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Farewell Food Aid Management: 15 Years of Service to PVOs

By Mara Russell, FAM Coordinator

Food Aid Management (FAM) was founded in 1989 by five member organizations to improve the efficiency and effectiveness of food aid and food security programs. However, this long-standing resource to the food aid community will close its doors September 15.

During its 15 years of operation, FAM's objectives have been to:

- facilitate and promote the development of food aid standards,
- promote the food aid and food security knowledge base of PVOs (Private Voluntary Organizations), USAID staff, and other collaborators through information exchange and coordination,
- facilitate collaboration between PVOs, USAID, and appropriate development and humanitarian professionals by organizing fora of discussion.

FAM's support to the Title II community has at various times included the development of standard documents on monetization, monitoring and evaluation, environmental documentation, and building local capacity. In addition, FAM amassed a Food Security Resource Center (FSRC), which now contains over 8,000 references including: project related documents, technical works, periodicals, and others. For the past seven years, FAM has hosted a website (www.foodaidmanagement.org), which provides online access to FAM's FSRC bibliographic database, Title II documents and guidance targeted to PVOs and food aid professionals, numerous links to documents, organizations, USAID and other resource websites, a training calendar, FAM working group progress and products, and Food Forum. FAM also conducted training programs by and for member organization staff. Finally, FAM coordinated numerous meetings, working groups, and other fora in which food security issues were discussed. FAM products were developed through fora open to all members.

The USAID Office of Food for Peace (FFP) has provided almost exclusive funding to FAM throughout its existence. Over the years FAM has explored funding diversification, but encountered the following obstacles: (a) limited ability of members to commit organizational resources, (b) few non-FFP sources available to fund FAM activities, and (c) lack of staff capacity to fundraise given commitment to performing specific program activities supported 100% with Federal funds.

As FAM's project holder, CARE received two Institutional Strengthening Grants (ISGs) for FAM, which funded activities through September 1998. In October of that year, CARE was awarded a five-year Institutional Support Assistance (ISA) agreement for FAM, which covered the period through September 2003. In June 2003, CARE submitted a proposal for a five-year Institutional Capacity Building (ICB) grant in the follow-on category for FAM that was unsuccessful. Instead, CARE's ISA for FAM was provided a \$250,000 cost extension through September 15, 2004.

In December 2003, a number of FAM member representatives met with Lauren Landis, FFP Director, and Lisa Witte, FFP Grants Manager to propose additional on-going support beyond September 2004, but this was denied. The FAM Steering Committee determined that without FFP funding FAM could not continue to operate in its current form and has recommended that FAM cease operations as of September 15, 2004.

Is there a future for PVO collaboration on food aid?

FAM members have expressed a commitment to continue some FAM functions, albeit in different ways, based on the value they provide to PVOs that implement Title II programs. On March 2, FAM members met to discuss ways to sustain collaboration through a minimal "lifeboat" structure that would enable some continuity of function, although in a vastly reduced form. It is not clear what this model will look like as yet, but members will work to ensure continuation of some functions they feel are valuable. However, their mode and locus of operations will be different than the existing formal structure.

For instance, the FAM website remains valuable not only for Title II PVOs, but to the wider food aid community. Food for the Hungry U.S. and Mercy Corps International have submitted a proposal requesting to work together to manage the website. They will use some of their organizational resources and ICB funds to maintain the website in the near future.

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FAM

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Counterpart Int'l • Food for the Hungry U.S. • Int'l Relief & Development • Land O'Lakes International Development
Mercy Corps Int'l • OIC International • Project Concern International • Save the Children • SHARE de Guatemala • World Vision

FAM members have voted to turn over the FSRC and online bibliographic database to Counterpart International. Counterpart, located at 1200 Eighteenth Street, NW, in Washington, DC, will become the new home for this library. Members and others who wish to use the resource center will continue to be able to do so. The bibliographic database will continue to be accessible from the FAM website.

FAM members have also expressed a strong interest in continuing working group activities, but in different areas from those explored during the past five years. For example, at the moment, FAM operates a working group that is studying PVO Title II Consortia in order to recommend improvements to FFP and the PVO community in the formation and function of consortia, and FAM members would like to see this group's work continue into the future. In addition, there is strong interest in addressing the myriad of issues surrounding the appropriate uses of food in various contexts, and this could be a topic for another working group. At the March 2 meeting it was decided that the new minimal structure would support a maximum of two working groups, and that these would be self-managing.

Farewell to Food Forum – For Now At Least

Unfortunately, this is the last issue of Food Forum that FAM will develop and distribute. FAM members expressed commitment to the newsletter's future existence, but this will depend on the availability of funding for printing and postage, and on staff capacity for compiling, editing, and distributing the newsletter.

This issue, Food Forum Issue #65 represents the end of an era that stretches back over fifteen years, a period of tremendous capacity development on the part of Title II PVOs, and broad growth in the knowledge base relating to food aid and food security programs. We hope that Food Forum's loyal readers have used what they have gained from the newsletter to improve food aid and food security around the world, and that they will find other ways to share their knowledge and experience with colleagues across the profession in the future.

The Famine Forum

By the FANTA Project

Recognizing a rapidly changing global context for U.S. foreign assistance, development has been elevated as the third pillar of U.S. national security, along with defense and diplomacy.¹ To meet the challenges of this new global context, development assistance must be more effective and be harmonized with the broader U.S. foreign policy objectives.² USAID, in response to the critical need to make development more effective and development policy more coherent, is seeking ways to move from famine response to famine prevention.

Famine-prone countries fall into the category of fragile states. Fragile states pose growing problems to U.S. national security interests, impede progress towards further globalization, and consume a disproportionate amount of foreign assistance during humanitarian crisis. Famine prevention is critical to protecting U.S. national security, economic interests and investments in development worldwide.

Insufficient funding flexibility and limited levels of development and humanitarian assistance, coupled with the need for greater programming synergy, have constrained the ability of the Agency to address the unique challenges posed by famine-prone countries. In practice, "winning and progressing nations" are those deserving of development assistance funds and "fragile (failing, failed and recovering) states" are targeted with limited humanitarian assistance funds - food aid in particular - resulting in a focus on consumption-oriented approaches to relief without reducing vulnerabilities.

Famine-prone countries are a unique sub-set of fragile states that require special focus. In response to the need to better deploy resources to meet the challenge of famine in fragile states, the Office of Food for Peace (FFP) and the Office of U.S. Foreign Disaster Assistance (OFDA), organized a Famine Forum March 24-25, 2004 in Washington, D.C. The objectives of the forum were to:

- Recognize that a sub-set of fragile, failing and failed states represent the most 'famine-prone countries' and requires that the Agency "does business differently" to address the underlying causes through a developmental relief approach;
- Redefine the Agency's definition of famine and policy toward the application of resources to prevent and respond to the threat of famine;
- Use the newly identified "famine scales" to lower the present threshold of famine;
- Identify alternative responses necessary for success beyond the "nuts and bolts" of food and non-food programming, including livelihood and market interventions, responses to health system inadequacies, as well as short- and longer-term policy and governance constraints; and
- Develop approaches that result in better engagement of other donors to assist in reducing the threat of famine.

Participation in the forum included a broad representation of USAID practitioners, senior-level USAID management and representatives from FEWSNet, IFPRI and FANTA. International famine experts Sue Lautze, Tufts University - Feinstein International Famine Center (FIFC), and Stephen Devereux and Paul Howe, Institute of Development Studies (IDS), made significant contributions to the discussion with some state-of-the-art thinking on the challenges of addressing famine in the 21st century.

The synthesis report of the forum will be available on the FANTA website at www.fantaproject.org.

Note: FANTA would like to thank all of FAM's consortium members for the excellent work done on fulfilling its mission to 'promote the efficient and effective use of food aid resources to help alleviate hunger and contribute to food security'. We especially would like to thank Mara Russell and Trish Long for their leadership, professionalism and commitment to both FAM and the broader food aid community.

1. U.S. Department of State, *The National Security Strategy of the United States of America* (September 2002).

2. United States Agency for International Development, *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004)

Africare's Experiences with Building and Monitoring Capacity for Report Writing

By Judy Bryson and Della McMillan

I. Introduction

Report writing is a task that everyone loves to hate. This is especially true for NGO staff, who often consider reporting a diversion from the activities needed to realize their mission. However, if done correctly, the process of moving from collaborative data collection and analysis with participants to reporting can provide many benefits.

It is also a crucial step in the processing of monitoring and evaluation (M&E) data, so that data actually inform program management. Bad reports may be a red flag that field staff are not adequately processing monitoring and evaluation data for maximum programmatic impact.

This paper describes the US Non-Governmental Organization (NGO) Africare's experience with the development of a more participatory report writing process for its food security programs funded by the USAID Title II program. The paper is in three sections. Section one describes the context within which Africare's food security programs were designed. Section two describes the evolution of Africare's Title II food security programs, and the factors that pushed the organization to introduce a more participatory report writing process at the start of Fiscal Year 2001. This same section examines the impact of these activities on staff capacity, as well as the timing and quality of Africare's annual reports over a three-year pilot period (FY2001- FY2003). The final section presents some of the more broad-based lessons learned from this experience for Africare and other NGOs who are involved in outside donor-funded initiatives, such as the Title II program.

Link between M&E and Title II programming

Over the last decade, a growing percentage of American development assistance has been implemented and executed by NGOs. The strength of NGOs, as opposed to traditional execution models, is their much greater association with the participant communities that aid is designed to serve. Another strength of the NGO implementation model is the way it opens opportunities for national leadership in project design, management and implementation.

In a highly decentralized system such as this, M&E and report writing become critical. While this is true for all NGO-administered aid programs, it is especially true for Title II programs which require USAID to monitor not only the programs, but the way the NGO handles and distributes or sells the US food commodities that are the program's resources.

Since 1990, USAID has developed a new set of M&E and reporting procedures to accommodate both the highly innovative programmatic and food distribution components of Title II programs, as well as comply with the volatile federal guidance that regulates them. To support these activities, USAID developed a number of innovative capacity building and technical support projects. One, the Food Aid Nutrition and Technical Assistance project (FANTa), was designed to build NGO capacity for reporting and evaluation through comparative research and technical assistance, as well as identification of program indicators. The second was a series of initia-

tives to facilitate inter-NGO exchange of best practice and training through the Food Aid Management (FAM) Consortium, that reinforced FANTa's technical support.

II. Evolution of Africare's Title II Programming, Monitoring and Evaluation Systems: 1988-Present

The shift in Title II legislation which began in 1988—most notably the option to monetize commodities to use for development investments—encouraged Africare to develop a portfolio of Title II food security programs over the next 16 years. The conceptualization of these programs and their monitoring and evaluation systems is best seen in five phases that reflect Africare's response to a variety of macro-level changes in USAID policy.

Phase One: Pre-preparation. Phase one was preparation of an Africare food aid strategy in 1988-1990. This paper, which was based on considerable reflection by the Africare staff and board, determined that the organization would only use Title II food commodities for food for work and monetization, arguing that other types of direct distribution tended to encourage dependency.

Phase Two, 1990-1996: Development of First Three Programs.

The second phase centered on Africare's design of its first three food security programs: Guinea Bissau, Eritrea, and Guinea. Even at this early stage (prior to the clear articulation of food security goals in USAID's 1995 *Food Aid and Food Security Policy Paper*), the Guinea Bissau and Guinea programs targeted both improved maternal/child nutrition and increased agricultural productivity, while the Eritrea program focused on agricultural productivity, as there was already a child survival program operating in the project area. All three projects also included a component focused on increasing community capacity. These activities used the USAID logical framework that evaluated whether the project purpose and end of project status was achieved, rather than identifying results and impact. In November 1995, Africare held a workshop for all its country representatives on "Enhancing Food Security in Africa." This workshop introduced the concepts of food security, the new *Food Aid and Food Security Policy Paper*, and food security analysis to all Africare's programs continent-wide, and set the stage for the next phase, when large numbers of new programs were designed and approved.

Phase Three, 1996-2000: Rapid Program Expansion and Top-Down Pilot Testing of a Group of Core Indicators.

Based on the experience with the phase two programs, Africare became increasingly convinced of the need to link agricultural productivity activities to household nutrition activities, while maintaining the component focused on community strengthening plus community capacity building. Six of the seven new programs (Chad, Burkina Faso, Mali, Mozambique, Niger, and Uganda) designed after 1996 reflected this three-pronged intervention model. The exception was the Ethiopia program, where a separate child survival activity was designed to operate in the program area.

This third phase coincided with USAID's switch to a results-based reporting framework that required NGOs to identify impact and monitoring indicators, as well as statistically valid baseline measurements and progress targets on an Indicator Performance Tracking Table, or IPTT. During this same time period, USAID and various USAID sub-contractors in consultation with the NGOs, developed a list of generic impact and monitoring indicators. Africare introduced this type of results-based monitoring and evaluation in all of the new projects after 1996, and used the generic indicators

specified for household nutrition and certain of those identified for agricultural productivity. In December 1997, Africare held a workshop for all its field programs to review the new *Africare Field Manual on the Design, Implementation, Monitoring and Evaluation of Food Security Activities*, and secure field inputs into this resource in preparation. The workshop and the manual lead to substantial changes and improvements in Africare’s monitoring and evaluation systems.

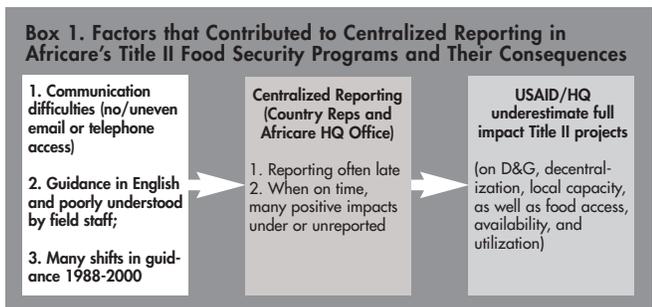
Africare pilot tested a fairly unique set of core indicators that it developed on its own. Certain of these indicators were related to the generic indicator list developed jointly by USAID and the NGOs, while others were linked to the design and implementation of particular components of the food security programs. The most important indicators are Months of Adequate Household Food Provisioning and the Food Security Community Capacity Index (FSCCI).

Until November 2000, the NGOs were required to submit two reports to USAID each year. One was a Results Report that summarized the results for the previous year based on the indicators identified in the IPTT, and the second was a Previously Approved Activity submission request substantiating the funds and commodity support required for the upcoming fiscal year.

The combination of the new, constantly evolving and annually revised guidance for these two reports, plus the rapid expansion of new programs, presented a major challenge for Africare. Preparing the reports required substantial amounts of field and headquarters management attention over a six month time period each year. The long time period was due partially to the extended lines of communication from Africare Headquarters to the country offices, and from the country offices to the project offices, which were often located in highly isolated locations with virtually no telephone or fax contact for most of the 1990s.

Most country programs responded to the problem by centralizing reporting in the capital-based Africare offices, which also had the highest concentration of people who could speak and write English and understand the USAID reporting guidance (Box 1). Under these conditions, the field programs simply updated their tracking table and provided draft reports based on a narrative reporting style that tended to emphasize process rather than results. English-speaking Africare country office staff would then engage in a two-way dialogue with Headquarters staff to revise the reports.

The narrative style of the reports tended to obscure many major impacts that the programs were having (Box 1). Moreover, the protracted process of getting information from the field caused delays in final submissions of the reports.



These challenges came to a head in November 2000, when USAID issued new reporting guidance. The two-part reporting and resource format was combined into a single Cooperating Sponsor Results Report and Resource Request (CSR4). This

report was due to the USAID Food for Peace Office in two months. Although the new CSR4 format was expected to decrease the burden of reporting over the long run – by combining the resource request and results reporting exercise — in the short-run it created considerable confusion. By the time the new guidance was circulated, most programs had already prepared a draft following the previous report-writing format. Major editing by headquarters staff was required to conform to the new guidance and the new process to request funds.

As a result only one of the nine Africare FY 2000 CSR4s was submitted on time. The rest were submitted several months late.

Phase Four, 2000-2002: Shift to a More Participatory Monitoring and Evaluation Reporting Format.

In the process of responding to the FY 2000 changes in reporting, Africare identified the high centralization of reporting within its programs as a critical constraint to timely, high quality reporting. This problem was addressed at two levels.

The first level involved the elaboration of user-friendly internal guidance in collaboration with FANta. This internal guidance included recommendations for a standard table of contents and subheading structure that facilitated the field programs in writing their reports to indicators - writing for results rather than describing the programs’ activities. This subheading structure, suggested by FANta, was a simple but powerful tool to assist field program staff in understanding the necessity of writing to indicators.

The second level of the strategy involved joint training of Africare project and country office staff in the utilization of the field guidance to improve reporting. The first training, held in Bamako, Mali in March 2001, was attended by seven of the nine country programs and included the participation of USAID and FANta staff.

Three things happened during the workshop. First, the country programs were asked to review and edit the ten-page draft guidance that had been prepared in French and in English. Second, to reiterate the importance of writing to indicators, each country program was asked to edit the report prepared for the previous fiscal year using the new reporting outline and sub-headings format. Third, to further emphasize the core message of writing to indicator and to a standardized reporting format, each country program prepared and defended a draft outline of its results report and resource request.

Box 2. Two Pronged Approach to Improve Reporting:

- (1) User Friendly Guidance (including standard table of contents)
- (2) Joint Training for All Programs to Review and Revise the Field Guidance and Pilot Test its Utility for Reporting

The process of publicly defending their reports in front of an audience served to validate as well as further test the guidance.

Staff then subdivided into two smaller workshops during the following week, focusing on specific sub-areas of reporting. The first worked on better harmonization of the indicators, and methodologies used to gather data on the core indicators. The second focused on strengthening field level understanding of the financial reporting requirements associated with the Title II programs. This information was then incorporated into the user-friendly internal guidance instructions.

The immediate output of the main workshop and two follow-on workshops included:

1. A revised set of internal user friendly guidance — for both programmatic and financial reporting — that conformed

to the new USAID guidance, but was understood by field staff and was available in both English and French;

2. A standardized presentation of each country program that could be used in other contexts, and for further revision of CSR4s from the previous fiscal year that were still under preparation for several countries;
3. A draft outline for the next year which would avoid the reoccurrence of reporting difficulties; and
4. A series of papers that outlined specific country experiences with different indicators and monitoring methodologies, and group recommendations on how the core indicators could be better harmonized between programs.

The short-term impact of the new strategy was reflected in the much higher quality of the final revisions of the FY00 reports, which all the interested parties — USAID, FANta and Africare — felt provided a much better analysis of the field level impact of the programs. However, the guidance and training came too late to affect their timeliness.

The full impact of the new model was better reflected in the FY2001 reporting cycle. Although some of the first FY2001 drafts that came to headquarters still required extensive editing and requests for supplementary information and analysis, the revisions were completed in less than one month and all nine reports were submitted on time.

Technical support for the FY2002 reporting cycle included:

- One-on-one feedback and editing of the draft CSR4 reports with country staff in conjunction with an all-Africare workshop in Dakar in late September 2002; and
- A formal 3-day training workshop in Title II financial reporting for the financial officers, many of whom had not attended the Mali training.

In contrast to FY2001, when all of the first draft reports that came to HQ required extensive editing, five of the FY2002 draft reports were basically complete and required minimal revision when they were first submitted to HQ. One required additional information but no structural editing. Only three of the draft FY2002 reports required extensive structural editing. These difficulties arose because the staff writing the reports were new and were inadequately trained on the guidance. **The real triumph of the exercise was that even with these changes, the basic revisions were completed in one month and all nine reports were submitted on time, even though the FY02 deadline was three months earlier than in FY01.**

This increased timeliness and quality of the reports in FY2001 and FY2002 was directly correlated with the increased capacity of the country programs. This capacity is measured using a three-variable weighted measurement that was part of the 45-variable Food Security Program Capacity Index that Africare developed during the Institutional Support Grant mid-term evaluation (McMillan 2001). The average measurement at "baseline," or project inception (for new projects), was 5.8 (39%) out of 15 possible points. This level increased to 9.3 (62%) at mid-term after the Mali workshop, and to 11.1 (74%) in September 2002 after preparation of the FY02 CSR4 drafts.

Phase Five: FY2003 and FY2004. In FY2003, USAID required that the Results Report be submitted on November 1, 2003 while the Resource Request was due on January 15, 2004.

Only four of nine Results Reports were classified as requiring "minimal editing." The resource request and financial reports section required the most work. All of the Results Reports and Resource Requests were submitted on time.

III. Lessons Learned for more Broad-based Monitoring

1. **Training pays.** Africare's experience provides clear evidence of the payoff of staff training and mentoring on reporting.
2. **Report-writing training needs to be annual and/or updated annually in conjunction with other programs.** The highest success rates in reporting occurred in countries where both the program staff and the country representative were trained in the Mali workshop, and/or had a direct role in conceptualization of the guidance. The lowest rates of impact were in programs in which there was a "disconnect." This occurred either because the project team and/or country representative had not attended the training (the case of Ethiopia and Eritrea in FY2001), or because the training had been concentrated in one person who had left the program (the case of Guinea and Niger in FY2002).
3. **Training programs and guides need to be written as user-friendly documents and made available in other languages.** Without these documents, trainees are unlikely to carry home the lessons learned.
4. **Reporting needs to be reassessed periodically, and parallel trainings on resource request and budgets should be included.** Annual assessments need to be made to determine which areas of training are working and which are not. The first draft of the report writing guidelines emphasized the analysis and write up of monitoring and evaluation data. The program did not emphasize the preparation of resource requests and budgets as much. Later attempts to strengthen this deficiency point out the need for a different type of training. In addition, it is important to make the link between the results reporting and monitoring/evaluation outcomes, and the resource request that follows. The amounts and types of resource needs derive from the response to the data from the information system that is intended to inform management activities.
5. **Program-level monitoring systems need to disaggregate report capacity by type.** To date, Africare's Food Security Program Capacity Index – developed during its ISA mid-term and continuing to the present time — focuses on monitoring staff capacity for reporting on results, not resource requests and budgets. The index needs to be modified to capture all reporting functions.
6. **Regional and Central Administration training is needed.** It is not enough to train project staff and country-level administrative staff. It is also important to train Headquarters-level staff. HQ Staff need to see some utility in the training, for example, better using Title II program reports for broader marketing and promotion purposes.
7. **Keep training and guidance focused, consistent (year to year), and simple:** Tasks 1-6 are simplified by keeping the training messages short, simple, focused and codified. Africare's standard table of contents for its CSR4s has varied little since it was first created in conjunction with the training workshop. Although the report writing guidance is updated annually, it is also little changed. This facilitates the training needed for both program staff, who tend to be more permanent, and for the expatriate country representatives who work on two to three year contracts.

New Variant Famine or New Variant Nonsense? Exploring the HIV-Hunger Link in Zambia

By Matthew Bolton, Consultant, August 2003

Counterpart International, Division of Food Security and Sustainable Agriculture

NB: This is a position paper and as such represents the views solely of the author –not those of Counterpart International or its employees.

"Famine and AIDS: A Lethal Mixture. Southern Africa reels from a twin onslaught."¹

– John Nyamu,
United Nations Department of Public Information.

"The New Variant Famine nonsense is just a way for the HIV/AIDS people at the UN to get the food security money and for the food people to get the HIV money."²

–Dr. Guy Scott,
former Minister of Agriculture, Food and Fisheries, Republic of Zambia.

In the midst of the Southern African food crisis, at a special meeting of the UN Regional Inter Agency Coordination and Support Office (RIASCO) on April 1, 2003, the Director of the UN Commission on HIV/AIDS and Governance in Africa,³ Alex de Waal, stirred up a great controversy by postulating that:

In southern Africa, an HIV/AIDS epidemic, severe poverty in the agrarian sector and external shocks such as drought threaten to create a famine with a distinct vulnerability profile and a new trajectory of impoverishment and coping: a 'new variant famine.'⁴

De Waal claimed that "the rural economy is bearing a disproportionate share of the costs of the HIV/AIDS epidemic" and that "HIV/AIDS undermines the sustainability of the livelihoods of affected households," creating a "new category of poor people: the 'AIDS-poor.'⁵

In short, de Waal explained that "in the same way that HIV predisposes the body to opportunistic infections and diseases that lead to increasing morbidity and mortality, so too did it render the community as a whole increasing vulnerable to hazards and shocks."⁶

The central postulate of New Variant Famine (NVF), that HIV/AIDS and food insecurity are related, is not new. The newness of New Variant Famine lay in de Waal's doomsday warning that "we are not witnessing a short-term episode of acute food insecurity in southern Africa. There will be no rapid bounce-back to normality should the rains return..."

He said, "The worst case scenario is that current food insecurity combined with the HIV/AIDS epidemic creates a wide, severe and intractable famine."⁷

This scenario is certainly made more likely if the Food and

Agriculture Organisation of the United Nations (FAO) is correct in its assertion that "AIDS has killed around 7 million agricultural workers since 1985 in the 25 worst-hit African countries and that The epidemic could kill 16 million more by 2020."⁸

While it has rarely been described as such, one could argue that the NVF perspective has largely been adopted as doctrine by many humanitarian non-governmental and UN agencies.

For example, note the similarities between the assertions made by de Waal and those made by Dr. Jacques Diouf, Director-General of the FAO:

The majority of African countries worst-hit by HIV/AIDS are also those heavily reliant on agriculture... For many rural households in these countries AIDS has turned what used to be a food shortage into a food crisis. Hunger and poverty, aggravated by HIV/AIDS, create a vicious spiral.⁹

The Joint United Nations Programme on HIV/AIDS (UNAIDS), has been an especial proponent of the NVF-esque perspective, saying, "The food crisis in Southern Africa and the HIV/AIDS pandemic are deeply intertwined."¹⁰

The belief in this connection has manifested itself in relief programming. For instance, World Vision and CARE International arranged for performances of UNICEF-funded HIV/AIDS awareness dramas at their emergency food distribution centers in Zambia.¹¹ Kofi Annan, UN Secretary General, has called for agencies to combine "food assistance and new approaches to farming with treatment and prevention of HIV/AIDS."¹² The FAO too, saying an "Agricultural response to [the] AIDS crisis [is] urgently needed," is "currently formulating pilot projects that will test labour-saving techniques and low-input agriculture" to ease the labor pressures in "communities where a large portion of agricultural workers have died due to AIDS."¹³

However, the NVF perspective is far from canonized dogma in humanitarian relief circles. Much of the controversy centered around de Waal's use of the word 'famine,' for the technical definition of the word has a very precise meaning – specifically "the mortality rate in a region doubling with 20 percent of the children suffering from acute malnutrition."¹⁴ An editorial in the *Christian Science Monitor* called the Southern Africa food crisis "The Famine That Wasn't" and pointed out that "Despite predictions that 11 million to 14 million people were facing starvation, few of the traditional signs of hunger had materialized."¹⁵

One notable critic of the NVF view, quoted several times in the *Christian Science Monitor* article, is former Zambian Minister of Agriculture, Food and Fisheries, now private development consultant, Dr. Guy Scott. In a recent USAID funded assessment written for Family Health International, he and Charlotte Harland said, "Although there are stories told of 'famine,' the examination of hospital records and nutrition surveys, as well as the testimony of reliable informants, indicate that there is no such thing at the present time [in Zambia]."¹⁶

1. John Nyamu, "Famine and AIDS: A Lethal Mixture," *Africa Recovery*, United Nations Department of Public Information, Vol. 17, No. 1 (May 2003), II.

2. Dr. Guy Scott, Personal Conversation with Matthew Bolton, July 24, 2003.

3. Nathaniel Tembo and John Clarke, "Does HIV/AIDS Imply a New Variant Famine?" *New Variant Famine* 2003

http://www.sahims.net/archive/variant_famine/new_variant_famine_report03.htm.

4. Alex de Waal, "The New Variant Famine: Hypothesis, Evidence and Implications," *New Variant Famine* April 22, 2003

http://www.sahims.net/archive/variant_famine/new_variant_famine_report01.htm.

5. *Ibid.*

6. Tembo and Clarke, "Does HIV/AIDS?"

7. De Waal, "New Variant."

8. Food and Agriculture Organisation of the United Nations (FAO), "Agricultural Response to

AIDS Crisis Urgently Needed," *ReliefWeb*, June 30, 2003 <http://www.reliefwebint.org>.

9. Dr. Jacques Diouf in *ibid.*

10. Joint United Nations Programme on HIV/AIDS (UNAIDS) Intercountry Team for Eastern and Southern Africa, "Report on HIV/AIDS Policy, Programmes and Strategic Partnerships in 2002," (Pretoria, South Africa: UNAIDS, 2003), 17.

11. Haritiana Rakotomamonjy, Personal Interview with Matthew Bolton and Laura Cramer, July 28, 2003.

12. Kofi Annan in Nyamu, "Famine and AIDS," 13.

13. FAO, "Agricultural Response."

14. Nicole Itano, "The Famine That Wasn't," *The Christian Science Monitor*, April 9, 2003 <http://www.csmonitor.com/2003/0409/p07s02-woaf.html>.

15. *Ibid.*

16. Guy Scott and Charlotte Harland, "Food Insecurity, HIV/AIDS & Children," Draft Report Submitted to Family Health International (Lusaka, Zambia, January 21, 2003), 3.

While acknowledging the “long-term situation of rural Zambia is serious,” Scott and Harland contended the NVF scenario “does not reflect the real situation” in Zambia¹⁷ and expressed concern that “the trend has been to make more and more dramatised statements about HIV and its effects in countries like Zambia.”¹⁸

Finally they argued that “the impact of AIDS on smallholder agriculture is still relatively mild and the NVF scenario may be unhelpful in distracting attention from the real situation, which is serious enough without such distortion.”

While Scott has the reputation of somewhat of a ‘gadfly’ in the Zambian humanitarian community, he is not alone in his suspicion that the NVF perspective is an exaggeration. The Forum for Food Security in Southern Africa (FFSA), funded by the British Government’s Department for International Development (DfID), noted “There is uncertainty over the relationship between HIV/AIDS and food.”¹⁹ Likewise, while now somewhat dated, an Overseas Development Group report for the FAO pointed out, “the farming systems which are most vulnerable to labor loss are not those which are most vulnerable to the epidemic.”²⁰

The Zambian National Vulnerability Assessment Committee (VAC), “a consortium of government, NGO and UN agencies,” which studied the food security situation throughout the food crisis recently confirmed this. They found that:

[I]n terms of a reduction in food produced ... the data... on the whole showed no real difference between households categorized by the presence of one of the proxy variables [indicating HIV/AIDS] and households not affected by HIV/AIDS.²¹

As a result, acknowledging that its findings only applied to Zambia, the VAC concluded in June 2003 that, the results “failed to provide hard evidence to support the notion of the new variant famine’ operating in the country.”²²

However, whatever conclusions are made in this heated debate, one thing is clear – the HIV/AIDS has a large impact on food security at the family level. As Michele Broemmelsiek, Country Representative of Catholic Relief Services Zambia, said, “there is no doubt that HIV/AIDS is having an impact on Zambian households.”²³

A 1995 Zambian government study observed:

HIV/AIDS can be disastrous to a family that has lost a breadwinner. A family incurs additional expenses because of loss of earning power... The presence of AIDS in the household entails a major reallocation of labor away from usual tasks towards the care of the individual and that following the death of especially the breadwinner the household is likely to split apart.²⁴

The FAO has found that “Food consumption has been found to drop by 40% in households affected by HIV/AIDS.”²⁵

This is confirmed anecdotally by relief and health workers around the country who see HIV/AIDS patients bedridden,

weakened and struggling to find food. For example, one Medicins Sans Frontieres HIV/AIDS outreach worker in Nchelenge District, Luapula Province, Zambia said that among the HIV/AIDS patients she visits “lack of food is a high priority problem. They ask us why we bring just medicine and not food.”²⁶

At this micro-level, then, HIV/AIDS has an undeniably tragic impact on a family’s food security – especially food access. What is still uncertain is how this impacts macro-level socioeconomic structures. The FFSA observed:

[W]hilst there is a growing understanding of the relationships between HIV/AIDS, household labor and food access, it is not clear how these link to community-level processes, social networks and coping mechanisms.²⁷

In short while maybe not ‘New Variant Nonsense,’ the doomsday predictions of the NVF scenario are unlikely to be true in Zambia. Perhaps one way to put it is that NVF is not a *probable* scenario, though perhaps a *possible* one in the future of Zambia.

One could argue that the debate over the link between HIV/AIDS and food security is largely an academic one, that distracts attention from the very real victims of both these problems. As Broemmelsiek said, “We have to look at HIV/AIDS and food insecurity, even separately if there is no link – those are the two biggest problems here.”²⁸

Clearly, with an adult HIV prevalence rate of 21.5 percent²⁹ and 53% of children stunted (i.e. chronically malnourished),³⁰ both HIV and hunger are tragically massive problems in desperate need of attention in Zambia. Arguing unnecessarily about what is essentially speculation, since the extant data is so poor, will cost valuable time, resources and maybe even lives.

Therefore, whatever the extent of the link, HIV/AIDS must be considered as a factor in Zambia’s food insecurity – but it must be placed in the context of other factors, especially poverty and poor governance, which also play a role.

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17. *Ibid.*, 4.

18. *Ibid.*, 21.

19. Forum for Food Security in Southern Africa (FFSA), “Zambia,” March 2003 <<http://www.odi.org.uk/food-security-forum/zambia.htm>>.

20. Tony Barnett, “The Effects of HIV/AIDS on Farming Systems and Rural Livelihoods in Uganda, Tanzania and Zambia: Executive Summary” (Norwich, UK: Overseas Development Group, University of East Anglia, February 1994), 5.

21. Zambia Vulnerability Assessment Committee (VAC) in collaboration with the SADC FANR Vulnerability Assessment Committee, “Executive Summary,” *Zambia VAC April 2003 Livelihood and Vulnerability Assessment: Final Report* (Lusaka, Zambia: VAC, June 2, 2003), ix.

22. *Ibid.*, ix.

23. Michele Broemmelsiek, Personal Interview with Matthew Bolton, Laura Cramer and Jessica

Perdew, July 24, 2003.

24. Mwene Mwinga, “Study on Risk Factors Caused by HIV/AIDS: Final Report” (Lusaka, Zambia: The National AIDS/STD/TB & Leprosy Program (NASTLP), November 23 1995), 9.

25. FAO, “Agricultural Response.”

26. Medicins Sans Frontieres Holland Nchelenge District Office (MSF-H) Staff, Personal Interview with Matthew Bolton and Trust Kabamba, July 10, 2003.

27. FFSA, “Zambia.”

28. Broemmelsiek, Interview.

29. UNAIDS, “Report,” II.

30. Central Statistics Office (CSO), Republic of Zambia, *Living Conditions in Zambia – 1998* (Lusaka, Zambia: CSO, 1998), 158.

Market Information and the Efficiency of Marketing Interventions in Food Security Projects

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Editor's Note: The views expressed in this paper are the author's, and do not necessarily represent the views of Africare.

Background

From 1997 to 2002, Africare implemented the West and Central Africa Regional Food Security Initiative (WCARFI) covering Chad, Burkina Faso, and Mali. The focus of this initiative was to address availability, access, and utilization of food, the three components of food security. In each program, strategic objectives were developed to increase agricultural production and income, and to improve nutrition and health.

These activities were undertaken in very difficult operating conditions. First, they were implemented in the Sahelian zone which has a harsh climatic environment, characterized by unpredictable but recurrent droughts; second, the constraints to be addressed to attain food security in such conditions are demanding and precarious.¹ Still, Africare was able to realize satisfactory results, as evidenced by the midterm and final evaluations of these initiatives and the follow-on project approved to consolidate results and extend benefits to other areas. In spite of these positive results, there is still much ground left to be covered in the fight against food insecurity in the Sahel.

Subsistence Farming

The basic constraint is the predominance of traditional subsistence farming, whereby farmers concentrate their efforts on producing a few staple crops using the most rudimentary techniques and tools. Africare has addressed these constraints through the introduction of new and appropriate technologies such as improved seeds, new water harvesting and management technologies, rotational farming, affordable farming and irrigation tools, and off-season farming technology.

Post-Harvest Conditions

Besides these production-related technologies and inputs, Africare has addressed access by introducing post-harvest technologies such as improved warehousing and transformation (i.e., processing basic foods into other forms with more value-added, for instance, changing peanuts into peanut oil). These interventions have not only minimized post-harvest losses, but have also given the products longer shelf life, enabling farmers to take advantage of favorable market conditions during hungry periods. Transformation has also helped to reduce transportation costs as opposed to relying on improved roads, which is often beyond project means (a macroeconomic issue).²

Marketing: a neglected but critical constraint to access

A critical constraint in the chain from production and direct consumption (availability) to income (access), addressed in this paper, is that of marketing and the role of information

in affecting farmers' decisions and plans to engage in income generating activities. While the beneficiaries stand to gain from the marketing component through increased sale of their products, some projects de-emphasize or have a negative attitude towards it.

The information on agricultural marketing in this paper contrasts with the IEC model (Information, Education, and Communication) that has registered remarkable results in the areas of capacity building and nutrition/health campaigns in each Africare project. Many Africare projects have done very well in changing beneficiaries' attitudes toward understanding and addressing their food security problems and in changing their eating habits for a healthy and productive life (utilization). For instance, Africare's capacity-building component uses the participatory approach to directly involve beneficiaries in needs assessment and problem identification using rapid rural appraisals, and in activities implementation, monitoring and evaluation through participatory rural appraisals. This has heightened beneficiaries' awareness of the challenges they face and has better prepared them to tackle any food security problem that confronts them. Also, Africare has introduced improved seeds that have increased the production of staple crops (availability) resulting in an increased number of months of adequate food provisions for beneficiaries, from 5 to 6.9 months. The WCARFI intends to attain at least 9 months of adequate food provisions, assuming all other factors are held constant. The introduction of new and varied crops and training (demonstrations) on how to integrate them in traditional cooking to improve maternal and child nutrition has improved the diet of mothers, and especially children, reducing malnutrition in children under five from 41% to 32%.

During the implementation of the first Regional Food Security Initiative³, projects tended, in the area of access, to stress storage and transformation, which are legitimate post-harvest activities to improve income potential. However, even though many projects recognized marketing as a constraint, it was not given the attention it deserves as a vital aspect of post-harvest handling. This lukewarm attitude toward marketing was reflected in reactions by some project officials such as, "our project beneficiaries find a market for their products in the project area," or "marketing the products at long distances resulted in the beneficiaries being exploited by intermediaries, transporters, and government officials along the road."⁴

The result of such a circumscribed view of marketing and such a defeatist attitude is that not much attention is paid to improving and enhancing the strategic abilities of farmers to profitably market their products after harvesting. In reaction to such an attitude, one may ask the question, "if things seem that good for the farmers, then why are they suffering food insecurity through low income (access)?"

The fact of the matter is that access is limited because not enough is being done to help farmers to think and plan strategically in order to enhance their income potential.

Objective of this paper

This paper, therefore, establishes a rationale for including market information for projects contemplating integrating a marketing component. The paper stresses the importance of marketing in

1. See Constraints Analyses by Dr Bah for GFSI/Mali and OFSI/Chad, August, 1999, for these constraints.

2. It should be noted that when resources permit, e.g. Food For Work (FFW) from the World Food Program (WFP), some really helpful feeder roads have been constructed, facilitating market access to hitherto isolated villages. This has been the case particularly in the Ouaddai Food Security Initiative (OFSI).

3. Africare is now implementing a follow-on project, 2002-2007 to the first one (1997-2002).

4. To Africare's credit, it is the only NGO that has integrated marketing as part and parcel of its food security strategy in the Sahel.

enhancing the strategic capacity of farmers to boost their incomes and access through a rational marketing approach.

Risk and uncertainty in subsistence agriculture

To put into perspective the importance of marketing and the role of information, it is necessary to ask why, despite all attempts to make peasant farmers move beyond subsistence farming, they often resist new technologies that can make them more productive.

The obvious answer would be that improved technologies result in surpluses that are not marketed, and therefore farmers are discouraged from adopting them. Though this is true, it is not the preponderant reason. When confronted with alternative economic opportunities, the behavior of most peasant farmers is conditioned by the static nature of their environment, the uncertainties that surround them, the need for survival, and the rigid social and cultural institutions constraining them.

Peasant farmers resist technological innovations in farming techniques, new seeds, or different cash crops mainly because of the risks and uncertainties associated with their subsistence farming techniques, which are characterized by low productivity and uncertainties associated with vagaries of weather and other unknown and unpredictable climatic factors.

Due to risk and uncertainty, farmers may hesitate to shift from subsistence farming, whose techniques they master and which helps them to survive. Thus, a technology and crop pattern that promises them higher yields associated with higher variability may be rejected simply because adopting it may entail greater risks of crop failure. Risk-avoiding peasant farmers would more likely prefer food production techniques that combine a low expected value (average yield) per hectare with low variability to technologies and crops that promise a higher expected value but greater variability. As a result, farmers' attitudes towards risk and uncertainty in agricultural activities may make them hesitate to adopt apparently economically justified innovations and technologies. Thus, when farmers are slow to adopt new technologies, we should look at the environment in which they operate to find the particular constraints (institutional, financial, commercial, etc.) that are hindering or frustrating change.

The argument in this paper is that farmers resist change because knowledge (in the form of market information to help them take advantage of opportunities) is insufficient or nonexistent.⁵ As a result, food security projects would perform a very useful function by helping farmers to minimize risk and uncertainty by providing as much market information as possible.

Importance of information in minimizing risk and uncertainty in decision making

In economics, a standard assumption often made is that in making their production and income decisions, farmers possess perfect knowledge of their operating environment. In practice this is not true. Farmers seem to lack the information that they need to help them assess opportunities and associated risks, in order to make decisions that minimize these risks.

Expectations formation by economic agents including farmers

Given the uncertainty about future events that affect their lives, farmers must forecast variables and events that affect them.⁶ The process or mechanism by which these forecasts

are made has become a science in itself. The role of information in farmers' decisions to produce and generate income cannot be appreciated without understanding the importance and process of making forecasts, and the role of information in this process.

The farmer's goal is to make the best possible forecast to minimize errors and costs that arise from inaccuracy. It is critical to underscore the role of information for the simple reason that decisions that are based on false information can be very costly; just as decisions based on "good" ("insider") information can be very rewarding.

Failure to realize this aspect of information in marketing has led to an underestimation of its value, and failure by projects to devote resources to market intelligence gathering for the benefit of farmers. As the saying goes, in this information age, information is power. For the farmer, good information results in good sales.

To put in perspective the importance of market information in improving farmers' decisions affecting their income potential, let us review the state of the science of decision-making under uncertainty.

Types of expectations formation⁷

It is generally true that what people do is influenced not only by events that have occurred in the past, but also by expectations regarding events that have yet to occur. For example, people react differently in response to an increase in their income depending on whether they expect the increase to be permanent or transitory. Farmers may cultivate more hectares and/or stock more fertilizers if they expect sales of the products using these inputs to rise. These expectations of sales are forecasts, and therefore farmers must have a way of making them.

Adaptive expectations or error learning hypothesis

A widely used method of incorporating expectations into decision-making is to treat behavior as adapting to the difference between expected and realized events. In this approach, when actual events differ from what is expected (predicted), farmers revise their expectations (adapt to past error) by changing the next time period's expectation by some proportion of the difference between the last period's expected and actual outcomes.

Farmers using this approach to expectations formation, referred to as adaptive expectations or error learning hypothesis, amend or adapt their expectations in proportion to past forecasting errors. Expectations (forecasts) are amended or adapted if they are incorrect. If expectations underestimate, farmers increase them; if they overestimate, farmers reduce them.

Stock or Partial adjustment hypothesis

This hypothesis is based on the possibility that the desired or planned level of stock or inventory that a farmer would like to achieve cannot be entirely achieved in a single period, due to such factors as frictions, delays, costs of doing business, habit persistence and so forth. Thus the expected change in inventory required to attain the desired or planned level is different from the actual change. Consequently, the farmer makes gradual (partial) adjustments until the desired change is accomplished.

5. The focus on marketing information as a constraint is due to the fact that institutional, cultural, credit, and transformation/storage constraints are being addressed by Africa's food security initiatives. There is no need to delve into them in this paper; where they are treated as exogenous.

6. Our primitive ancestors, whose hunting and gathering activities depended on the rainfall pattern, had to forecast rains. Ultimately, they relied on weather forecasters to predict rainfalls for them. Those whose predictions came true most of the time became revered and were named rainmakers because their forecasts were as good as rain.

7. See K Wallis, 'Introductory Econometrics', 2nd Edition: (pp 21-42); Damodar Gujarati, 'Basic Econometrics', 2nd Edition, Chapter 16.

Rational expectations hypothesis

Despite some weaknesses, the adaptive expectations and stock adjustment hypotheses still serve useful empirical purposes simply because most people usually look to the past or use a stock adjustment concept to make their best guess about the future. Under the rational expectations hypothesis, it is argued that people form expectations about the future on the basis of the best information available to them at the time that a decision must be made. Farmers are assumed to have enough information about the causes of future events (guided by a model⁸) and to behave in such a way that new information will have an influence on their expectations or behavior.

Market information and market efficiency

Most farmers, in making their production and marketing decisions, tend to use one or the other of the above methods of expectations formation to look into the future and plan accordingly. In so doing, they promote efficient markets. An efficient market is one in which prices fully reflect all available information.

Many farmers, in making their forecasts of market variables such as prices, tend to reflect the information in the variable's past history. However, since markets are inefficient (because we cannot claim that farmers have all available information and that prices reflect these), it follows that there remain opportunities to make a profit by exploiting information that is additional to the past history of the market variable (price). In this situation, information such as market price information provided by any project (as is being done by Africare), enhances strategic decision-making and profit opportunities for farmers, and injects efficiency into the market.

For instance, since the beginning of the Regional Initiative in 1997, the marketing specialist at the project site in Chad, in tandem with the regional marketing unit in the Chadian capital, has coordinated a network of market research assistants who have collected prices on the principal livestock and crop products of interest to project beneficiaries. The project acts

as the clearinghouse on this information and distributes the published price data through the extension agents, who then post it in central locations in the villages. In this way, the project beneficiaries are kept informed of price differentials around them which they can use to take advantage of spatial arbitrage (selling where they can get the highest price). This price information also boosts their bargaining power vis-à-vis intermediaries such as wholesalers, who would exploit them if they did not have such price information.

Another example of how market information can help farmers enhance their income potential is market research and studies. For instance, a market study was conducted by the Africare regional marketing unit based in Ndjamena, Chad. The study traced the distribution of sweet white onions produced by project beneficiaries. One major conclusion of the study was that the beneficiaries could increase their "market share" by producing a larger white variety with the same taste, preferred by consumers in countries neighboring Chad. Based on this finding, the project is pilot testing the preferred variety.

Conclusion

This paper has demonstrated the importance of providing farmers with as much market information as possible. The information helps to improve farmers' decision making so that they can develop better marketing strategies to enhance their income, and thereby access more and varied food sources. Increasing farmers' and their families' long term food security is the ultimate goal of this important and under-used intervention.

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8. Social science, especially Economics, has developed cause-effect models (microeconomics and macroeconomics) that allow economists to make short-, medium-, and long-term forecasts and to predict new outcomes if assumptions change (e.g. due to new information on a variable in the model). Farmers and most small businesses do not know these sophisticated models but rely on their intuition with some success. For small farm operations this is acceptable, but as the farm unit gets bigger and production operations become more sophisticated due to improved technologies introduced by projects, reliance on intuition alone can lead to mistakes that can be financially costly. Thus, sooner or later, the farmer must resort to a formal model either directly or through a consultant.

After the Food Crisis in Malawi: Finding a Way Forward

By Lawrence Rubey, USAID/Malawi

Editor's Note: This article is reprinted with the permission of the author, and was first distributed by USAID's Development Experience Clearinghouse (DEC), www.dec.org. The article reflects the author's views and is not the official position of USAID.

The conventional wisdom is that the 2001-2003 food crisis was the result of poor management of grain reserves, corruption and a severe drought. Is this true?

Misconceptions exist about the causes of the 2001-2003 food emergency. Several often-cited "causes" have been mentioned, yet most are partial explanations at best. The current crisis was not primarily caused by drought or flooding. Although Malawi did suffer a mid-season dry spell in the Central region that reduced yields somewhat, the fall in production was not that significant. Production was only 8 percent below the ten year average. Thus, blaming the crisis on "severe drought" or "devastating floods," as some media reports did, is clearly inaccurate.

The crisis was not caused by the sell-off of the strategic grain reserve. Between August 2000 and August 2001, the government disposed of 167,000 tons of maize reserves. Several good reasons existed for these sales. Most of the maize was two years old and there were legitimate concerns about the quality of the stocks. Second, stocks levels were larger than most analysts suggested as necessary. Third, the National Food Reserve Agency (NFRA) was losing money by holding the stocks while paying high interest rates on loans that financed the purchases. Fourth, even if these reserves were not sold, there still would have been large humanitarian needs since the original amount of reserves was still small compared to the recent maize deficit. Finally, only 26,711 tons of the approximately 167,000 tons in the strategic grain reserve were exported and thus the bulk of maize in the strategic grain reserve was sold locally and was available for local consumption in 2001.

So what was the cause of the food crisis?

The primary cause of the 2001-2003 food crisis in Malawi was a decline in purchasing power. While Malawi has ranked among the poorest countries in the world for decades, several recent events have led to a further decline in purchasing power, especially in rural areas. First and foremost, there are the economic effects of the HIV/AIDS pandemic. The financial

burden of HIV/AIDS (medicines for the sick, funerals, declining labor productivity, lost labor time spent caring for the sick, and higher dependency ratios as relatives care for orphans) on rural households in Malawi is not known, but must truly be staggering. Each year, as the pandemic takes more lives, the cumulative impact on households and communities grows. Second, smallholder revenues from sales of Malawi's primary export earner, tobacco, have fallen nearly 50 percent in the last two years (Jaffe, 2002), creating a ripple effect throughout an agricultural economy that relies on the annual infusion of tobacco earnings. Third, opportunities for off-farm labor (e.g. on tobacco estates, on the farms of wealthier farmers, in urban areas, or in neighboring countries) have declined in recent years. Lastly, consumer maize prices have risen significantly in the past two years (Why? It is very likely that recent increases in the consumer price of maize reflect the transition from an abnormal maize surplus situation in 1999-2001 where maize prices reflect export parity, to one where prices reflect import parity).

The implication is that the Malawi food crisis is a continuing, structural problem, not a transitory event caused by unusual weather or corrupt management of the national grain reserve. Thus, without efforts to attack the structural causes of the decline in rural purchasing power, food crises will be a recurrent phenomenon in Malawi.

So Malawi should embark on a major effort to produce more maize?

No, over-emphasis on maize production simply perpetuates current cycles and does little to help rural smallholders escape from poverty. Even with significant yield increases, the vast majority of smallholders, with a hectare or half hectare of land or less, will never "get ahead" devoting most of their land to maize in an effort to be self-sufficient. In good years, they may have a few extra bags of maize to sell, but producer prices are typically depressed in surplus years. In bad years, households must seek more ganyu (short term, casual labor) opportunities and divest of assets to buy food. Diversification in higher value crops, rather than increased maize production, is the way off this poverty treadmill.

In Malawi, it is said that "maize is life" (*chimanga ndi moyo*). But even in a country where reverence for maize is extremely strong, there is already evidence that over-reliance on maize is slowly breaking down. Even discounting for the likely over-estimate of official figures on production of cassava and root crops, it is clear that cassava has become a more important food crop in Malawi over the last decade, taking "market share" away from maize. Even more noteworthy has been the shift into higher-value crops such as chilies, paprika, groundnuts, and aromatic rice by farmer's associations throughout the country. There is persuasive anecdotal evidence from the National Smallholder Farmers' Association of Malawi (NASFAM) that those farmers that have recently moved into cash crops have been less affected by the 2002/2003 food crisis. The need is for Government and donors to embrace this shift, and moderate what has been an almost single-minded pursuit of maize self-sufficiency.

So farmers are basically ignorant because they keep growing maize even though it is not a way to escape poverty?

Absolutely not. The vast majority of farmers make rational decisions based on the risks and opportunities they face.

However, throughout the post-Independence period, the Government and donors have provided direct and indirect incentives that help perpetuate the strong emphasis on maize production by smallholders. As Sahn and Arulpragasam (1991) have shown, for over 25 years following Independence, smallholder production of cash crops was directly and indirectly taxed. Success of the Special Crops Act of 1972 in restricting smallholder involvement in the lucrative tobacco trade is well known. But incentives that implicitly favored maize by making cash crops less attractive have not been limited to producers; for much of the post-Independence era, maize consumer prices were subsidized by government, making maize one of the most attractive food sources for urban dwellers and deficit rural households. Even after the partial liberalization of the mid-1990s, maize has been at the core of smallholder agricultural policies. What crop has dominated extension messages? Maize. What is the only crop for which the Government of Malawi still occasionally sets guaranteed producer prices? Maize. What seeds are distributed in Starter Packs? Mostly maize. In some sense, it has been a self-fulfilling prophecy, a "maize trap" if you will: the dominance of maize in the diet means Government and donors focus their attention on maize, which in turn reinforces the dominance of maize.

Finally, if you don't grow maize, you are at the mercy of the market. As we have seen, the market for maize grain can be very volatile, with wide price swings. Why? Much of the price volatility in late 2001 and early 2002 was due to lack of private sector action in bringing in supplies from outside the country when prices went up. The private sector was unwilling to act because of the uncertainty about government intervention in the market as well as subsidized consumer maize prices that eliminated any profit incentive to import. Later in 2002 and into 2003, when Government intentions were clearer and a profit opportunity existed despite continued Government subsidies, the response of private sector grain traders was overwhelming. In fact, the magnitude of the private sector response in supplying grain to Malawi meant that the maize sales from Government stocks were very low in late 2002 and 2003.

What should be done to avoid a repeat of the current situation?

1. Recognize that single-minded pursuit of a policy of maize self-sufficiency is counterproductive and effectively condemns many Malawians to perpetual poverty. Malawi is likely going to be a net importer of maize in the future, but this need not be viewed as a failure. The key is promoting diversification into higher-value crops instead of current policies of promoting maize almost exclusively.
2. Recognize that the uncertainty and inconsistencies in operation of ADMARC (the agricultural marketing parastatal) has restricted a greater private sector role in maize markets. The privatization process is only half completed. With these halfway measures, Malawi is suffering all of the instability of the "market" but reaping none of the benefits. In many ways, Malawi is faced with a "chicken-versus-egg" dilemma. The Government is reluctant to continue the privatization process until there is evidence that the private sector has the capacity to respond, while the private sector is unwilling to respond as long as parastatal actions create an uncertain environment for investment.

3. Redefine the role of the National Food Reserve Agency (NFRA) and ensure that the NFRA adheres to suggested sales procedures. Transparent tendering processes, with sales and purchase prices that reflect market conditions, would do much to prevent a repeat of the accusations and loss of public confidence that occurred this past year. But maintaining a national grain reserve is not a complete solution. At best, following a poor harvest, a small food reserve provides a brief cushion until maize imports can be arranged and delivered. Past analyses have suggested that the costs of maintaining a grain reserve that would be large enough to make up for a significant shortfall (such as the estimated 600,000 ton shortfall in 2002) are simply too high and the potential benefits to the country too low.
4. Recognize that the quality of agricultural statistics in Malawi, especially national crop production figures, has deteriorated in recent years. It now seems clear that production estimates for the 2000/01 production year were inflated. Thus, in the May to September 2001 period immediately after the 2001 harvest, there was little indication

that Malawi would face a difficult hungry season in early 2002. (Production figures for the current 2001/02 production year are also problematic.) It is difficult for both Government and the private sector to make purchase, import and stocking decisions without reliable, basic information on national production. Furthermore, better quality production figures are not enough. Malawi needs a better system for identifying areas of the country at-risk due to lower than normal production and/or an unexpected fall in purchasing power. As of now, there is little empirical basis for targeting food aid assistance since disaggregated information on household food security is lacking.

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