



UPDATE ON FOOD SECURITY ISSUES – 16th March 2009

Highlights

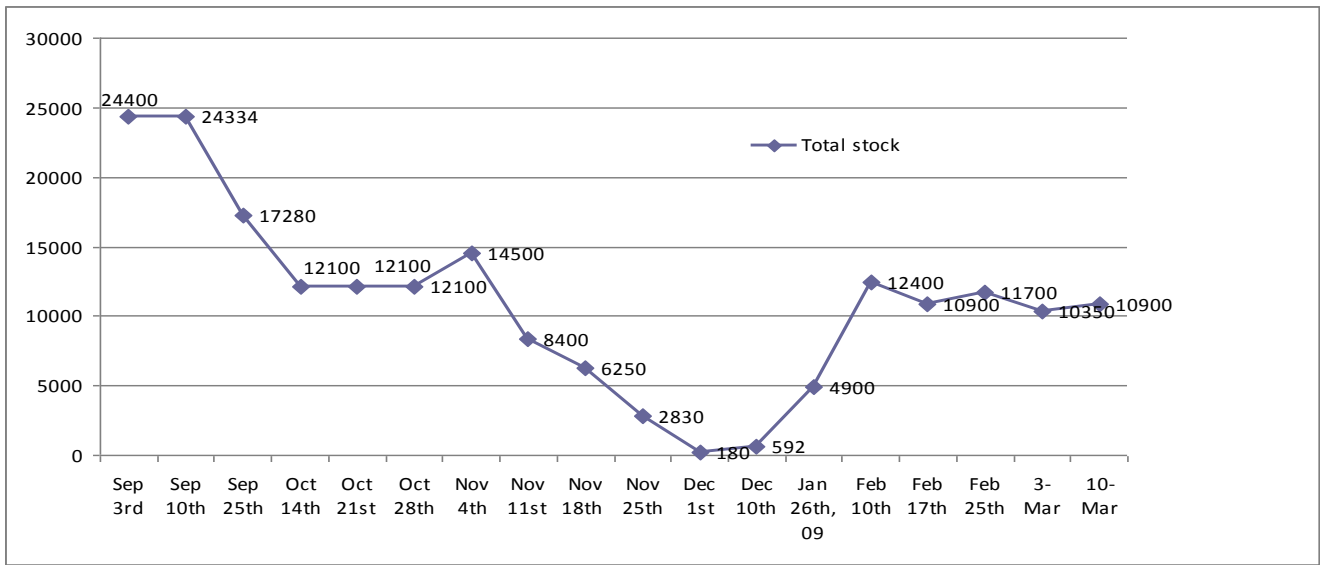
- Availability of most basic food is currently acceptable for both fresh and dry foods, whereas **accessibility remains particularly problematic for some items.**
- **Fresh chicken and meat, cleaning material and cooking gas were found to be unavailable or in shortage as of 10 March 2009** (based on WFP market observation).
- **The prices of sugar, rice, onion, tomato, milk powder, chicken and frozen fish increased substantially** compared to pre-war prices.
- Shortages of animal feed and gas have contributed to the increase of prices of chicken in the market from 12 to 17.25NIS/Kg.
- The price of meat has decreased after the war by 1%. Vegetables are available but prices of some of them remain high compared to pre war prices.
- **Food availability in Gaza is volatile**, dependent on: 1. opening of border crossing for both humanitarian and commercial goods; 2. resumption of local production - The availability of fresh foods is highly dependent on the ability and timeliness of the agricultural sector to recover and is at relatively high risk of shortages or economic access difficulties (high prices of imported fresh food, if such imports are allowed at all).
- As of 10 March, the total stock of wheat flour in Gaza mills is 10,900 mt, which is enough to cover the needs of the total population for approximately 24 days (i.e., until 3 April 2009).
- Fishing activity is still restricted to 3 nautical miles from the coast (the fishing limit outlined by the Oslo Accords is 20 nautical miles), preventing sufficient catches (lower by 72% than Feb.) Unless lifted, the fishing restriction will strongly affect the sardines fishing season, due to start in April.

Availability of food and prices

Mills and Bakeries

- In the first week of September 2008, the total mills stock amounted to 24,000 mt, i.e., the highest in the past six months. Since then, the volume of mills stock sharply reduced, to reach its lowest level in the first week of December 2008 (180 mt) before increasing after the war and reaching 10,900 mt on mid-March 2009 (Fig.1). Stock trends in the past six months have affected the availability and the accessibility of food in the Gaza Strip.
- Given the commercial wheat requirements in Gaza of 450 mt/day, the current stock will **cover the needs for approximately 24 days, until 3 April 2009.**

Figure 1: Total Wheat Flour stock for all mills in Gaza Strip Sep08 to March 09 (10.March)



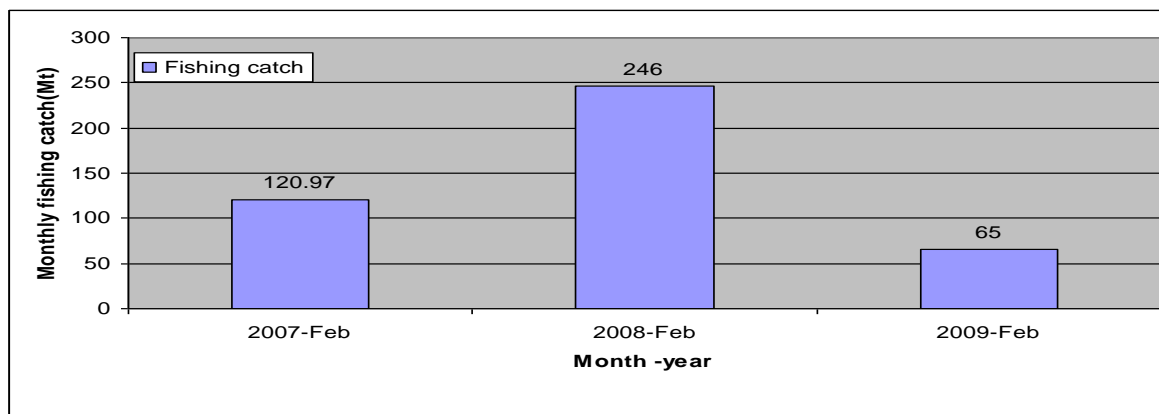
- Based on the available field information, it is safe to assume that basic goods, including wheat flour, pulses and powdered milk have commercially been entering Gaza after the war in sufficient quantities to both cover the immediate needs and begin to build up stocks for the weeks to come. Other food items, such as canned food, rice, sugar and vegetable oil, have been entering consistently. During Feb 2009, 36.5 % of cargo entering Gaza was commercial and 66.5 % are humanitarian¹.
- More than 70% of bakeries are now operating normally, thanks to the availability of flour. However, the amount of cooking gas is still below requirements and the problem will persist should imports remain low.

Fishing

- On 11 March the IDF Spokesperson's Office announced that since the military operation fishing activity, would be restricted to 3 nautical miles from the coast (the fishing limit outlined by the Oslo Accords was 20 nautical miles, and 12 nautical miles in the Bertini Commitments (2002). Since 2002, however, fishing was de facto restricted to 6-8 nautical miles). The justification given by the IDF is the prevention of smuggling of weapons and ammunitions. Fisherfolk frequently come under fire when exceeding the imposed limitations. The fishing restriction represents an additional impediment to the Gaza economy, as it precludes sufficient catches and limits profits, causing a major revenue loss to fishermen.
- The restriction to access sea reduces the catching of fish by more than 72 % compared to February 2008 (from 246 mt to 65 mt).
- Consequently, the only types of fish found in the market are Asafeer, Ghobos and very light quantities of Sardines, as well as Dennis, imported from Israel (20-35 NIS/kilo).
- Moreover, the sardine fishing season, a usually highly profitable season for fisherfolk, is due to start in April, and unless the fishing is lifted, both availability of fresh fish and fisherfolk's livelihoods will be strongly affected.

¹ Source: PALTRADE.

Figure 2: Variations of fishing catch in February 2007, 2008 and 2009



Market price analysis

- The prices of 12 food items increased substantially compared to pre-war prices, especially for sugar, rice, onion, tomato, milk powder, chicken and frozen fish.
- The prices of other food commodities remained the same or decreased (table 1 below & fig. 3).
- This analysis has been confirmed by anecdotal observations and results of the qualitative rapid emergency food security assessment (EFSA).

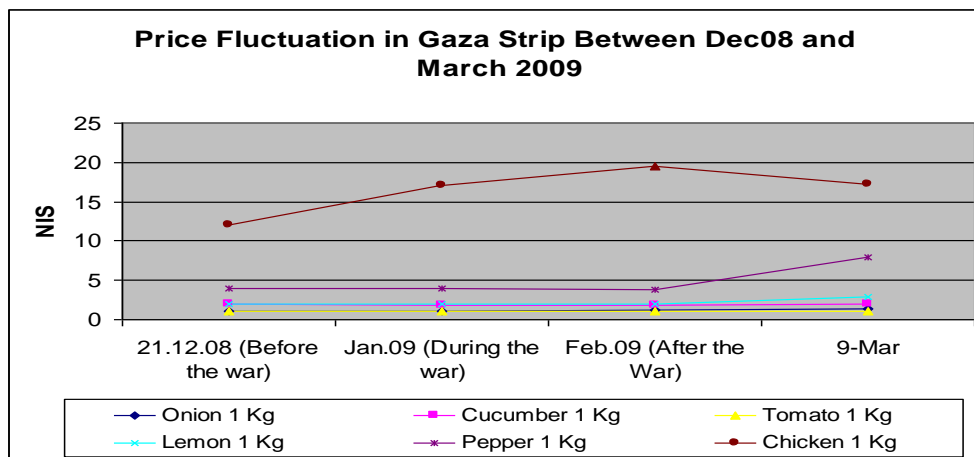
Table 1: Price of the basic commodities in Gaza Strip before, during and after the war

Item	Unit	21.12.08 (Before the war)	Jan.09 (During the war)	Feb.09 (After the War)	9-Mar	Change in prices (%)	Comments
Wheat flour	50 kg	107.5	140	100	99.5	-7.44%	Below
Sugar	50 Kg	124	129	129.78	133.1	7.34%	Above
Rice Egyptian	1 Kg	5	6	5.04	5.4	8.00%	Above
Rice Yasmeeen	1 Kg	5	6	5.1	5.1	2.00%	Above
Onion	1 Kg	1	1	1.25	1.335	33.50%	Above
Cucumber	1 Kg	2	1.83	1.87	2.016	0.80%	Above
Tomato	1 Kg	1	1	1.08	1.05	5.00%	Above
Lemon	1 Kg	2	2	1.92	2.901	45.05%	Above
Pepper	1 Kg	4	4	3.75	8	100.00%	Above
Potato	1 Kg	2.36	1.875	1.25	1.25	-47.03%	Below
Lentils(Red)	1Kg	12	12	9.19	9	-25.00%	Below
Fresh meat	1 Kg	60	60	59.67	59.35	-1.08%	Below
Chicken	1 Kg	12	17	19.46	17.25	43.75%	Above
Frozen meat	1Kg	22	23	21.96	22.5	2.27%	Above
Frozen fish	1 Kg	13	13.5	14.25	13.2	1.54%	Above
Strawberry	1Kg	5	5	3.33	2.982	-40.36%	Below
Garlic	1 Kg	16	19	16	16.4	2.50%	Above
Banana	1 Kg	6	6	5	4.5	-25.00%	Below

12 items are above and 6 are below pre-war prices.

- The price of chicken is also being affected by Gazans' poultry farmers' lack of control over imports and hatcheries being razed during past incursions (see Fig. 3)². People rely on frozen poultry meat for animal protein, as fresh red meat, chicken and fish is unaffordable for many families.
- Bulk imports (imposed by the Israeli authorities) lead to periods of shortage and periods of surplus -i.e. eggs hatching at the same time- thus adding to the instability of chicken prices. Current price of 17.25 NIS/kg is 44% higher than in December 2008.
- It should be noted that farmers and agricultural laborers are still prevented from accessing the arable land in the "Buffer zone" (which runs along the Eastern border of the Gaza Strip with a width of circa 1 km, and along the Northern border of the Gaza Strip with a width of circa 2 km, and comprises approximately 30% of the arable land). Lack of materials for the rehabilitation of land, wells, irrigation networks, greenhouses, and nurseries also prevent farmers from returning to previous productivity levels. Furthermore, other agricultural inputs necessary to resume the agricultural production, including fertilizers, pesticides, seedlings, etc. are currently either unavailable or unaffordable to farmers. It is expected that the next agricultural production cycle will be penalized by these factors, thus jeopardizing the availability of locally produced food in future³.

Figure 3: Price fluctuation of various commodities between December 2008 and March 2009



Gaza Strip employees salaries

As of 1 March 2009, the de facto Hamas Government started paying salaries to 20% of the total civil servants, while the Government in Ramallah started paying salaries to 77,000 Gaza Strip employees on 15 March.

² The chicken production was already being affected before the military operation due to lacking warming gas (necessary to heat the hatcheries) and poultry feed. A large number of chicks, estimated by FAO at over 500,000, were exterminated by a hatchery farmer because he could no longer afford to maintain the production scale.

³ Satellite-based imagery of damages caused to the agricultural sector released by UNOSAT can be found at www.apis.org the maps show damages to greenhouses, cultivated lands and roads in each of the governorates.