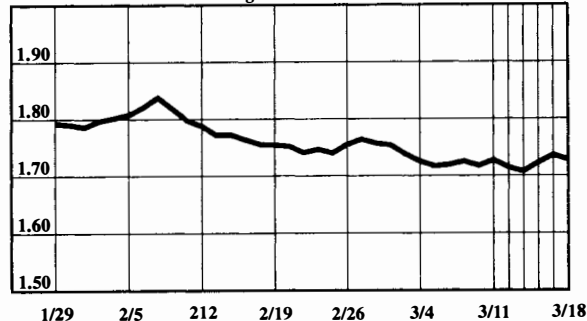
### The dollar in yen

New York late afternoon fixing



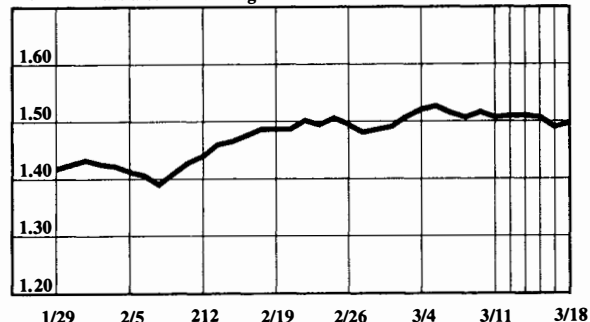
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



## Africa food supply threatened by drought

by Linda de Hoyos

Shortages of food supply for sub-Saharan Africa's 450 million people are expected to escalate dramatically this year, with the news that the southern Africa region could face a 75% fall in coarse grain yields due to drought. Drought is hitting Africa along the entire eastern coast from Cairo, Egypt, to Cape Horn, South Africa, and all the countries affected will require significant grain imports this year if their populations are not to starve. In the southern Africa region, food reserves are low because of a poor harvest last year. Already, Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe are suffering food shortages because of the drought.

South Africa, usually the world's sixth largest exporter of grain, will have to import 4 million tons of corn, according to the United Nations Food and Agriculture Organization (FAO), since this year's corn crop is expected to be below 25%.

In total, Africa will require in the order of 10 million additional tons of grain imports this year to keep its population from starving, with two-thirds of that going to South Africa and the southern African region, and 2,284,000 tons going to Somalia, Sudan, and Ethiopia, where drought has exacerbated food shortages already caused by civil war and unrest.

Zimbabwe is the hardest hit of the African countries by the drought. Government statistics show that 3,603 boreholes out of 12,110 have dried up since February, while 3,133 of a total 7,048 deep wells have run dry throughout the country. Acute water shortages are threatening to shut down industries, and schools are starting to close. The drought has decimated the country's dairy industry, thereby eliminating milk as a food source also. At least 2 million people, out of an estimated population of 9.7 million, are eligible for drought relief. As in the case of other countries forced unexpectedly to import food, the drought will drain foreign exchange and worsen Zimbabwe's debt crisis, making imposition of "structural adjustment plan" of the International Monetary Fund (IMF) even more onerous. Economists are projecting a negative 4% growth rate for the economy.

The drought in Zimbabwe also affects the rest of the region adversely. Zimbabwe has heretofore supplied food for more than 1 million Mozambican refugees in southern Malawi, who have fled the civil war in Mozambique, and Zimbabwe has supplied the food to Mozambique for its own internal refugees.

Mozambique itself is expected to require 1 million tons of maize this year in extra food imports to feed its population. Even if weather were normal for the remainder of the year, cereal

output is expected be less than 50% of domestic requirements. A state of emergency has been declared throughout most of Gaza province. In Manica province next to Zimbabwe, there is total crop loss. Drought has severely curtailed agriculture in rain-fed areas, and also reduced the water for irrigation in the Limpopo River valley. Even if Mozambique is still able to reap a normal harvest in the northern section of the country, the civil war and lack of infrastructure make it impossible to move the food to the south where the drought has hit.

Zambia will need to import 880,000 tons of maize this year because of the drought. The new government of Kenneth Chiluba has moved with alacrity to implement the IMF's structural adjustment program, which had been stalled by defeated President Kenneth Kaunda. Therefore, despite the drought, the new Zambian government on March 4 removed food subsidies, as per IMF instructions, and prices are expected to skyrocket under conditions of shortage. Millers had already hiked prices by 12%.

In Kenya, further to the north, the drought has hit this food exporter hard. This year Kenya will have to import 500,000 tons of food to meet its minimal needs. In addition, Kenya must feed the thousands of refugees who are coming into the country from Somalia. Because of the drought's decimation of the livestock industry, there is no butter and milk is hard to find.

In the northeastern region of Sudan and in Ethiopia and Somalia, drought has worsened food crises already existing because of civil war. According to the FAO, Sudan projects a 3.8 million-ton harvest this year, which is an improvement over their 1.8 million tons of last year. However, most of this comes from the mechanized sector, and lack of infrastructure prohibits its shipment to drought-stricken areas. In the states of Kordofan, Darfur, and Eastern State, lack of water in rain-fed agriculture will produce a harvest inadequate for even subsistence. In these states, 5.25 million people, about 20% of the population, require food aid this year.

Over 60% of the Somalian population has been afflicted by the civil war in that country, and the harvest is expected to be 30-40% of normal. Supplies of seeds, fertilizers, and implements have also been disrupted and irrigation equipment has reportedly been looted or destroyed. In rural areas, people have lost or consumed their grain reserves and are now scrounging for "famine food"—sugar cane and wild fruits and berries.

In Ethiopia, 4.5 million people have been affected by drought, and the country will need to import 880,000 tons of cereals this year.

In Morocco, drought has caused a 50% decrease in this year's harvest over last year, and Morocco is being forced to import 3.2 million tons of cereals this year.

## Drought stricken countries in Africa

