

MALAWI Food Security Update

November 2011

Government approves humanitarian food assistance for southern Malawi

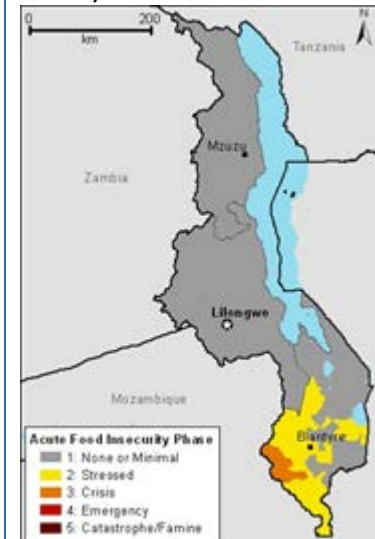
Key Messages

- The Government recently approved a humanitarian food assistance intervention plan for southern Malawi covering all people identified by the Malawi Vulnerability Assessment Committee (MVAC). Through its Department of Disaster Management Affairs (DoDMA), the government will coordinate response with technical support from the WFP and NGOs.
- A combination of Foot and Mouth Disease (FMD), reduced *ganyu* labor opportunities, and high food prices in Chikhwawa district have put poor households in Critical (IPC Phase 3) condition. Government humanitarian assistance is expected to start in December and will ensure that most households move back to Stressed (IPC Phase 2) by December.
- Nutrition surveillance information for September 2011 shows that the rates of admission into therapeutic feeding centers in southern Malawi for children under five years old are higher than the same time last year.
- The scarcity of foreign currency supply in Malawi continues to contribute to an unstable economy, making it difficult for traders to purchase and import essential commodities, such as fuel and fertilizer. A decrease in imported fertilizer available in the country currently will likely negatively affect harvests in April-August.

Update of the most likely scenario through March 2012

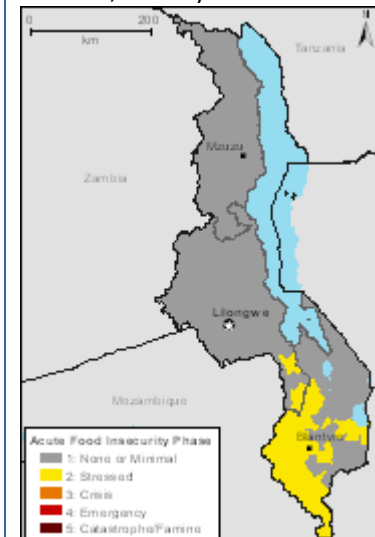
While Malawi's food security situation remains favorable for the central and northern parts of the country, the food security situation has worsened in the southern region, especially Chikhwawa district, due to very low household food stocks, very high market prices of maize, and reduced *ganyu* opportunities, all of which are worse than a normal lean period. Maize prices in Chikhwawa and Nsanje districts are 29 percent above the five-year average because maize flows generally coming from central Malawi are being exported through Mozambique and Tanzania instead, causing lower than usual maize supplies in southern Malawi. Not only are maize prices high, but poor households are also faced with limited income-generating opportunities exacerbated by the ban on the sale of cattle and goats in Chikhwawa and Nsanje districts as a result of an outbreak of Foot and Mouth Disease (FMD) affecting Chikhwawa. Consequentially, admission rates to therapeutic feeding centers in government hospitals in September 2011 were up 50 percent and 38 percent compared to September 2010 in Chikhwawa and Balaka districts respectively. With high food prices and low incomes, poor households in southern Malawi are Stressed (IPC Phase 2) with some households in Chikhwawa district currently in Crisis (IPC Phase 3).

Figure 1. Current estimated food security outcomes, November 2011



Source: FEWS NET

Figure 2. Most likely food security scenario, January-March 2012



Source: FEWS NET

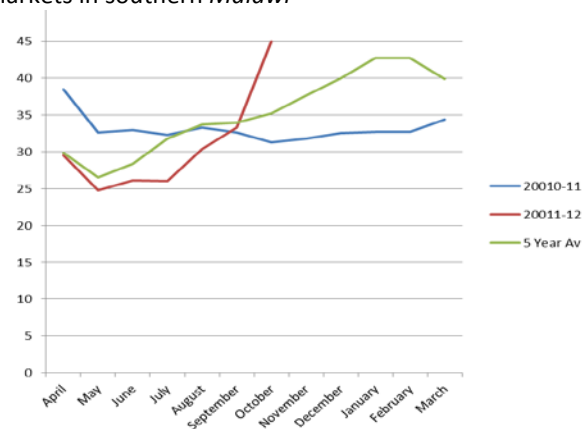
For more information on FEWS NET's Food Insecurity Severity Scale, please see: www.fews.net/FoodInsecurityScale

This report provides an update to the October 2011 FEWS NET Food Security Outlook report which estimated food security conditions from October 2011 to March 2012.

On November 25th, the Humanitarian Response Committee approved a request from the government for humanitarian food assistance intervention in southern Malawi in line with the findings of the MVAC report of June 2011 (released in September 2011). All 4,824 MTs will be made available for the humanitarian response and will cover all the food needs of the 201,000 people identified by the MVAC. The government will cover the costs of replenishing maize grain that will be drawn down from government maize grain silos while WFP will cover the costs of delivering and distributing the maize grain to the beneficiaries. The government is expected to approach other donors to leverage funds for purchasing pulses and cooking oil in order to diversify the food made available for assistance. Community-based targeting mechanisms will be utilized although may take about a month to complete. In the meantime, WFP and the NGOs will try to ensure that food distributions start in the most affected districts (Nsanje, Chikhwawa, Phalombe, Balaka and Zomba). If the necessary assistance is distributed to affected households in a timely manner, as expected, the food insecurity situation in southern Malawi should remain in Stressed (IPC Phase 2).

The MVAC report is already undergoing a review, results from which are due in December 2011. By October, it was clear that some of the key assumptions about food prices no longer held. The MVAC assumed maize prices would not go above MWK40/kg, but by October they already ranged from MWK42/kg to MWK50/kg in markets across southern Malawi (Chikhwawa, Nsanje, Blantyre, Neno, Mwanza, Balaka). The MVAC further assumed that casual labor (*ganyu*) opportunities would be normal in all districts; however, it is now known that *ganyu* linked to livestock incomes for the rich will be reduced by no less than 25 percent in Chikhwawa and Nsanje districts where the better-off households who depend on selling livestock during the lean months are unable to do so because of the ban aimed at containing the Foot and Mouth Disease (FMD) outbreak.

Figure 3: Comparison of average nominal maize prices in markets in southern Malawi



Source: MoAIWD

Nutrition monitoring information shows that the number of children admitted at Outpatient Therapeutic Feeding Centers in September 2011 is higher than the same time last year in the food insecure districts of Balaka, Chikhwawa and Nsanje by 62 percent, 122 percent, and 8 percent respectively. Nutritional Rehabilitation Unit (NRU) admissions also increased between August and September of this year, with reported increases of 25 percent, 5 percent, and 19 percent in Balaka, Chikhwawa and Nsanje respectively.

The Government of Malawi continues to allow maize exports although, as of August 2011, issues of new export licenses were suspended. Most of the maize this year has been exported to Zimbabwe, Kenya, and the Horn of Africa region through Beira port in Mozambique and Tanzania. The Informal Cross-border Trade Monitoring System (XBT), implemented by FEWS NET, captured 18,000 MT of informal maize exports, which constitutes a sharp increase compared to an average of 3,000 MT in previous years when maize exports were banned by the government. Official information from the Malawi Revenue Authority shows that from April to mid-November, private traders had formally exported a total of 211,512 MT of maize compared to no formal exports in the past few years.

Since April, all maize grain imports into Malawi have originated from Mozambique, as usual. However, the level of imports is at its lowest since 2005 because the same dry spells that affected production in southern Malawi also affected the Mozambican border areas with Malawi. For the past five years, the average amount of informal maize imports was about 45,000 MT for the period between April and September, while for the same period in 2011 informal maize imports were at 21,432 MT.

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The Malawian economy remains unstable due to scarcity in the supply of foreign currency making it difficult for traders to purchase and import essential commodities, such as fuel and fertilizer. About US\$380 million of direct budgetary support has been withheld by donors because of IMF program complications. Tobacco incomes were only about US\$242 million as compared to the expected US\$300 million due to low international prices. The foreign currency shortage and related high prices of fuel will result in reduced fertilizer quantities available in the country and poor distribution in the rural areas. This will affect both the beneficiaries of the government sponsored Farm Input Subsidy Program (FISP) and farmers who rely on commercial fertilizer outlets. The reduced current levels of fertilizer in the country is particularly problematic given the rainy season starts in November, at which point fertilizer will be much more difficult to distribute to rural areas, and the fact that crops will be planted without the fertilizer that should accompany planting. These challenges suggests that the inroads made in national food security over the past few years may not be sustained at the next harvest due in April 2012 if no donor assistance is provided to make fuel and foreign currency available immediately.

The higher than expected maize prices in combination with limited income earning opportunities continues to create food shortages for poor households in Chikhwawa, Nsanje, Phalombe, Balaka, Mwanza, parts of Neno, parts of Zomba, parts of Mwanza and parts of Blantyre districts in southern Malawi. As of September, admissions to outpatient therapeutic feeding centers has increased in Chikhwawa and Balaka districts compared to same time last year. Households have been observed resorting to negative coping mechanisms like illegal harvesting of wood from protected areas to sell for fuel and other uses in order to make quick income, reducing the number of meals, eating less preferred meals like unripe fruits, and removing children from school to join their parents in searching for *ganyu* opportunities. The recently approved humanitarian assistance plan approved by the government should ensure conditions in southern Malawi do not deteriorate any further as food makes its way to poor households starting in December. With increased food access, beneficiary households will resume productive farming activities which should ensure a good harvest in April 2012. If the 201,000 people receive humanitarian food assistance, as expected, the food security situation will remain in Stressed (IPC Phase 2).

Seasonal calendar and critical events timeline

