

## MALAWI Food Security Outlook Update

February 2011

### Good harvests expected in April due to positive rainfall

#### Key Messages

- National maize availability remains favorable during the lean season. Private traders have continued supplying local markets across the country and have largely kept retail prices lower than earlier expected.
- Humanitarian assistance in the districts of Nsanje, Chikhwawa, and Balaka will continue through to the next harvest in April. It is unlikely that there will be any additional humanitarian assistance to areas in need.
- While the agricultural season looks good in most areas in the country, parts of some districts have experienced prolonged dry spells that could reduce the expected surplus for the April harvest.
- Although there has been above-normal rain in the central and southern areas of the country, it is less likely that serious negative effects from flooding will take place despite earlier projections from meteorological experts.

#### Updated food security outlook through June 2011

National food availability in Malawi is expected to remain stable until the next harvest, which is normally expected in April. Maize stocks with both the Agricultural Development and Marketing Corporation (ADMARC) and the National Food Reserves Agency (NFRA) are still holding large quantities of maize. ADMARC has been trying to sell most of its 45,000 MT of maize reported in December. Around January, ADMARC reduced the selling price for maize from MWK 60/kg to MWK 40/kg in all of its selling points. FEWS NET field observations conducted in January and February have revealed that there are little if any sales taking place in ADMARC markets except for Mwanza, Neno, and Mangochi. The Ministry of Agriculture and Food Security (MoAFS) agriculture commodity prices collected in January through the Agriculture Market Information System (AMIS) show that the average national retail price for maize was MWK 31.06. At a regional level, maize retail prices were MWK 36.56 in markets in the northern region, MWK 33.48 in markets of the southern region, and MWK 26.04 in markets in the central region. It is very likely that the national average price will not exceed MWK 50/kg as projected in October by the Malawi Vulnerability Assessment Committee (MVAC) due to large stocks of maize stored with private traders which have not been quantified. These lower than expected prices are a signal that the private traders still have significant maize stocks and are trying to quickly offload it onto the market before the next harvest thereby suppressing maize prices to the relief of consumers but to the potential detriment of producers. In January, the MoAFS released minimum farm gate prices and pegged the maize price for 2011 at MWK 25/kg, though farm gate prices are rarely enforced and private traders will most likely pay any price, often lower, based on their projections of the marketing season.

*This report provides an update to the January 2011 FEWS NET Food Security Outlook report which estimated food security conditions in Malawi through June 2011.*

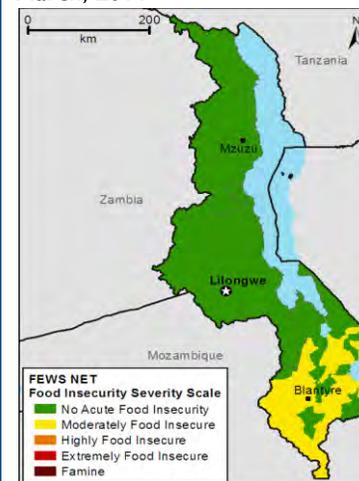
*The next Outlook report will be released in April and will cover the April through September 2011 period.*

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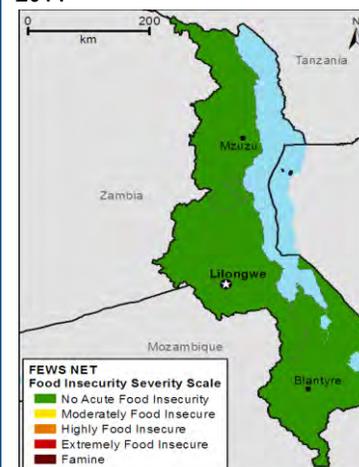
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**Figure 1.** Most likely food security outcomes February-March, 2011



Source: FEWS NET

**Figure 2.** Most likely food security outcomes, April-June 2011



Source: FEWS NET

For more information on FEWS NET's Food Insecurity Severity Scale, please see: [www.fews.net/FoodInsecurityScale](http://www.fews.net/FoodInsecurityScale)

In January FEWS NET developed a mostly likely food security scenario based on the following assumptions:

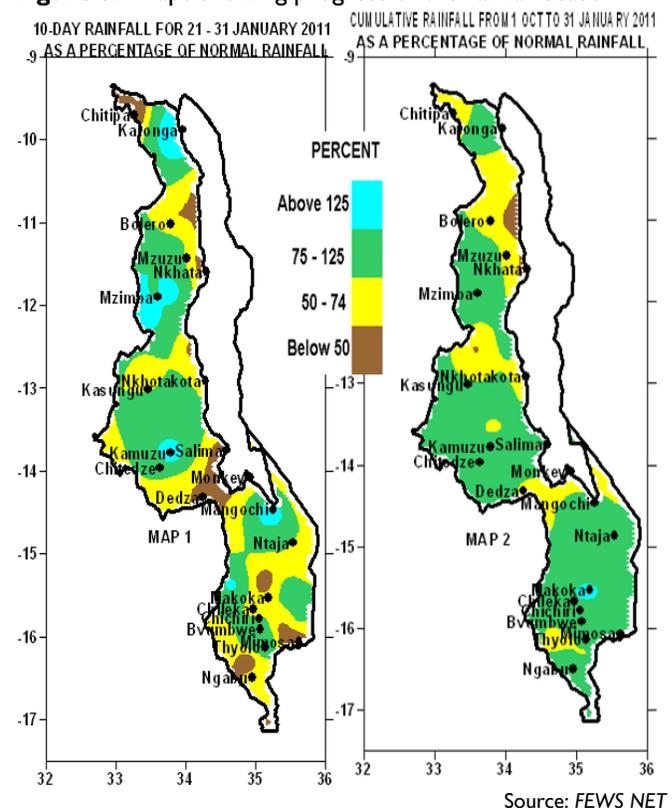
- Private traders will continue moving maize from the center of the country to the deficit-prone south.
- Maize will be available in markets in the south at prices no higher than MWK 40/kg.
- Floods may occur, but the effects will not impact more than 55,000 people.
- Private traders will export no more than 300,000 MT of maize which the government has approved for export. These maize exports will not affect local supplies or prices.
- Crop harvesting will start as it normally does in April.
- Humanitarian food assistance programs will only occur in the districts of Nsanje, Chikhwawa, and Balaka and will cease at the end of March.

As of February these assumptions are largely holding true with the minor exception that flooding is less likely to be a shock in Malawi this year despite rainfall which has already occurred as well as the projections of normal to above-normal rains made by the Department of Climate Change and Meteorological Services (DoCCMS). Lack of floods will result in less residual moisture in parts of the Chikhwawa and Nsanje districts in the Lower Shire Livelihood Zone. This will reduce the area under irrigated and residual moisture crop production in the two districts that is typically planted after the main rain-fed crop. However, with a good rain-fed crop, cash and food crop production should not be any cause for alarm for next year in the two districts.

The fact that the highest average retail prices of maize for districts were recorded in Mangochi, Mwanza, and Neno districts means that most of the consumers are not able to access the cheaper maize from private traders and therefore are relying on ADMARC in these areas.

The World Food Programme (WFP) has concluded funding negotiations with the UK's Department for International Development (DfID) and Irish Aid for the purchase and distribution of maize in the districts of Chikhwawa and Nsanje from February to April. WFP will work together with the Government of Malawi (GoM) and non-governmental organizations (NGOs) to meet the food needs of all 74,724 people in Chikhwawa and 44,589 people in Nsanje identified as food insecure through the MVAC assessment update from October. With funding support from DFID, Oxfam is also implementing a cash transfer program in response to the food insecurity identified in Balaka through the food security monitoring system implemented by the MVAC in October. The cash transfer program is targeting all 23,363 food insecure people providing MWK 533 per person per month from January to the next harvest in April. This means the beneficiaries of this assistance from WFP and Oxfam will be moderately food insecure and will survive through the humanitarian food assistance mentioned above in February. For the households in the rest of southern Malawi districts that MVAC identified, some food insecurity will remain. These localized households will be moderately food insecure and will engage in *ganyu* (seeking casual labor) and most of them will start harvesting their maize before the crops reaches full-term maturity in the fields. Early harvesting of crops before full-term maturity is a negative coping mechanism and it reduces household food availability in the following year.

**Figure 3. Maps showing progress of the rainfall season**



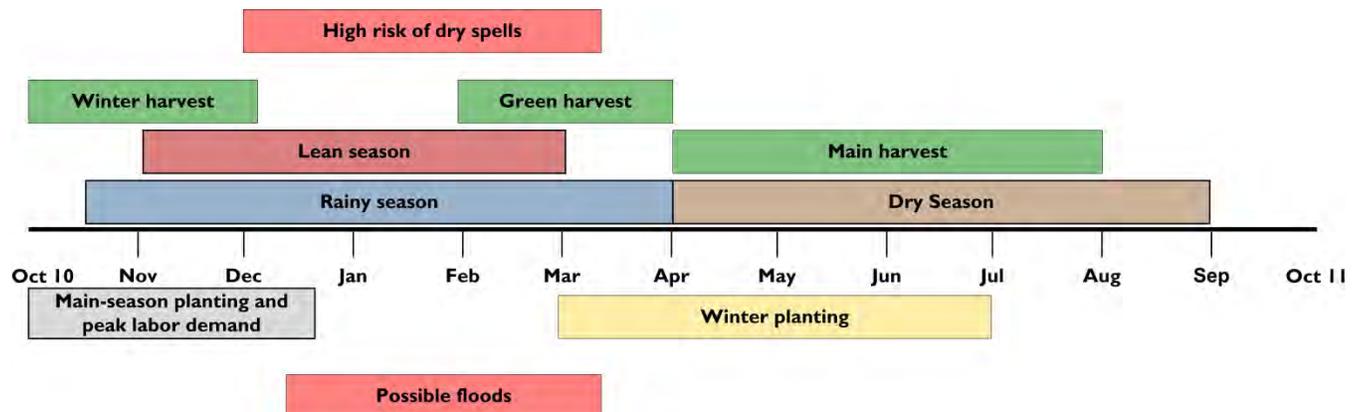
The first round national crop estimates were released in early February in which the MoAFS estimates that the 2011 maize production could be the highest since 1990 with a total production of about 3,900,000 MT of maize. With the annual total

maize consumption needs for Malawi currently pegged at 2,500,000 MT, this leaves 1,400,000 MT of maize as surplus production expected in the main harvest in April this year. FEWS NET field observations conducted in January and February in the northern and southern regions of the country confirmed MoAFS reports that rainfall in the current agriculture season has been generally well distributed and generally supportive to crop development. Most fields looked green, with strong and healthy crops except for Dedza, Ntcheu, Balaka, and Phalombe districts. However, it is likely that this maize output may be reduced following reports of dry spells ranging from four to six weeks in parts of central and southern regions causing widespread wilting of maize in parts of Dedza, Ntcheu, Phalombe, and Mangochi districts (Figure 3).

The maps illustrating the progress of the rainfall season show that generally adequate rainfall was experienced in Malawi since the rains started in November and December (more green color), however in the map on the left it shows that in the last dekad for January there were many areas across the country where there were rainfall deficits. It is this kind of rainfall deficit at this particular time when maize is at a critical stage in the development process that usually causes a reduction in production, and in extreme cases, a decrease in productivity. In conjunction with this mapping, there are reports that Dedza, Ntcheu, Balaka, and Phalombe districts experienced prolonged dry spells in January and February which could result in lower production than estimated in the first round crop estimates.

The DoCCMS projected that the 2010/11 rainfall season would be characterized by normal to above-normal rains which are associated with floods in the Lower Shire Valley and other flood-prone areas. To date only minor flash flooding occurred in Karonga district. Flooding usually occurs when the country receives heavy continuous downpours. Since no major flooding has occurred, it is unlikely that it would happen beyond February as the rains should be decreasing compared to the rainfall received from November through February.

**Seasonal calendar and critical events timeline**



Source: FEWS NET