

FEWS NET overviews

For an analysis of food security in Malawi, see the back page

ETHIOPIA: The Ethiopian National Meteorological Agency's recently released forecast for the 2009 *belg* season suggests that rains will begin on time and perform well, despite earlier concerns about lingering *La Niña* effects. However, dry conditions persist in parts of northern Ethiopia, including North Wollo, meaning that a poor *belg* season could still occur in some areas. Meanwhile, recent assessments in SNNPR have confirmed increasing levels of food insecurity, and transport problems between Djibouti and Ethiopia have slowed the flow of food aid.

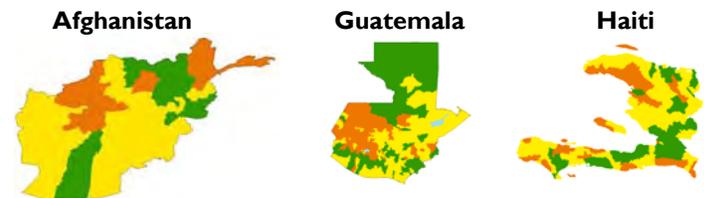
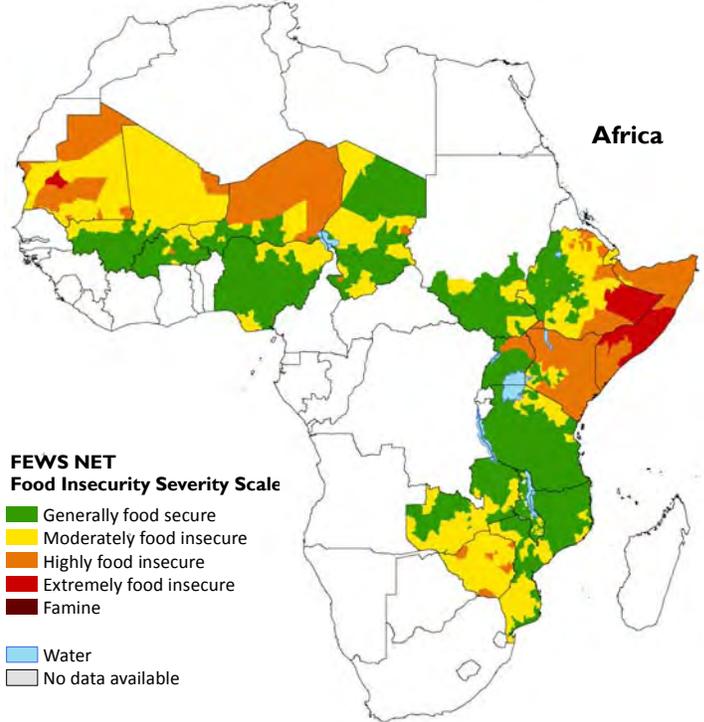
HAITI: A third of the country's population is food insecure, with the highest concentrations in areas where current harvests have been below-normal, and where damage from last season's storms was most intense (e.g., Gonaives and Belle Anse). Despite the below-normal rainfall forecast for the coming season, a sustained decline in international food prices should mitigate food insecurity over the next few months. However, the extended forecast for the 2009 Atlantic hurricane season, which begins in June, suggests above-normal hurricane activity this year. In combination with the effects of the U.S. economic recession, severe storms could undermine food security and lead to increased assistance needs.

SOMALIA: At least 3.2 million Somalis require humanitarian assistance through June 2009, following repeated droughts, ongoing conflict and political instability, and hyperinflation. Overall conditions in Somalia are not expected to improve over the next six months, and delivery of humanitarian aid has become more difficult because of deteriorating security and increased targeting of aid workers. The forecast for the April-June 2009 rains, Somalia's main cropping and pastoral season, also remains poor.

WEST AFRICA: The 2008/09 season in West Africa resulted in above-average harvests sufficient to meet regional demand. Cereal prices, however, remain above the five-year average for the period, and post-harvest price inflections have occurred earlier than expected in many markets. Initial assessments point to increased government efforts to restock national grain reserves and limited release of stocks by farmers hoping for higher prices to cover input costs as factors contributing to the high prices. If the current rise in prices continues, net consumers and populations with localized production shortfalls, such as those in northern Nigeria, the northern Sahel, and areas of southern Nigeria, Benin, and Togo, are likely to require assistance as the hunger season begins in June.

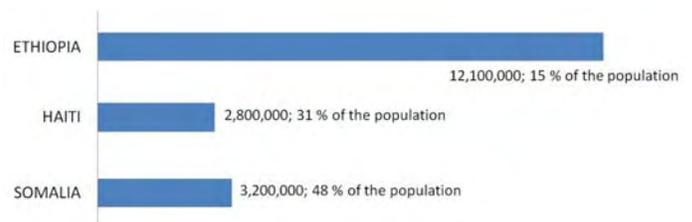
Current estimated food security conditions

January to March 2009

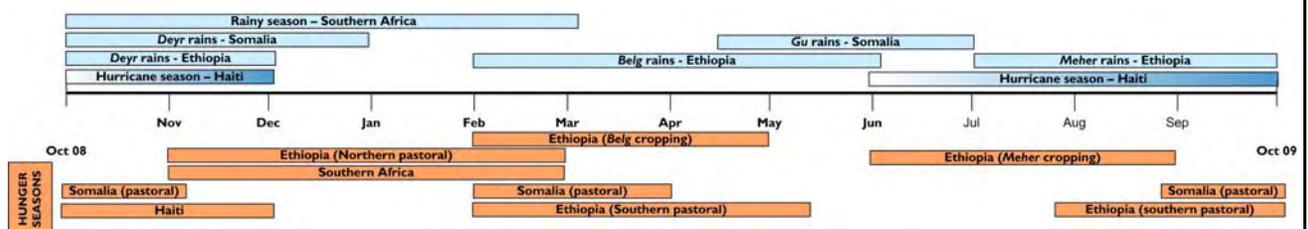


These maps show the highest estimated severity of food insecurity in each area, based on the latest assessment and monitoring data, as well as baseline data and analysis.

Selected food insecure populations



Critical events timeline



High prices create critical food access problems in Southern Malawi

The availability of affordable maize has been a critical problem in southern Malawi this year, and low and middle-income households are struggling to access enough maize to meet their consumption needs. Last season's poor production in the south, particularly in Mwanza, Zomba, Machinga, Mulanje, Phalombe, Balaka, and Blantyre districts, has made a larger proportion of households dependent on market purchases than normal, while retail prices of maize and cassava have been rising to abnormally high levels throughout the marketing year (April-March).

At the start of the 2008-09 marketing season, there was concern about the impact of end of the season dry spells on harvests and maize availability in the year ahead. Therefore in May, private traders aggressively entered the market, crowding out buyers from ADMARC, the government's maize marketing unit, by offering higher prices in anticipation of selling at even higher prices later. Prices began rising sharply from May through August, not only in Malawi but elsewhere in the region. The government blamed large traders for the escalation, concerned that if the traders were buying at high prices, they would later be selling at even higher prices that many poor households could not afford. In August, the government imposed restrictions on large scale traders participation in maize trade unless they were willing to sell to ADMARC at a fixed price of MWK 52/kg, which was unrealistic given that many had bought maize at a higher price. In response, traders stocked maize or sold it directly on the market at higher prices despite the ban. Presently, maize is readily available in local markets in the south, but at prices not affordable to low and some middle-income consumers.

Meanwhile in August, ADMARC began to sell maize at MWK 52/kg, slightly higher than prevailing prices in the north, but considerably lower than prices elsewhere, particularly in the south. Since then, retail prices on local markets have continued rising, especially in the south, in part because ADMARC markets have not been able to keep up with demand. After ADMARC's involvement in the distribution of agricultural inputs ended in December, supplies have improved, but not enough to meet demand. Available fixed-price maize is quickly bought not only by consumers but also private vendors seeking quick profits.

The high prices offered by traders attracted farmers who sold more of their own production than normal, even those in the south who had below-normal harvests, leaving them vulnerable to the extreme price escalations that followed. A January field assessment led by FEWS NET, FAO, and WFP, confirmed that the proportion of households in the south who had depleted their own-produced food ranged by district from 30-50 percent, about twice as many as last year. When ADMARC maize is not available, these households depend on local markets, where prices have reached levels up to four times their five-year average.

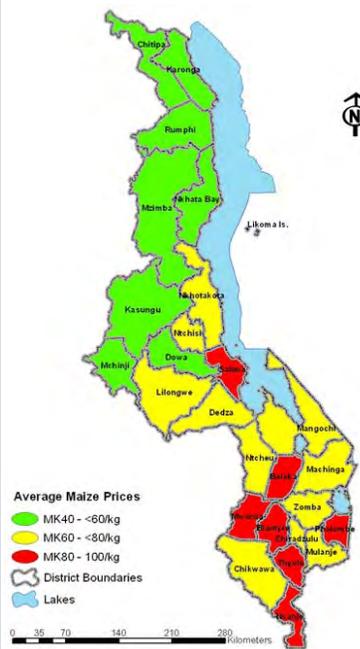
Once ADMARC began selling at the fixed price, the Malawi Vul-

nerability Assessment Committee revised down its projections of the number of people who would be food insecure through March to 675,000 people. However, because ADMARC supplies have not kept up with demand and local market prices are prohibitive, the number of people in need could be higher. To address their needs, the government began distributing food aid in January in districts where the problem was assessed to be highest. Targeting has not been well coordinated, and it is likely that some of needy households are not benefiting.

In a normal year, poorer households in southern Malawi rely on the market to meet about 20-40 percent of their food needs. If prices remain high in the 2009-10 marketing year, households will again not be able to afford enough food to meet their needs, even if production improves this season. It is possible that in some districts in southern Malawi, including the Lower Shire Livelihood Zone (especially Nsanje District), where seasonal rains came late and have not been well distributed and crops are now exhibiting signs of stress, production will again be below normal. Meanwhile, because of the food access difficulties households now face, it is likely that premature harvesting and heavy consumption of green maize will reduce overall harvests.

Given high prices and strong demand from both the government and private traders, there was good incentive to plant this season, and crop yields should benefit from the government's input subsidy program. The next harvest will start in April, bringing much needed relief to households across the country. The temporal and spatial distribution of rainfall performance this season allows for the possibility of a good harvest. However, unless the government can improve its ability to supply ADMARC markets and ease restrictions on private sector maize trade, prices are likely to remain well above average in southern Malawi, especially if and where the rainy season ends poorly. Households will have to devote a larger proportion of their income to food purchases and may only be able to do so by selling productive assets, a process that could make them increasingly dependent on formal food assistance.

Figure 1. Average maize prices by district in January 2009



Graphic: FEWS NET