



MALAWI Food Security Update July 2006

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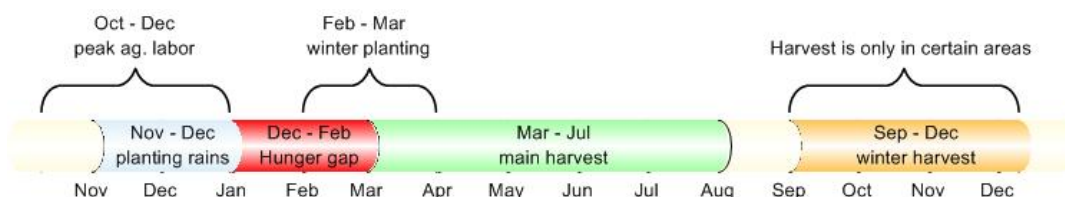
Summary and Implications

The food security situation remains favorable across the country as a result of the recent harvest and increase in market supply of maize and other food stuffs. In addition, there has been a significant drop in market demand for food and food prices, especially in the rural areas. Maize prices remain low and continue to drop in some markets.

The Malawi Vulnerability Assessment Committee (MVAC) released the findings of the April/May assessment, which estimates up to 833,000 people are at risk of food insecurity for the current consumption period. An additional 147,800 people are borderline food insecure and require close monitoring because they could become food insecure if some economic shock were to push maize prices beyond MK30/kg later in the year. Most of these people are in areas identified as having been adversely affected by weather during the last growing season. These localized problem areas include parts of Kasungu, Dowa, Ntchisi, Mzimba, Rumphi Phalombe, Nsanje, Chikwawa, Mangochi and Nkhatabay districts, where production was affected by prolonged dry spells and floods. The area with the largest number of people at risk is Kasungu District.

Both private traders and the Agricultural Development and Marketing Corporation (ADMARC) are busy buying maize and various types of produce from farmers. However, ADMARC has been experiencing financial problems because they depend on government funding to finance produce purchases, and this year's budget took a long time to be approved. The lack of funds has affected their maize purchases. Private traders have been buying, albeit at lower prices. Maize marketing has been brisk, helped in part by two National Food Reserve Agency (NFRA) tenders for a total of 62,000 MT of locally sourced white maize. This has improved market opportunities for farmers, as traders compete for the maize and offer better prices with time.

Seasonal Timeline



Current Hazard Summary

- **The higher than normal volume of maize sales** by some poor net-consuming households is likely to jeopardize their food security later in the season when they become dependent on higher-priced maize from markets.

Food Security Summary

Household food security remains satisfactory following above-average production of maize throughout most of the country. With the exception of a few localized areas where crops did poorly due to prolonged dry spells and floods, most households are now depending on their harvested crops for food. Market demand for maize remains low and, as a result, food prices are still low at this time of the year. This is a big improvement over the situation that existed at the same time last year.



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The MVAC released the results of its assessment for the 2006/07 consumption period on July 20. The MVAC estimates that 833,000 people will be food insecure at some point during the period. Another 147,000 people are considered borderline food insecure and require close monitoring because they could become food insecure if an adverse economic shock causes a steep rise in maize prices beyond MK30/kg. For the rest of the population, the food security situation this season is much better compared to last season.

Farmers are busy selling various crops to traders. Although most farmers would prefer to sell their maize to ADMARC due to the higher price they offer compared to private traders, ADMARC does not have enough money to buy all of the maize being offered. As a result, most farmers are selling to private traders at prices below ADMARC's MK20/kg. Some small-scale traders who are buying maize from farmers at low prices end up selling their maize to ADMARC. The inability of ADMARC to buy maize as promised is a cause of concern for farmers who had hoped to earn more income from maize sales. The 62,000 MT maize tenders issued by the National Food Reserve Agency (NFRA) (22,000 MT funded by DFID and 40,000 MT government funded) has increased trade in maize, both within and across the borders. As of end July, the NFRA had received 4,000 MT of the 22,000 MT tenders that had already been awarded. Contracts for the 40,000 MT will be awarded in August. Data from the market information system demonstrate that maize prices have remained relatively stable and, out of the 58 markets reporting, 19 (32%) had prices above the MK20/kg ADMARC price; the rest were below MK20/kg.

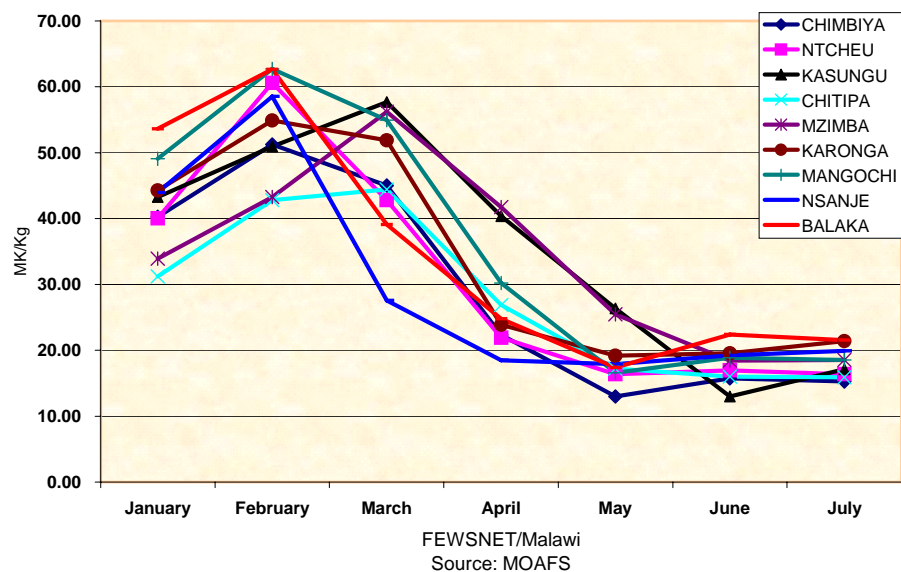
Markets and Prices

Market price data collected by the Ministry of Agriculture and Food Security (MOAFS) show that retail maize prices continued to drop in July in most local markets as shown in Figure 1. The majority of the markets continued to register prices below the MK20/kg offered by ADMARC. In the northern region, maize prices ranged from MK12.90/kg at Hewe market in Rumphi District to MK21.40/kg at Karonga market. Out of the 14 markets in the northern region for which data were available for the month of July, six markets (42%) registered maize prices below the ADMARC fixed price. The remaining 58% of the markets registered prices above the ADMARC price. In the central region, local market prices for maize ranged from MK15.25/kg at Chimbiya market in Lilongwe District to MK22.21/kg at Ntchisi market.

Out of the 21 markets in the central region with data for July, 18 (or about 86%) registered maize prices below MK20/kg. Compared to June prices, eight markets (38%) in the central region registered drops in prices ranging from 3.2% at Chimbiya to 54.5% at Nambuma markets, both in Lilongwe district.

The situation is similar in the southern region. Maize prices in the local markets ranged from MK15.10/kg at Namwera market in Mangochi District to MK22.22/kg at Chikwawa market. The majority of the markets in the southern region registered prices above MK20/kg. Out of the 23 markets for which July data were available, 10 markets (43%) registered maize prices below MK20/kg. Six markets, (26%) registered drops in prices ranging from 1.7% at Mangochi market to 19% at Chiradzulu market. In the northern region, four markets, representing (28%) registered drops in prices ranging from just under 1% at Chitipa to 14% at Chilumba market in Karonga District.

Figure 1: LOCAL MARKET MAIZE PRICE TRENDS - Jan to July 2006



As was the case in June, due to financial constraints ADMARC continued to buy less maize than was being offered by farmers. This means that farmers benefited less than anticipated from the high purchasing prices announced by government; farmers are mostly selling at lower prices to traders who will eventually sell to ADMARC at an opportune time. During a recent joint FEWS NET/WFP field visit to assess the marketing situation, it was observed that many ADMARC markets had insufficient cash to purchase produce and in some districts, farmers were unwilling to sell to private traders who were offering lower prices than ADMARC. The farmers' reluctance has paid off because most traders have since increased their prices to nearly match the ADMARC price.

Informal cross border trade monitors in the south report that even Mozambican traders sometimes bring maize into Malawi to sell to ADMARC. This illustrates how the MK20/Kg ADMARC buying price is influencing marketing behavior even in parts of Mozambique.

Reports from the field indicate that in many districts farmers are still bringing a lot of maize to ADMARC markets in anticipation of cash deliveries to the markets for ADMARC produce purchases. In some cases, ADMARC has been quite delayed in receiving cash and this has led farmers to sell to traders instead. ADMARC has indicated that they anticipate an improvement in cash flow with the passing of the national budget. They expect to increase purchases in August and September. As of the end of July, ADMARC had bought nearly 34,000 MT of maize.

Table 1: Maize Market Prices – MK/Kg

MAIZE	Region	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06
CHIMBIYA	Centre	40.25	51.25	45.00	22.33	13.00	15.75	15.25
LIZULU	Centre	41.26	50.00	37.12	24.13	14.05	17.80	15.37
SANTHE	Centre	30.52	32.98	30.42				16.00
KASIYA	Centre	42.84			19.00		15.00	16.38
NTCHEU	Centre	40.05	60.59	42.78	21.94	16.40	16.98	16.40
THEETE	Centre	39.25	52.00	44.00	19.75	14.40	15.25	16.50
NANJIRI	Centre	34.82	39.86	56.73	19.85	16.58	15.89	16.56
MCHINJI	Centre	37.50	43.36	47.38		16.67	15.74	16.63
KASUNGU	Centre	43.29	50.92	57.71	40.35	26.35	12.97	17.13
TSANGANO TURN OFF	Centre	40.77	49.01	48.57	23.12	16.63	16.18	17.44
NKHOMA	Centre	32.53	35.00	44.25	31.16	21.88	19.11	18.00
NTONDA	Centre	46.00	46.00	44.80	28.85	22.56	18.00	18.00
MITUNDU	Centre	41.53	53.85	45.73	20.00	16.93	16.35	18.58
BEMBEKE	Centre	41.28	51.56	43.74	26.00	11.76	14.75	18.67
NSUNDWE	Centre	42.70	47.67		17.39	15.22	17.82	18.71
NAMBUMA	Centre	36.74	47.75	64.97	39.71	35.30	28.95	18.73
DOWA	Centre	30.92	38.89	49.25	34.96	25.45	21.42	18.97
NKHOTAKOTA	Centre	48.67	49.67	54.47	31.55	23.09	20.37	19.03
MPONELA	Centre	32.14	42.47	58.06	41.90	27.79	19.55	19.62
DWANGWA	Centre	56.37	62.13	58.85	37.82	21.48	23.68	21.39
LILONGWE	Centre	33.25	35.38	54.00	36.00	20.59	20.75	21.86
NTCHISI	Centre	38.68	57.00	57.06	45.87	25.22	17.33	22.21
HEWE	North	23.71	36.86	42.75	15.04	11.67	11.91	12.90
CHITIPA	North	31.21	42.79	44.43	26.88	17.24	16.01	15.90
MISUKU	North	18.05	20.83	33.33	30.55	16.67	13.28	17.03
EMBAWENI	North		50.00	49.00	40.00		18.00	18.00
MPAMBA	North			35.19		13.05	17.18	18.04
JENDA	North	45.22	53.14	62.76		13.84	18.51	18.05
MZUZU	North	38.27	44.84	56.16	35.53	30.07	15.48	18.06
MZIMBA	North	33.91	43.26	56.19	41.75	25.49	18.43	18.55
RUMPHI	North	32.84	48.83	61.48	39.67	24.74	22.40	20.11
CHILUMBA	North	26.10	39.83	50.21		26.53	23.16	20.23
NKHATABAY	North	56.22	50.74	56.25		23.48	21.85	20.23
NTHALIRE	North	22.79	25.87	36.21	34.83	25.04	18.35	20.64
CHINTHECHE	North	42.48	53.74	52.93	45.00	17.62	18.75	21.11
KARONGA	North	44.27	54.88	51.85	23.86	19.20	19.57	21.40
NAMWERA	South	43.38	46.32	52.59	23.53	16.48	14.70	15.10
CHIRADZULU	South	54.92	56.03	39.61	16.49	16.53	20.00	16.84
MAYAKA	South	45.00	57.50	40.91	24.40	16.96	15.51	17.59
MIGOWI	South	45.58	64.42	54.02		18.88		17.66
NTAJA	South	42.11		34.52	21.25	14.55	16.26	18.00
JALI	South	40.19	56.67	35.18		13.78	15.56	18.34
MANGOCHI	South	49.10	62.73	54.96	30.20	16.59	18.85	18.54
MWANZA	South	48.68	48.95	38.42	16.05	13.89	14.63	18.54
BANGULA	South	50.59	53.50	26.84	17.04	16.67	19.45	18.89
LIWONDE	South	44.33	51.52	49.42	24.68	18.59	17.21	18.95
ZOMBA	South	41.25	51.25	43.75	25.00	27.00	19.25	19.25
NGABU	South	48.33	54.45	32.44	16.33	18.00	20.00	19.45
THONDWE	South	43.80	58.83	41.61			17.85	19.75
NSANJE	South	43.96	58.54	27.57	18.48	17.90	19.21	19.92
BVUMBWE	South	42.00	56.25	50.00	28.75	20.00	20.00	20.00
MULOZA	South	46.25	60.00	30.47	17.00	18.33	19.33	20.00
PHALOMBE	South	55.08	64.24	37.42		16.95	18.57	20.43
LUNZU	South	45.87	62.92	48.06	22.50	16.80	19.04	20.46
NCHALO	South	42.22	61.50	40.00	14.44	17.78	22.78	21.08
BALAKA	South	53.64	62.68	39.08	24.80	17.36	22.38	21.54
LIMBE	South	48.00	58.25	35.00	22.50	20.00	21.31	21.75
MONKEY BAY	South	49.07	67.75	37.17	15.32	17.02	21.25	21.85
LUCHENZA	South	42.50	45.00	38.00	26.70	22.00	20.00	22.00
CHIKWAWA	South	48.34	55.01	37.04		17.75	22.23	22.22

Special Focus: 2006 Malawi Vulnerability Assessment Committee Results

The Malawi Vulnerability Assessment Committee (MVAC) released the findings of its April/May assessment for the 2006/07 consumption year. Based on the assessment, it is estimated that about 833,000 people will have little or no food at some point during the current consumption period, and an additional 147,000 people are considered borderline food insecure and need close monitoring. Adverse economic shocks such as steep rise in maize prices beyond MK30/kg later in the year could render this borderline population food insecure as well.

As estimated by the Ministry of Agriculture and Food Security, total maize production this year is 2.6 million MT. However, despite this good production at the national level, there are areas that did not do well due to floods and prolonged dry spells in the middle of the growing season. As shown in Map 1, the worst affected areas were Kasungu District and some areas in the surrounding districts. The other affected areas are in the southern region, mainly Nsanje and Chikwawa districts, and isolated pockets in both the central and northern regions. Table 2 shows the distribution of the population at risk by district and vulnerability, as well as the missing food entitlements. Collectively, the affected people will need to obtain about MK1.8 billion or 57,000 MT of maize or maize equivalents in entitlements to meet their basic needs. One of the main assumptions underlying these figures is that the purchase price in the lean period (December to March) will be around MK30/kg.

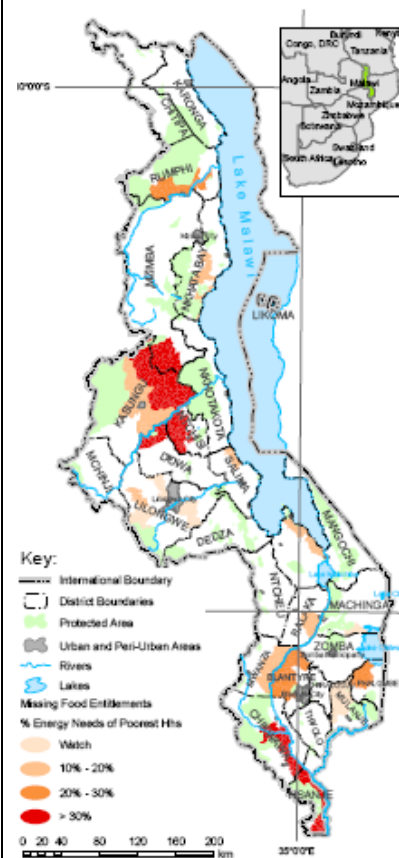
This year, the MVAC seized the opportunity afforded by the VAC assessment to begin to investigate linkages between household food security, livelihood patterns and malnutrition rates. Towards this end, the MVAC collaborated with UNICEF, which conducted parallel nutrition surveys in three areas covered by the VAC assessment. These surveys served to provide a baseline estimate of malnutrition levels at the start of the marketing year in three areas of concern:

- Western Rumphi and Mzimba livelihood zone (LZ) in the north (Rumphi and Mzimba districts);
- Kasungu-Lilongwe Plain LZ in the center (Kasungu, Ntchisi, Dowa and Mchinji districts); and
- Lake Chilwa-Phalombe Plain LZ in the south (Phalombe District).

As indicated in Figure 2 and Table 3, the surveys found quite moderate levels of global acute malnutrition (GAM) among children 6-59 months of age, ranging from 3.0 percent (2.1-4.3) in parts of the Kasungu-Lilongwe Plain LZ to 5.4 percent (4.1-7.2) in the Lake Chilwa-Phalombe Plain LZ.

More alarming, however, are the results on severe acute malnutrition (SAM) and edema, particularly given that the survey took place at the time of harvest. Point prevalence estimates for SAM reached 1 percent in all three areas: 2.3 percent (1.5-3.4) in Western Rumphi and Mzimba LZ, 1.6 percent (0.9-2.7) in Lake Chilwa-Phalombe Plain LZ, and 1 percent (0.6-1.9) in Kasungu-Lilongwe Plain LZ. Edema rates, an indicator of kwashiorkor prevalence, were high in Western Rumphi and Mzimba LZ (1.9 percent, 1.2-3.0) and in the Lake

Map 1: Vulnerable areas for April 2006 – March 2007



Source: MVAC

Table 2: Population at Risk and Missing Food Entitlements for 2006/07

District with populations at risk	Population at risk	Population on 'Watch'	Cash to cover missing food entitlements (MWK)	Maize to cover missing food entitlements (MT)
Beleka	25,900		29,000,000	1,000
Blentyre	106,500		165,400,000	5,400
Chikwawa	59,900		132,300,000	4,400
Dowa	48,800		144,800,000	4,400
Kasungu	238,200		611,900,000	18,800
Lilongwe	12,300	75,600	15,000,000	500
Machinga		6,300		
Mangochi	39,500		34,400,000	1,200
Mulanje		65,900		
Mwanze/Neno	22,400		25,000,000	900
Mzimba	51,300		152,100,000	4,600
Nkhata Bay	11,700		9,900,000	300
Nsanje	51,900		114,700,000	3,800
Ntchisi	98,500		292,300,000	8,900
Phalombe	27,000		35,400,000	1,200
Rumphi	25,300		39,900,000	1,500
Salima	13,800		12,000,000	400
Grand Total	833,000	147,800	1,814,100,000	57,300

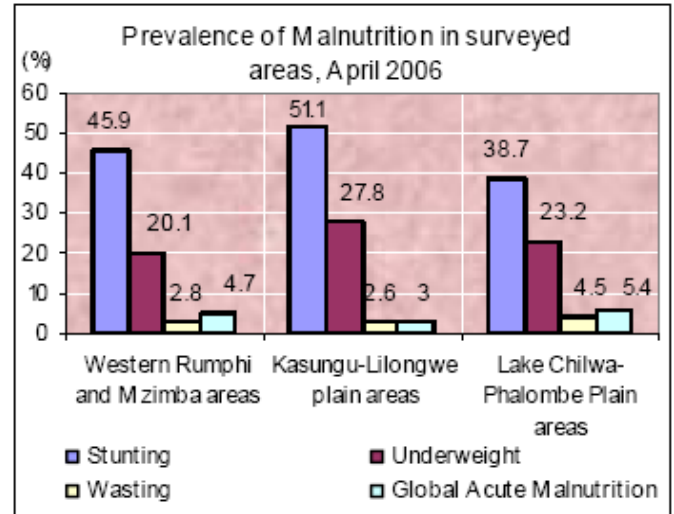
Source: MVAC

Chilwa-Phalombe Plain LZ (1.0 percent, 0.5-2.1), contributing to high rates of severe acute malnutrition. Edema accounted for over four-fifths (83 percent) of SAM in Western Rumphu and Mzimba LZ, and almost two thirds (63 percent) of SAM in Lake Chilwa-Phalombe Plain LZ, which is concerning because of the high mortality risk often associated with kwashiorkor.

Also of concern are the high prevalence rates of child stunting (38.7 – 51.1 percent), which likely reflect long-term inadequate access to health services, sanitation, potable water and dietary quality and diversity.

Although a preliminary analysis of nutrition data using household wealth groups (poor, middle and better-off) did not suggest a significant association between the prevalence of acute malnutrition or underweight with wealth status at household level, this requires further investigation. It is possible that the children identified as malnourished in this study were malnourished because of reasons not associated with low socioeconomic status; it can be hypothesized that children who become malnourished later in the year are more likely to do so because of inadequate food access associated with dwindling household food stocks and declining terms of trade for market purchase of staple foods. Thus the relationship between malnutrition and household wealth status may evolve over the course of the marketing year if forecasted food shortages become severe. A robust nutritional monitoring system, linked with the livelihoods-based food security monitoring system, can assist in further elucidating the nature of these linkages.

Figure 2:



Source: MVAC

Table 3: Prevalence of malnutrition in surveyed areas (April 2006)

Indicator	Mzimba Zone % (95% CI)	Kasungu Zone % (95% CI)	Phalombe Zone % (95% CI)
Prevalence of global acute malnutrition (W/H <-2 SD and/or edema)	4.7% (3.5-6.2)	3.0% (2.1-4.3)	5.4% (4.1-7.2)
Prevalence of moderate acute malnutrition (W/H >=-3 SD and <-2 z -score)	2.4% (1.6-3.5)	2.0% (1.3-3.1)	3.9% (2.8-5.4)
Prevalence of severe acute malnutrition (W/H <-3 SD and/or edema)	2.3% (1.5-3.4)	1.0% (0.6-1.9)	1.6% (0.9-2.7)
Edema	1.9% (1.2-3.0)	0.4% (0.1-1.2)	1.0% (0.5-2.1)

Source: Bunda College of Agriculture and UNICEF