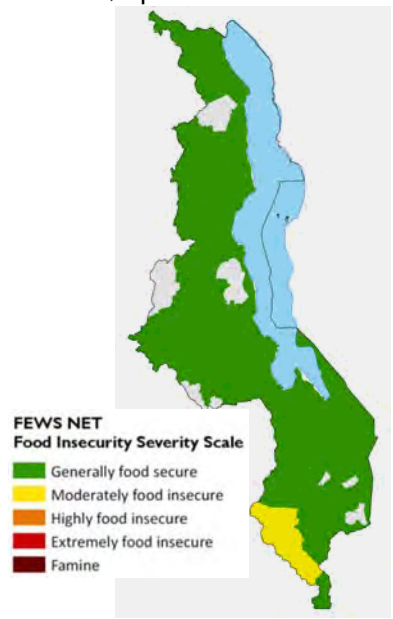
MALAWI Food Security Outlook — April to September 2009

- Food security across Malawi has improved with the maturation and harvesting of crops (Figure 1). Households now have access to green and dry maize, as well as other crops. Second round production estimates show that crop production prospects this season are generally above normal across the country, except for the Lower Shire, where a prolonged dry spell in January and February led to significant crop failure. While food security has started to improve as new harvests come in, these improvements will be short-lived in large parts of the Lower Shire Livelihood Zone.

- Average local market prices for maize remain high in most local markets compared to the five-year average. Local market maize prices in March ranged from MK44.67/kg to MK95.00/kg, much above the MK19.00/kg to MK48.73/kg average for March for the last five seasons (2003/04 – 2007/08). While maize prices remain high, the number of markets recording maize price decreases has increased since February, due to improved market supplies as some traders released stocks onto the market, especially in January and February. Price decreases were further encouraged in March as new crops arrived on the market, reducing market demand for maize due to improvement to in household food stocks.

Figure 1. Current estimated food security conditions, April 2009



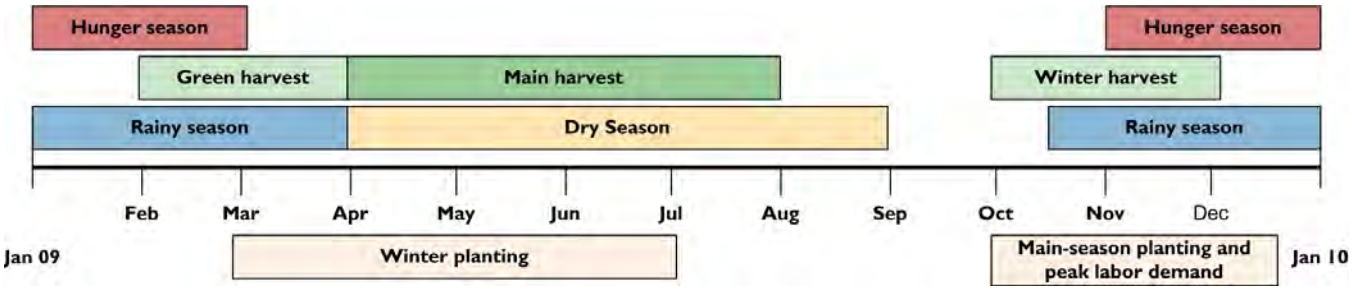
For more information on FEWS NET's Food Insecurity Severity Scale, please see: www.fews.net/FoodInsecurityScale

Source: FEWS NET

- Malawi's maize imports through informal cross-border trade increased in March, as Mozambican farmers started selling the new crop. Informal imports amounted to 1,692 MT in March, an increase over the 789 MT imported in February, bringing cumulative maize imports for the 2008/09 marketing year to 63,327 MT.

- The Government of Malawi (GOM), through the Department of Disaster Management, and with support from DFID, distributed 800 MT of food to vulnerable households in March, bringing total food aid distributions to 6,182 MT. This is far below the 15,000 MT requirement the MVAC estimated through April. Distributions have been running behind schedule primarily because of logistical problems.

Seasonal calendar and critical events



Source: FEWS NET

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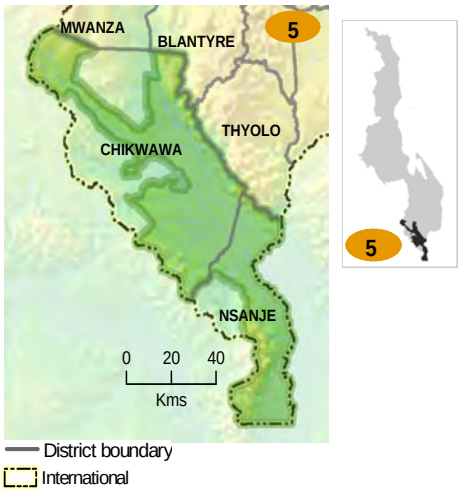
Current food security conditions

Food security across the country has improved with the maturation of crops, which has increased household food availability. However, there are concerns that some poor households, particularly in the south, have been forced to start using their crops earlier than normal because of limited food access due to high prices from below-normal production last season, coupled with inadequate food distributions. Second round crop production estimates show that crop production prospects this season are generally above normal across the country, except for the Lower Shire. National maize production is estimated at 3.6 million MT, 29 percent higher than last year's final production estimate of 2.8 million MT and 50 percent higher than the five year average of 2.4 million MT. While food security has started to improve across the country due to the arrival of the new crop, these improvements will be short-lived in parts of the Lower Shire Livelihood Zone, due to large-scale crop failures in the area, particularly in Chikwawa District.

Food security in the Lower Shire Livelihood Zone

The Lower Shire Livelihood Zone is comprised of Chikwawa and Nsanje districts. It is located at the southern tip of Malawi and shares an international border with Mozambique and internal borders with Thyolo, Blantyre, and Mwanza districts (Figure 2). 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 the country, and perhaps the main area where these crops are considered staple foods. However, maize production remains dominant in these areas. An analysis of crop production figures for the past five seasons indicates the zone produces an average of about 99,000 MT of maize, sorghum, and millet. Out of this, maize contributes about 78 percent, followed by sorghum (13 percent) and millet (nine percent).

Figure 2. Lower Shire Livelihood Zone



Source: MVAC Baseline Profiles

The zone can be divided into three topographical and production areas: upland, middle lowland, and, wetland (*dimba* land - along the Shire River). Maize is grown across the livelihood zone, while millet and sorghum is 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. Although the whole livelihood zone has been affected by dry spells, the worst affected areas are maize producing areas in the middle of the zone. Although sorghum and millet are more drought-resistant, the prolonged dry spells in this zone negatively affected these crops too, especially in Chikwawa District, where the dry spell was even longer (having started in mid-January, compared to mid-February in Nsanje District). In Nsanje, by the time the dry spell hit, most of the millet had matured and farmers anticipate some harvest. As noted, however, millet production is relatively small compared to that of maize and sorghum. In addition, while the wetlands are normally able to produce a second crop (winter maize), it is likely that this production will also be reduced this year because of the dry conditions. The middle lowlands are the worst affected areas, and households in this area that have not produced enough food will depend on the market much earlier than normal.

An important source of cash in the Lower Shire is cotton sales. Cotton is the main cash crop, especially in the middle lowland area. Unfortunately, cotton was also severely affected by the prolonged dry spells, and reduced yields of the cash crop increase the vulnerability of households in the area to food insecurity, as they will have less income with which to access food and other household needs. Another important source of income, particularly for poor households, is ganyu, especially agricultural ganyu. Ganyu involves working on other peoples' fields in return for cash or food. However, most of the agricultural activities are now over or limited to the wetlands and the few estates in the area. In addition, because of an increase in the number of people looking for ganyu in a year like this, the wage rates tend to drop, and some households may be forced to move across the border into Mozambique in search of ganyu later in the season in an effort to improve their food security.

Livestock sales are another important source of income in the Lower Shire Livelihood Zone. There is a lot of livestock in this zone but poor households mostly keep chickens and/or a few goats, while some middle and better-off households also own

cattle, which bring in more income than small stock. Livestock prices will therefore play an important role in determining the food security situation in the area, especially for the middle and better-off households. Despite the dryness, pasture remains readily available in this area.

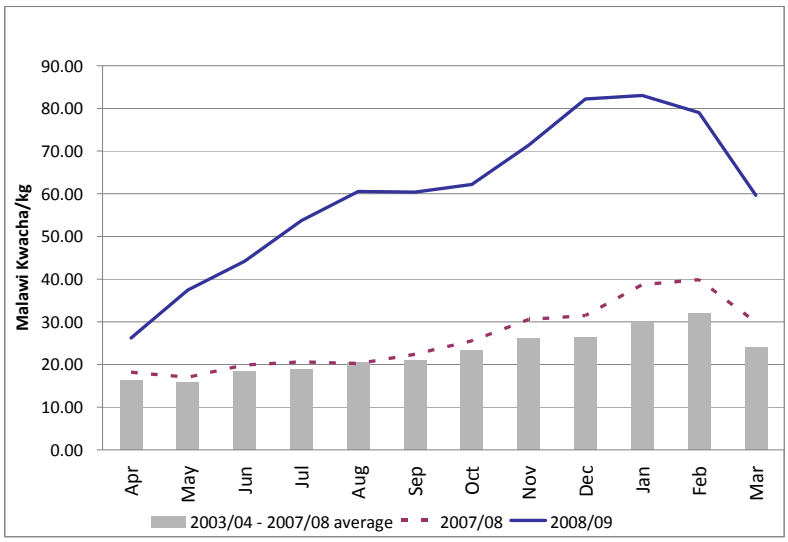
Prolonged dry spells in the Lower Shire have put a lot of households at risk of food insecurity. Recent assessment reports by the Ministry of Agriculture put the number of households affected by the dry spells at about 55,000, out of a total of about 164,000. However, a clearer picture will emerge after the MVAC assessments – currently scheduled for early June – which will determine the number of people with missing food entitlements and response options. The current maize, sorghum, and millet harvest in most of the affected areas will only last one to four months (up to July/August, instead of the normal October/November period).

Households that do not have enough food from their own production engage in various income generating activities, such an ganyu, weaving, fishing, and livestock sales, to obtain cash to buy food. Those with access to land for winter planting will use this, though they will need support in the form of improved seeds and fertilizer. However, given below-normal rainfall, many potential winter cultivation areas do not have adequate residual moisture to support winter crops this year. As such, food security may start to deteriorate in these areas by August/September if necessary interventions are not undertaken, as the number of households without own produced food will rapidly rise and will be higher than normal. Some households also benefit from government interventions and NGO programs, such as WFP food distributions to vulnerable groups.

General market and price conditions

Average maize prices remain high in all local markets compared to the five-year average. Local market maize prices in March ranged from MK44.67/kg to MK95.00/kg at Hewe and Namwera markets in Rumphi (northern region) and Mangochi (southern region) districts, respectively. These prices are much above the MK19.00/kg to MK48.73/kg average range for March for the last five seasons (2003/04 – 2007/08) Prices ranged from 13 percent above average at Nthalire market in Chitipa District to 245 percent above average at Namwera market in Mangochi District.

Figure 3. Nominal retail maize prices in Lower Shire Livelihood Zone



Source: MoAFS

At the regional level, local market prices for maize were highest in Malawi's southern region (MK45.63/kg to MK95.00/kg at Nchalo and Namwera markets in Chikwawa and Mangochi districts, respectively) and lowest in the northern region (MK44.67/kg to MK66.45/kg at Hewe and Rumphi markets in Rumphi District). The southern region also recorded the highest increase above the five-year average, with increases of 71 to 245 percent at Thondwe and Namwera markets in Zomba and Mangochi districts. The northern region recorded increases ranging from 13 to 97 percent at Nthalire and Mpamba markets in Chitipa and Nkhatabay districts, respectively. And, maize prices in the central region ranged from MK50.68/kg at Chatoloma market in Kasungu Ditrict to MK83.63/kg at Malomo market in Ntchisi District, with increases of 42 to 193 percent at Chatoloma and Lizulu markets in Kasungu and Ntcheu districts.

Although prices remain above average, they are beginning to show signs of seasonal decline (Figure 3). About 78 percent of the 64 markets for which comparable data was available experienced average nominal maize price decreases between February and March, given improved market supplies as traders release old stocks onto the market and as new crops mature, reducing market demand. Appendix 1 shows price trends from April 2008 to March 2009. Prices are generally expected to continue decreasing as the harvesting of crops reaches its peak in April and May for southern parts of the country, May and June for central parts, and June and July for the North.

Markets in the Lower Shire Livelihood Zone

The Lower Shire Livelihood Zone is at risk of moderate to high levels of food insecurity during the 2009/10 consumption period due to crop failures experienced in the area. Markets therefore will play an important role in determining food security in the area. This zone experienced relatively high nominal maize prices compared to last season and the five-year average. Except for April, monthly average local market prices for maize have more than doubled compared to average prices for the past five seasons. Prices have also been higher than last season.

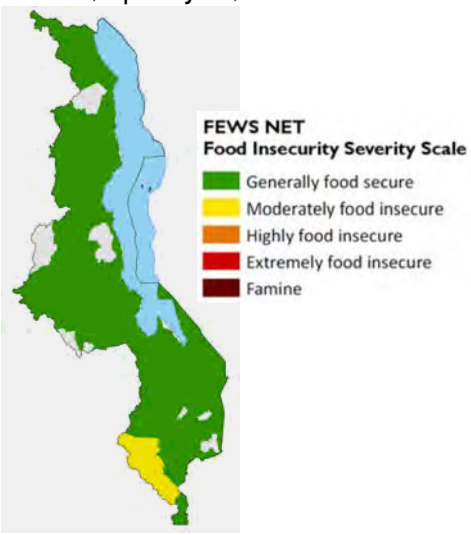
Prices have started declining, following a similar pattern to the average and last season's price trends, but overall current price levels remain higher in both cases. The drop in prices is attributed to a number of factors, including improvement in market supplies due to new harvests and increased informal cross-border inflows. Most of the zone, especially in Chikwawa District, harvested little maize, though there are some areas within the zone, especially those with residual moisture, that harvested enough to moderately improve supplies in the short term. Apart from maize, sorghum and millet have also been harvested. In Nsanje District, most of the millet had matured by the time the dry spells hit the area, and it is these harvests that will serve household consumption needs through the first two to three post-harvest months. This has reduced the market demand for maize in the very short-run, especially for the poor households who make up to about 20 percent of the households in the zone.

Prices in the zone normally drop from March to April and then remain relatively stable before starting to rise again in October. This is because apart from the March/April harvest, there is a second season harvest around August to October, which generally allows market supplies to remain favorable while demand remains low, as most households still have food from their own production. Given below-average production in this zone this year, and normal to above-normal production in the surrounding areas, traders will likely direct maize to the Lower Shire Livelihood Zone, increasing supplies for consumers there. Prices for this maize therefore are not expected to rise to levels experienced last marketing year.

Most-likely food security scenario April – September, 2009

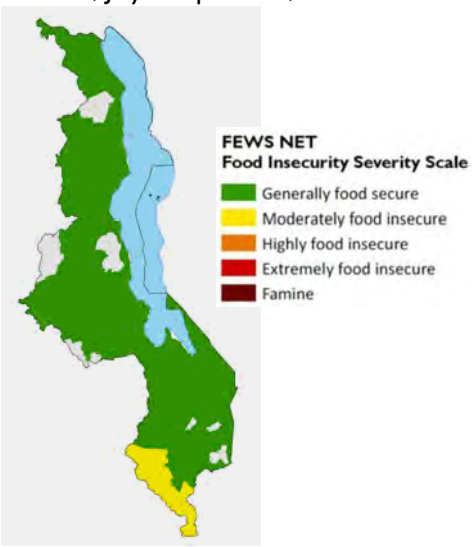
The second round agricultural production estimates indicate that the country will produce another overall food surplus this season, due to overall normal rainfall and increased usage of fertilizer and improved seed. Food security should therefore remain generally favorable in much of the country in the next three to six months. Local market maize prices are expected to drop in the next three months (April to June) and should begin to rise normally from July to September. This season's prices are likely to be lower than last season's, due to improved supplies as a result of successive good harvests and a reduction in areas that have not done well in terms of crop production, with the exception of the Lower Shire Livelihood Zone.

Figure 4. Most-likely food security scenario, April – June, 2009



Source: FEWS NET Malawi

Figure 5. Most-likely food security scenario, July – September, 2009



Source: FEWS NET Malawi

Food security outlook for the Lower Shire

Failure of the maize crop and below-normal millet and sorghum production in this zone means that some households will continue to experience moderate to high levels of food insecurity for a second consecutive season. This is because some households also experienced reduced production last season, and there are clear indications that this season's crop production will be even worse, increasing the number of households without own produced food in the next three to six months. Although the area has an advantage in terms of winter cropping, the number of households who have access to land for winter cultivation is limited. Most of the winter cropping is done in the wetlands close to the Shire River. However, in years like this, the cultivable land for this season also shrinks as the land dries quickly, leaving insufficient residual moisture for crop production.

In Chikwawa District, food insecurity will start increasing toward the end of the second quarter (April to June, Figure 4) while in Nsanje District problems may increase from July to September (Figure 5). Most parts of the zone will be moderately food insecure in the first quarter of the consumption year (April-June), and the situation will gradually worsen moving into the second quarter, when most households are likely to become highly food insecure. Food prices, especially that of maize, may start rising quickly in the area but will not likely reach last season's levels, as neighboring districts of the zone are likely to have above-normal production, and maize may move from these surplus areas to the zone where prices are likely to be relatively higher. In addition, the area also receives a lot of maize from Mozambique through informal cross-border trade. This will also help improve market supplies. Since maize production in many parts of the country is anticipated to be normal to above normal, demand for maize in ADMARC markets in the country's other areas will not be as high as last season, allowing ADMARC to concentrate on supplying maize in the Lower Shire. However, poor households, especially those with no access to winter cultivation, will likely need assistance, as they may not be able to buy enough food on the market.

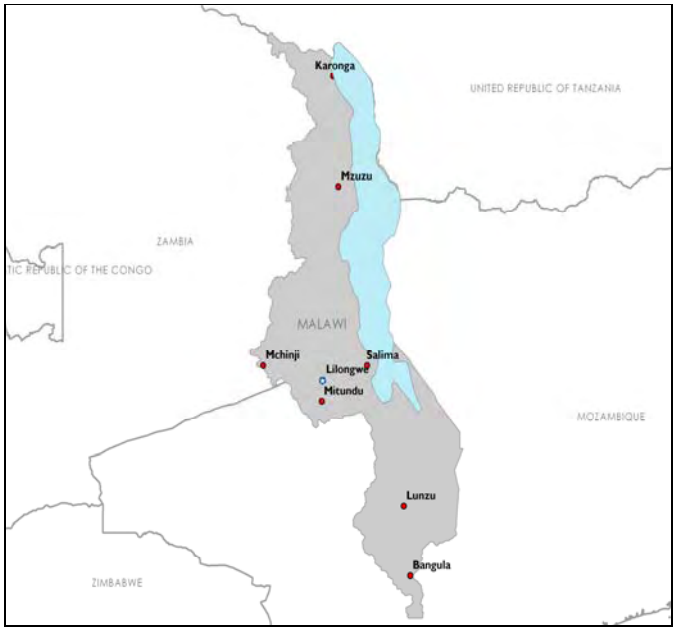
High levels of food insecurity in this area will only be avoided if the GOM and other stakeholders take timely interventions to help alleviate the identified causes of food insecurity. Some steps are already being taken, including provision of inputs for winter cultivation and food distribution to households who have no alternative sources of food. However, there is a need for more coordinated action to address the impending problem efficiently.

The underlying assumptions for the above scenario are that there will be an increase in maize inflows through informal cross-border trade, that Mozambique will not impose a maize export ban, and that, unlike last year, private traders will be allowed to participate freely and will move maize from surplus areas in the country to deficit areas of the Lower Shire resulting in increased supplies in the local markets and relatively lower and stable maize prices compared to last season. Last year as maize prices were rising, the GOM imposed a ban on large scale private traders' participation in maize trading. It is further assumed that the GOM and other stakeholders will develop and implement appropriate interventions in the affected areas in a timely and coordinated manner.

Table 1: Events which could affect the food security outlook

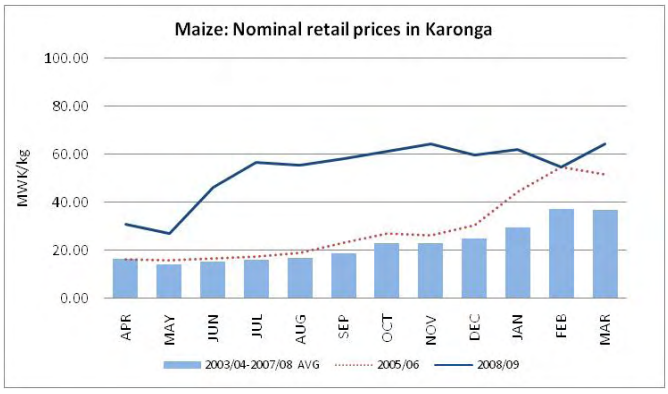
Geographic Focus Area	Possible events in the next 6 months that would change the most likely scenario in this area	Impacts on food security conditions	Likelihood of occurrence*	Key variables to monitor
Lower Shire Livelihood Zone	• Continuation of private traders restriction in maize trading	• Reduced maize flows from surplus areas to the Lower Shire.	Unlikely	Maize supplies in the markets; trader licenses
	• Mozambique imposing maize export restrictions	• Reduced market supplies in the area	Unlikely	Informal cross border trade volumes

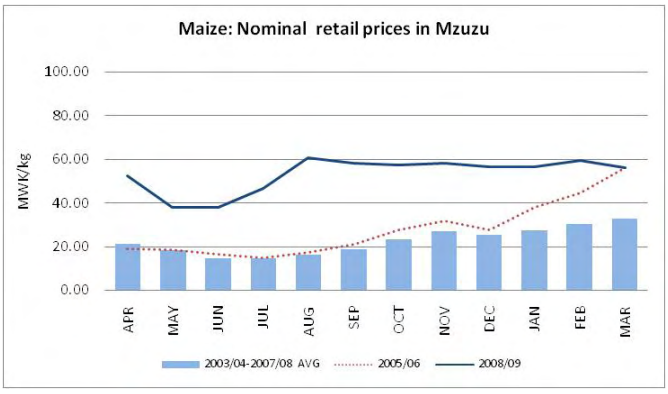
* Probability levels	Description
Likely	Likely to occur in the time period under current conditions
Unlikely	Could occur in the time period if conditions changed moderately
Very unlikely	Could occur in the time period if conditions changed significantly

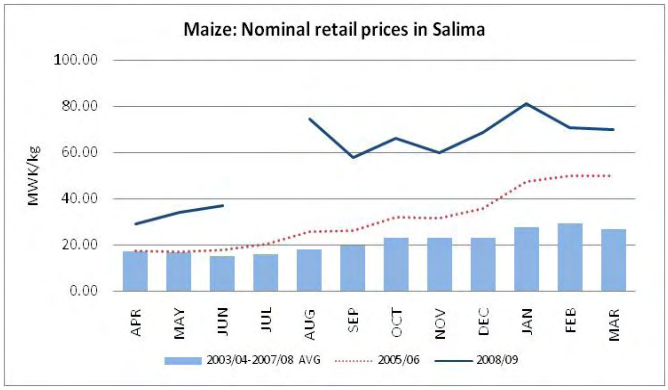


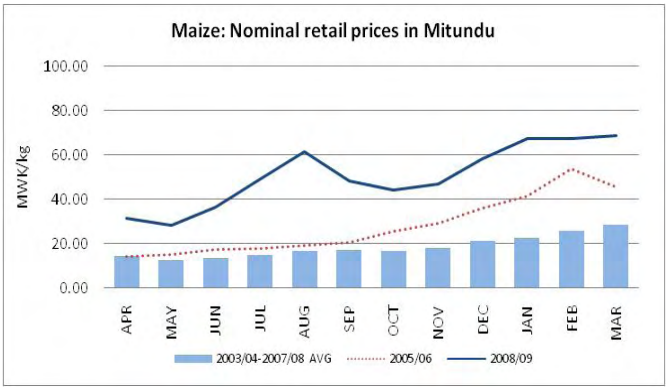
Monthly prices are supplied the Ministry of Agriculture and Food Security Market Information System in Malawi.

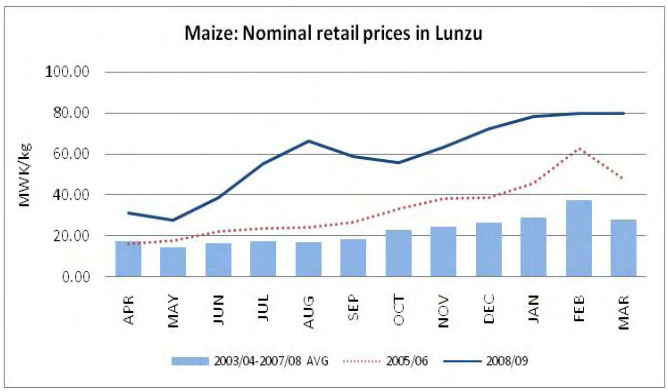
Maize, rice, and cassava are the most important food commodities. Markets selected represent the entire geographic length of the country: two markets in each of the north, center, and south. In the north, Karonga is one of the most active markets in maize and rice and is influenced by informal cross-border 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.










Maize: Nominal retail prices in Lunzu
MWK/kg
100.00
80.00
60.00
40.00
20.00
0.00
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2003/04-2007/08 AVG
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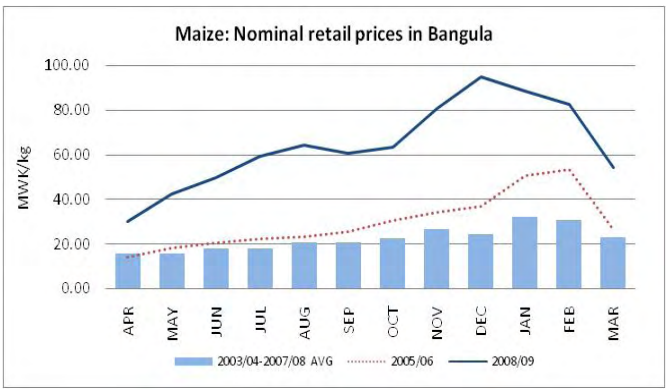
2008/09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MWK/kg
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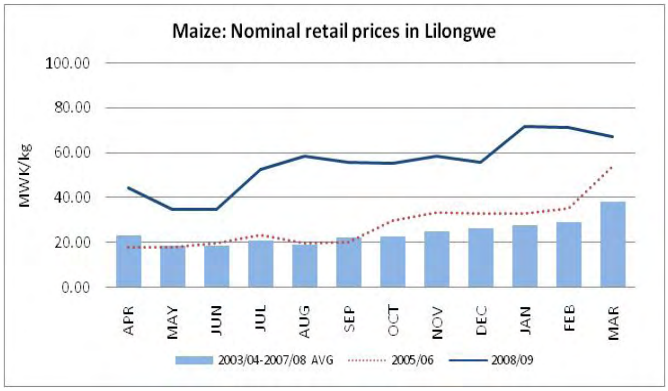
Maize: Nominal retail prices in Lilongwe
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2003/04-2007/08 AVG
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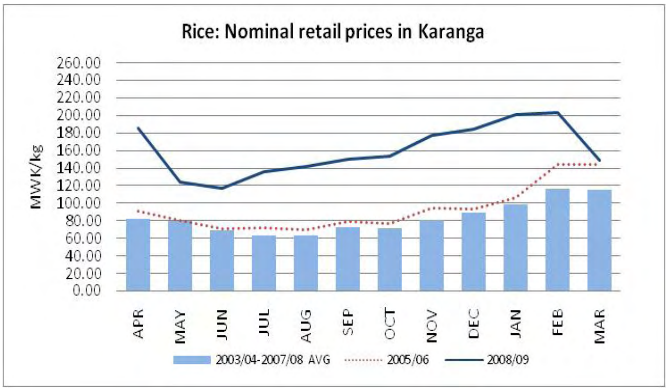
Rice: Nominal retail prices in Karanga
MWK/kg
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120.00
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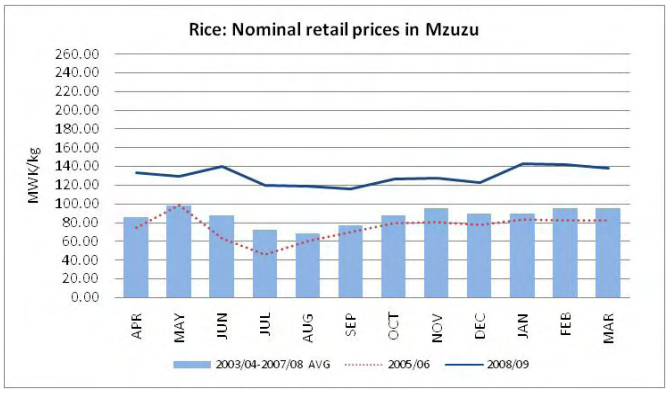
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2003/04-2007/08 AVG
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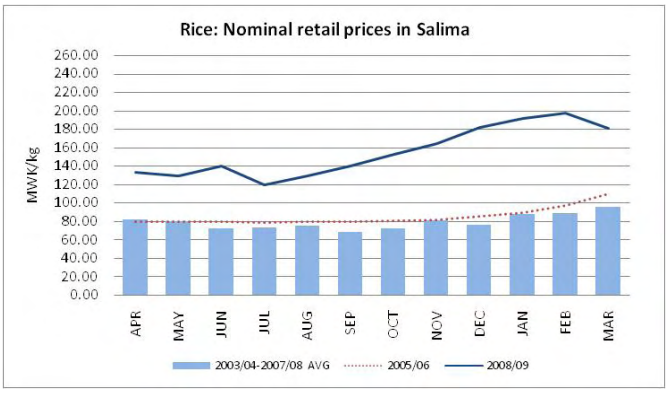
Rice: Nominal retail prices in Salima
MWK/kg
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180.00
160.00
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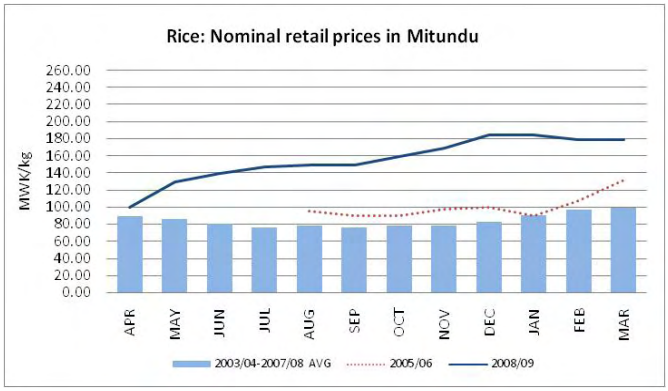
Rice: Nominal retail prices in Mitundu
MWK/kg
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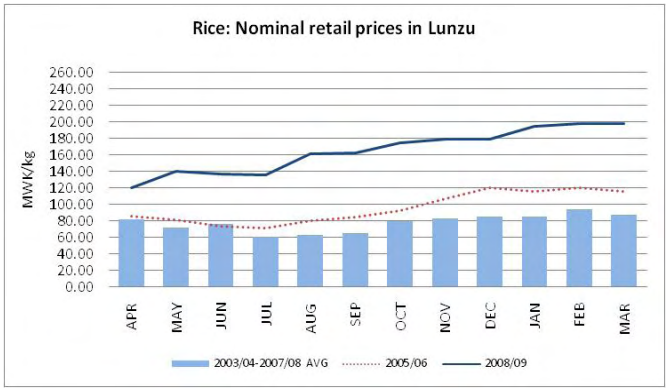
Rice: Nominal retail prices in Lunzu
MWK/kg
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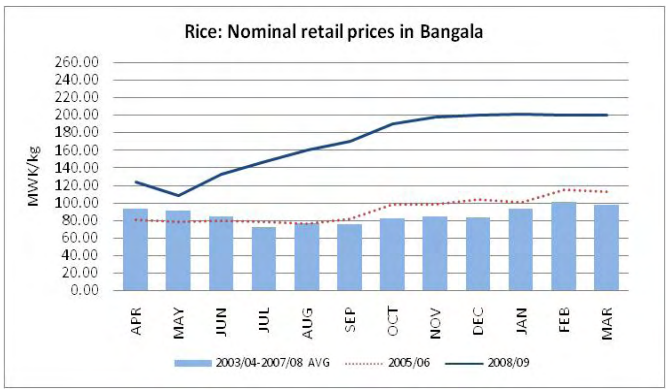
Rice: Nominal retail prices in Bangala
MWK/kg
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200.00
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120.00
100.00
80.00
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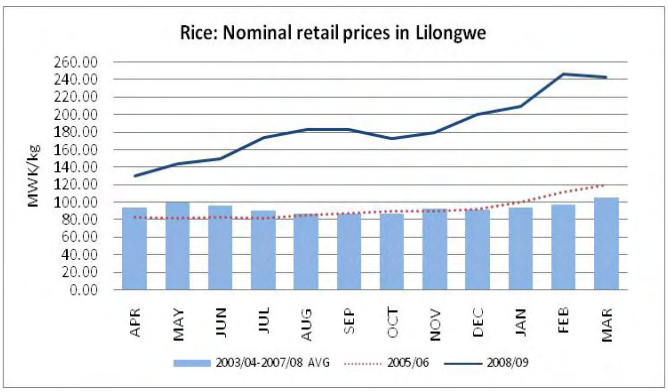
2008/09


Rice: Nominal retail prices in Lilongwe
MWK/kg
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240.00
220.00
200.00
180.00
160.00
140.00
120.00
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80.00
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40.00
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APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
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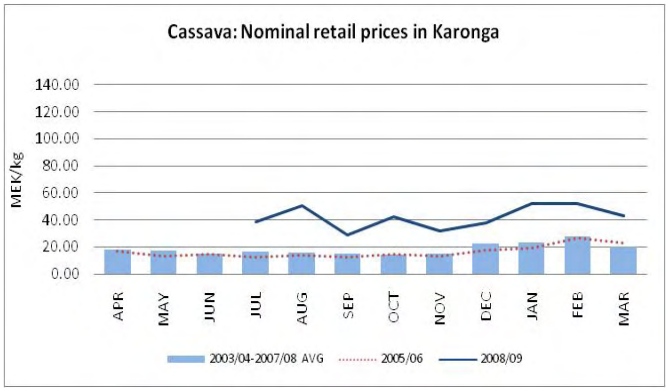
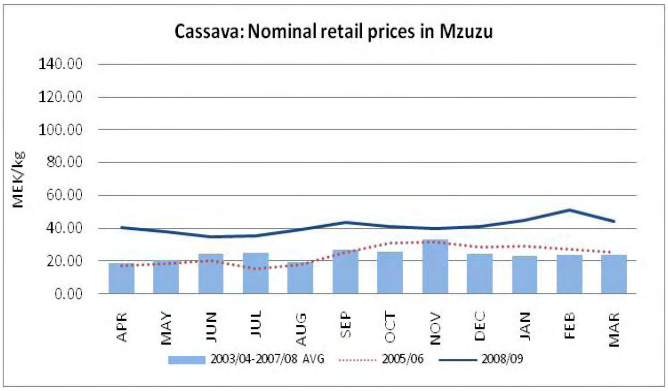
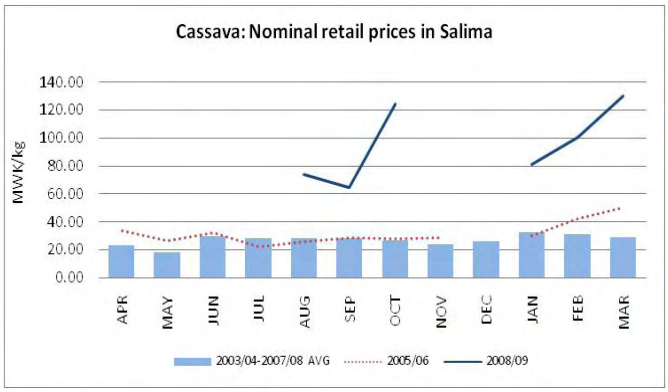
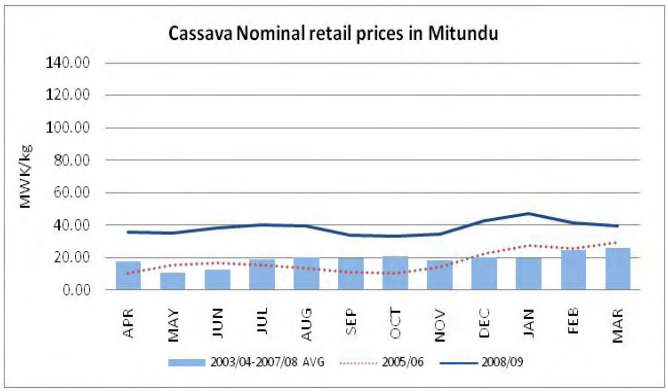
2005/06
2008/09

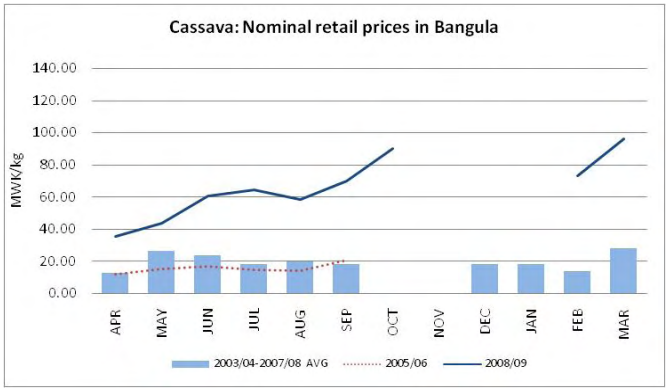

Cassava: Nominal retail prices in Karonga
MEK/kg
140.00
120.00
100.00
80.00
60.00
40.00
20.00
0.00
APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
2003/04-2007/08 AVG
2005/06
2008/09


Cassava: Nominal retail prices in Mzuzu
MEK/kg
140.00
120.00
100.00
80.00
60.00
40.00
20.00
0.00
APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
2003/04-2007/08 AVG
2005/06
2008/09


Cassava: Nominal retail prices in Salima
MWK/kg
140.00
120.00
100.00
80.00
60.00
40.00
20.00
0.00
APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
2003/04-2007/08 AVG
2005/06
2008/09


Cassava Nominal retail prices in Mitundu
MWK/kg
140.00
120.00
100.00
80.00
60.00
40.00
20.00
0.00
APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
2003/04-2007/08 AVG
2005/06
2008/09

Cassava: Nominal retail prices in Lunzu
MWK/kg
140.00
120.00
100.00
80.00
60.00
40.00
20.00
0.00
APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
2003/04-2007/08 AVG
2005/06
2008/09


Cassava: Nominal retail prices in Bangula
MWK/kg
140.00
120.00
100.00
80.00
60.00
40.00
20.00
0.00
APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
2003/04-2007/08 AVG
2005/06
2008/09