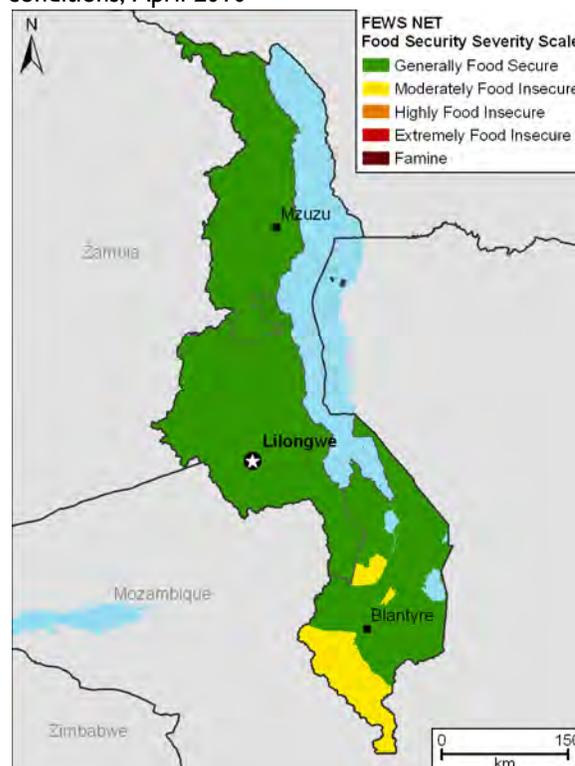


MALAWI Food Security Outlook

April - September 2010

- Despite prolonged dry spells which affected the whole country, Malawi is set to realize another maize production surplus year. Maize in southern Malawi has started drying and many farmers have started harvesting their crop. Some late mild rains have been hampering drying and harvesting farming activities in April.
- The effects of the prolonged dry spells have, however, affected poor households in Chikhwawa and Nsanje in southern Malawi. As many as half a million people from the Lower Shire have not harvested any maize and need immediate humanitarian support. The government has enough stocks to meet these needs.
- Retail maize prices in local markets have started dropping as expected during harvest time. They will likely stabilize in May and remain between MK50-MK55/kg between June and September 2010.

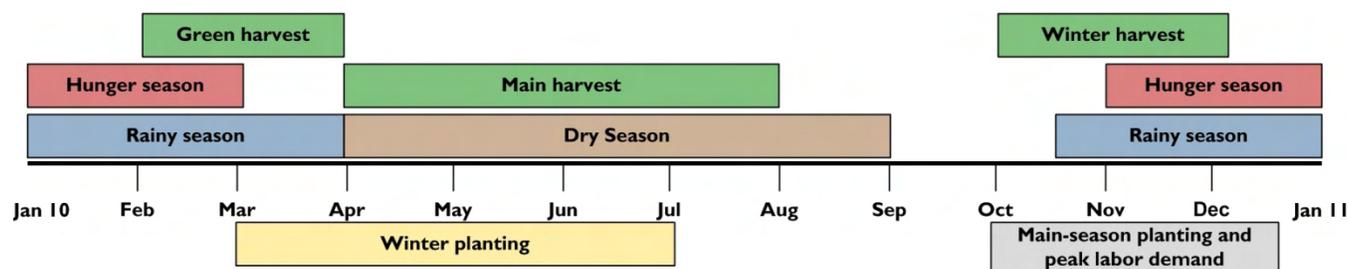
Figure 1. Current estimated food security conditions, April 2010



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

Source: FEWS NET

Seasonal calendar and critical events



Source: FEWS NET

Current food security conditions

Food security across the country has improved with the maturation of crops and an inception of harvesting resulting in increased food availability at the household level. However, the food security conditions for many poor households in

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Chikhwawa and Nsanje remains poor. As of the end of March 2010, the National Food Reserve Agency (NFRA) managed Strategic Grain Reserve (SGR) had 135,000 MT while the government owned grain marketing board Agriculture Development and Marketing Corporation (ADMARC) had 45,000MT and Grain Traders and Processors Association (GTPA) members had 15,000 MT of maize grain left. The SGR has offered part of the 30,000 MT tender it floated in December 2009 to some members of the GTPA.

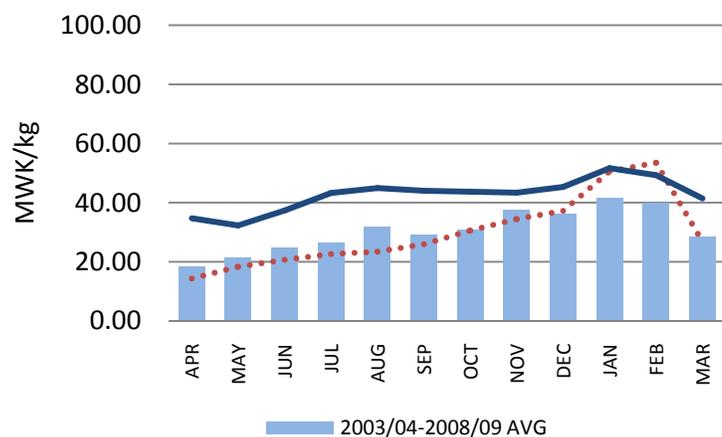
However, improvements in food security related to this harvest will be short-lived in the districts of southern Malawi because of localized crop production failure in these areas. Maize grain is available in all local markets through both vendors and ADMARC. However, in southern Malawi poor people will experience access problems due to limited purchasing power. Cash crops like cotton and tobacco have also been negatively affected by the prolonged dry spells, removal of input subsidies on all cash crops, and marketing problems during 2009 marketing season. Assessments to inform humanitarian assistance conducted by the Malawi Vulnerability Assessment Committee (MVAC) have been completed and the analysis and report writing is in progress, the report is expected in May 2010.

In March the national average retail price of maize was at MK46.74 per kilogram. The central region had the lowest regional average retail maize price at MK44.68 per kilogram. The central region retail maize prices ranged from MK33.43 per kilogram at Kasungu Market in Kasungu district to MK54.90 per kilogram recorded at Salima in Salima district. The southern region recorded a regional average maize retail price of MK47.81 per kilogram. Maize prices in southern Malawi ranged from MK37.50 per kilogram at Namwera market in Mangochi district while the highest maize price of MK55.93 per kilogram was also recorded at Mangochi market in the same Mangochi district. The northern region of Malawi recorded the highest regional maize price average of MK47.74 per kilogram. Prices in northern region ranged from MK32.42 per kilogram at Hewe market in Rumphu

to MK70 per kilogram at Karonga market in Karonga district. The price of MK70 per kilogram was considered too high but was attributed to temporally high demand from NGOs buying maize grain in the district to donate to the households that were affected by the earthquake that hit the area in December last year and the general increase in prices due to the demand from Kayelekera Uranium mine. Although the retail prices for maize remain higher than the five-year average, the price trend shows that retail prices for maize were beginning to fall owing to the start of harvesting in the southern part of the country. The prices are expected to continue decreasing as harvesting of crop peaks up in May and June in the center and May and June in the north.

Current food insecurity in Malawi is concentrated in the Lower Shire Livelihood Zone. This zone is comprised of Chikhwawa and Nsanje districts. The zone is located on the southern end of Malawi and borders Mozambique in the west and Thyolo, Blantyre and Mwanza districts in the north and east. The main staple food in the area is maize, followed by sorghum and millet. This livelihood zone is the major producer of sorghum and millet in Malawi and probably the only area of the country where these crops are considered staple foods. However, maize production remains dominant in these areas. On average the two districts produce about 99,000 MT of maize, sorghum and millet. Out of this about 77,000 is maize, about 13,000 is sorghum and about 9,000 MT is millet. The zone has three topographical and production areas: upland, middle lowland, and wetlands (*dimba* land along the Shire River). Maize is grown across the livelihood zone, while millet and sorghum are mainly grown in the middle lowland. In the wetland, rice, sweet potatoes and pulses are also grown, in addition to main season and winter maize.

Figure 2. Nominal Maize prices in the Lower Shire LHZ



Source: MoAFS

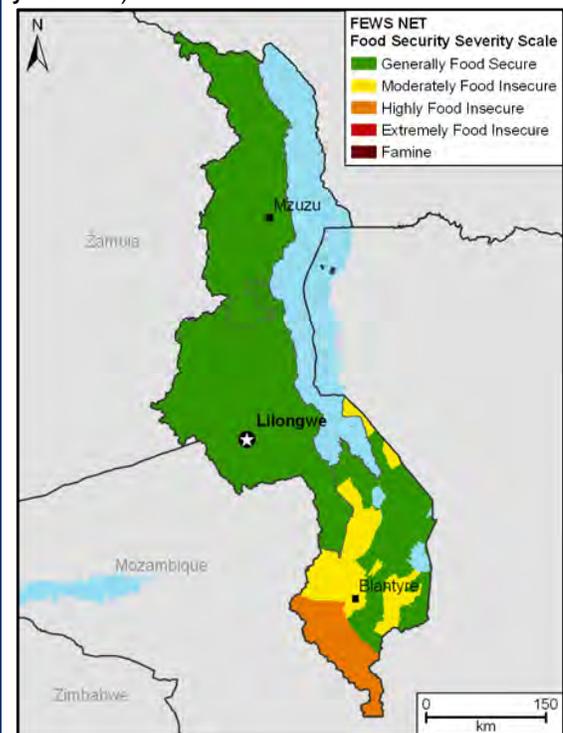
Poor households in this zone rely on four main sources of food and income – cereal production, cotton production, casual labor and livestock sales. This year the whole livelihood zone has been affected by prolonged dry spells between October 2009 and February 2010. Although sorghum and millet are drought tolerant crops, these crops were also negatively affected as they were unable to survive the lack of moisture and extremely hot temperatures. All crops were replanted and managed to germinate in the first week of February when rains returned. Cotton production also suffered this year from the effects of poor markets last year and effects of the prolonged dry spells. Cotton is the main source of cash, especially for the middle lowland area dwellers. Many farmers did not grow cotton and for those that grew some cotton, production was reduced by the prolonged dry spells. *Ganyu*, (casual labor), has also been poor following below-average crop production. Poor household members tend to rely on selling their labor to middle and rich households in the livelihood zone. Finally, in terms of livestock sales, animal holdings and livestock prices have been increasing reflecting the fact that it is middle and better-off households that own these classes of livestock, and rain that fell during the months of February and March supported the establishment of adequate pasture in the two districts. Poor people mostly keep chickens and/of a few goats while the middle and better-off households also own cattle, which bring in more income than the small stock.

The Department of Disaster Management Affairs (DoDMA) has extended the current food distribution programme through May 2010, pending the availability of more information from the MVAC. This program currently provides assistance to 147,000 people in Chikhwawa, Nsanje, Balaka, and Zomba. It is very important for the MVAC report to be released on time to inform the size and geographical location of the 2010/2011 food assistance programme. The DoDMA needs to make timely decision on the appropriateness of the interventions in terms of size and type of response.

Most likely food security scenario (April-September 2010)

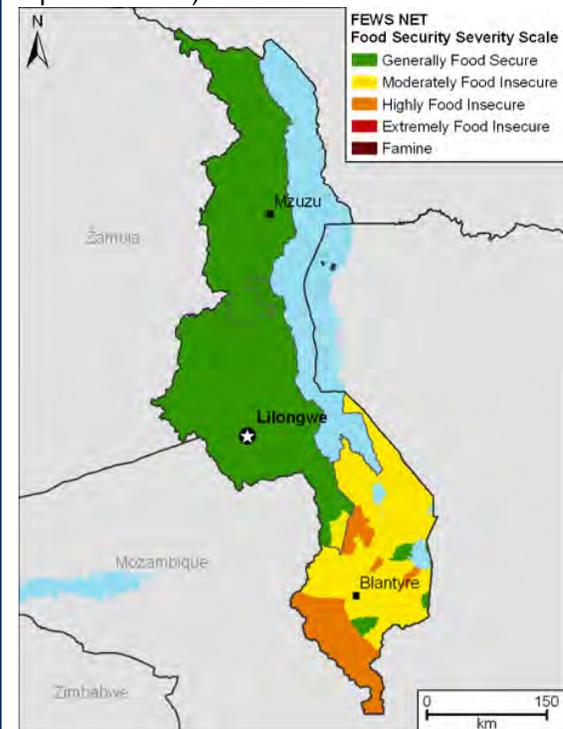
Overall, FEWSNET estimates that there will be about 1.5 million food insecure people from Chikhwawa, Nsanje and other southern districts. The 147,000 currently receiving food aid will need to continue benefitting from a food assistance programme. Based on livelihood baselines for the Lower Shire Livelihood Zone where Chikhwawa and Nsanje districts are located, the number of people that will need assistance by June 2010 will reach 500,000. There is a need for the government to start mobilizing and coordinating a larger humanitarian assistance programme to meet the needs of people that will be going hungry from April 2010 to March 2011 in Chikhwawa, Nsanje immediately. The humanitarian assistance programme is expected to be extended to the rest of the southern Malawi districts by July or August 2010. Although the humanitarian interventions will be bigger than last year, it is not necessary for the country to

Figure 3. Projected food security outcomes (April-June 2010)



Source: FEWS NET

Figure 4. Projected food security outcomes (July-September 2010)



Source: FEWS NET

import any food. Humanitarian assistance is needed in these areas to address likely food deficits and maize grain stocks available in the national strategic Grain reserves should be sufficient for this purpose.

The most likely scenario is based on the current situation and the following key assumptions:

- Retail prices for maize have started dropping as usual during harvest months of March and April although there is no harvest most of the households in the Lower Shire. The drop in retail maize prices is attributed to availability of maize from the current harvest in the other southern Malawi districts where some of the maize in local markets is coming from. The prices have also dropped because the private traders that are still seating on maize grain stocks from the previous year are offloading their stock at lower process so that they can go for new maize grain stock. Prices are expected to stay around MK40/kg but will likely increase to around MK50-MK55/kg by September 2010. It is still doubtful if maize prices are going to be above the ADMARC price of MK60/kg. Maize is expected to continue to be available on the local markets from private traders who will mainly bring it from the central and northern parts of the country where there will be substantial regional maize production surpluses due to good rains and uptake of good agricultural management practices.
- Livestock prices will play an important role in determining the food security situation in the area, especially for the middle and better-off households. An analysis of both cattle and goat market prices over the past two years shows that prices for both classes of cattle have been increasing in all regions, including the southern region. The income from cattle and goat sales will help the middle and better-off households who own these classes of livestock and not the poor who will be worst affected by the food insecurity situation.
- In the Lower Shire livelihood zone:
 - Ganyu (casual labor) wages are expected to fall this year due to increasing number of poor households seeking work and a decline in demand following poor cereal and cotton harvests.
 - More people than normal will travel to Mozambique in search of work.
 - Households that do not have enough food from their own production will engage in various income generating activities such as weaving, fishing, and livestock sales to obtain cash to buy food.
 - The households that have access to irrigable lands along the Shire river will engage in irrigated farming between April and September. This farming can provide up to 10 percent on annual needs, depending on area planted and access to inputs.
 - Middle and better-off household will likely be able to cope with poor production by relying on income from livestock sales.

Following these assumptions, it is expected that while food commodities will be available through local markets and ADMARC, poor people in the Lower Shire Livelihood Zone will not meet basic food needs due to a lack of purchasing power. This population will therefore be highly food insecure throughout the April-September Outlook period (Figures 3 and 4). In other areas of the south like Balaka, Mangochi, Machinga and Zomba most food insecure people will cope by exploiting the natural resources like forests for firewood and timber sales. The communities in Mangochi, Zomba and Phalombe along some lakes will rely on fishing activities. It is likely that the food insecurity will set in from July onwards when the little harvest the poor households will realize is depleted.

The Malawi Vulnerability Assessment Committee (MVAC) will be releasing the 2010 food security assessment report in May. While a clearer picture will emerge when the MVAC report is released, FEWSNET estimates that 300,000 people in the Chikhwawa and Nsanje districts are at risk of facing food deficits from as early as April 2010. This number may increase to 550,000 people in the two Lower Shire districts by June after the current government food aid program ends in May. All the other southern districts of Malawi will have some people unable to access food starting from around June 2010 which FEWSNET estimates could be around 1 million people. The MVAC report will be more telling on the exact number of people that will be food insecure in these districts.

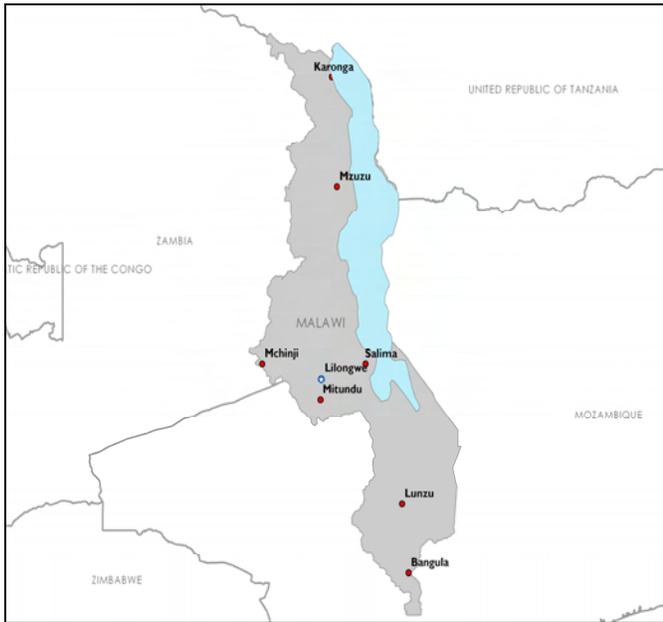
Humanitarian support to food insecure poor people will be needed from June onwards in most if not all the southern Malawi districts. Government of Malawi grain stocks will likely be sufficient to provide this assistance, but coordination with UN agencies, NGOs and other stakeholders remains important to ensure an effective response. In previous years, the government has been able to provide the food from the SGR on time but responses have been delayed due to lack of

funding for operational costs. It is important for the government and its cooperating partners to not only consider the availability of maize but also the funds for enough funding to deliver the humanitarian response as well. In addition to food assistance program, increased and expanded support to irrigated farming along the Shire River between April to September for the households that have access to irrigable pieces of land along the wetlands of the Shire River would contribute to improved maize and sweet potato harvests in August/September, improving household food security in these areas.

Table 1: Events which could affect the food security outlook

Geographic Focus Area	Possible events in the next 3 months that would change the most likely scenario in this area	Impacts on food security conditions	Likelihood of occurrence*	Key variables to monitor
Chikhwawa and Nsanje districts	<ul style="list-style-type: none"> Expanded irrigation activities 	<ul style="list-style-type: none"> More maize availability will translate to ease of access. 	Unlikely	Area under irrigation farming.
All southern Malawi districts	<ul style="list-style-type: none"> Timely, appropriate and adequate food assistance programme 	<ul style="list-style-type: none"> Improved food security situation for about 1.5 million poor households in southern Malawi. 	Unlikely	Humanitarian response reports
Whole country	<ul style="list-style-type: none"> High maize prices exceeding MK55/kg 	<ul style="list-style-type: none"> More than 2.5 million people will be food insecure in Malawi 	Very unlikely	Monthly retail maize market prices

* Probability levels	Description
Unlikely	Could occur in the time period if conditions changed moderately
Very unlikely	Could occur in the time period if conditions changed significantly



Maize, rice, and cassava are the most important food commodities. Markets selected represent the entire geographic length of the country: two markets in each of the north, center, and south. In the north, Karonga is one of the most active markets in maize and rice and is influenced by informal cross-border trade with Tanzania. Mzimba is a major maize producing area in the northern region. Salima, in the center along the lake, is an important market where some of the fishing populations are almost entirely dependent on the market for staple cereals. Mitundu is a very busy peri-urban market in Lilongwe. In the south, the Lunzu market is the main supplier of food commodities such as maize and rice for Blantyre. The Bangula market in Nsanje district was chosen to represent the Lower Shire area, covering Chikwawa and Nsanje districts.

Monthly prices are supplied the Ministry of Agriculture and Food Security Market Information System in Malawi.

