Record high staple food prices driving acute food insecurity

KEY MESSAGE

- The results of the Household Economy Approach (HEA) outcome analysis conducted by FEWS NET in May 2016 indicate that a large population of very poor and poor households, especially in the south, will experience Stressed (IPC Phase 2) and Crisis (IPC Phase 3) acute food insecurity outcomes, requiring emergency assistance to protect livelihoods and cover food consumption gaps. By the October to January period the situation will worsen and middle income, as well as poor, and very poor households will face Stressed and Crisis outcomes.

- Average national prices for maize have stabilized but are still at a record high when compared to the five-year average. However, the stability is short-lived as prices in most key supply and consumer markets are reported to have started steeply increasing in June. Typically prices decline in the harvest and post-harvest period, but this year key markets are already registering increases.

- After experiencing drought due to one of the strongest El Niño events on record in the 2015/16 cropping season, early forecasts indicate that a La Niña event could result in average to above-average rainfall during the next cropping season in Malawi. However, FEWS NET’s analysis explains that even a normal start to the 2016/17 cropping season is not expected to improve acute food insecurity outcomes because of the level of distress sales and crisis coping that households exhibited prior to the 2016 harvest and the extremely high maize prices projected for this year.

SEASONAL CALENDAR FOR A TYPICAL YEAR

Source: FEWS NET

Current acute food security outcomes, June 2016.

Source: FEWS NET

This map represents acute food insecurity outcomes relevant for emergency decision-making. It does not necessarily reflect chronic food insecurity. Visit here for more on this scale.

Source: FEWS NET

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NATIONAL OVERVIEW

Current Situation

- In the Malawi Food Security Outlook from February-July 2016, FEWS NET assumed that most households would be consuming cereals from their own production during the main harvest period. However, due to erratic rains and the El Niño induced drought during the 2015/16 season, maize production this past season was below average. The total cumulative rainfall in most of the south was 55-85 percent of normal, while in the central region localized areas received 70-85 percent of normal rainfall (Figure 1). Significantly fewer households in these areas are currently consuming cereal from their own production and many are instead relying on maize purchases. As a result, market demand for cereals is atypically increasing during the main harvest period and this is driving up maize retail prices (Figure 2).

- The availability of maize and other foods in most households, especially in the southern and central regions, is significantly below average. Many very poor and poor households in these areas continue to experience limited food access due to limited harvest labor activities and other limited income generating activities.

- The recently released second round agricultural production estimates indicate that this will be the second consecutive year of below-average cereal production for Malawi (Figure 3). Estimated rainfed maize production this year is 32 percent below the five-year average. Production of other cereals, including rice, sorghum, and millet are estimated to decrease by about 20-40 percent below the five-year average, and legume production is expected to be 5-10 percent below average.

- Tobacco production, which is mainly grown by large scale farmers and on estates, is estimated to be average this year. However, cotton production, a common cash crop among small scale farmers, has decreased by about 77 percent. This coupled with low tobacco prices will reduce income access across all wealth groups.

- Irrigated maize production estimates indicate that production levels are below-average across all three regions. In the north, irrigated maize production is estimated at about 18 percent below the five-year average, while in the south it is around 25 percent below average. The largest reduction in irrigated crop production is expected to be in the central region, where irrigated maize levels will be only half of the five-year average.

- In addition to national cereal deficits, the country’s Agricultural Developing and Marketing Corporation (ADMARC), a parastatal, is reporting lower than expected farm gate purchases for the replenishment of their stocks. This shortage in maize supplies could jeopardize ADMARC’s ability to supply their markets and posts...
across the country. ADMARC has currently suspended the sale of subsidized maize in most of its outlet markets because stocks are low. The suspension of subsidized maize sales is already exerting upward pressure on maize prices in local markets. Maize prices are already starting to increase atypically at a time when maize prices are normally decreasing seasonally.

- Between April and May, national average prices for maize remained stable at MWK 173 per kilogram as harvesting of maize peaked in the central and northern regions of the country. However current maize prices are 156 percent higher than the five-year average and 67 percent above May 2015 prices. Some markets especially in the southern region have already started registering atypical price increases. This may be attributed to the production deficits recorded in the recent production period which has left below average maize market supply levels.

- National food availability is at its lowest level in the past ten years. Typically carryover stocks for the Strategic Grain Reserve (SGR) are sizable. This year the maize stocks within the SGR are at their lowest levels in the past 5-10 years. In March 2016, it was estimated that after all humanitarian assistance supplies were drawn down for distribution by late April, the SGR would only have 2,000 MT of maize remaining. ADMARC estimated their carryover stocks to be around 15,000 MT, most of which was imported from Zambia between August-December 2015. According to current government estimates, ADMARC and the SGR will each require 250,000 MT in cereal replenishment in order to meet requirements for humanitarian assistance, subsidized sales, and reserves.

National Level Assumptions

The Food Security Outlook for June 2016 to January 2017 is based on the following national-level assumptions:

- **Prospects for the next main production season:** After experiencing one of the strongest El Niño events on record during the previous 2015/16 cropping season, early June CPC/IRI forecasters indicate that a La Niña event is likely to develop by late 2016. In the southern Africa region a La Niña event tends to be associated with average to above-average rainfall (Figure 5). These likely rainfall conditions are sufficient and would promote crop development in Malawi between October 2016 and January 2017. However, ENSO and sea surface temperatures are not the only factor affecting southern Africa rainfall. The Subtropical Indian Ocean Dipole (SIOD) influences ENSO’s impact on rainfall in southern Africa. Positive SIOD enhances La Niña influence on southern Africa rainfall, while negative SIOD mitigates the influence. Therefore, information on the state and impact of SIOD on 2016/17 rainfall will be more certain later in the year. Given that the start of the season is far away and forecasts are
still forthcoming, FEWS NET is assuming a normal start to the 2016/17 cropping season. In addition to rainfall amounts, prospects for the next main production season will also be driven by the timing and availability of subsidized inputs and seeds.

- **Farm Input Subsidy Program (FISP):** A reduction in FISP beneficiary numbers for the 2016/17 production season has been announced. The number of beneficiaries receiving subsidized inputs is being reduced to 900,000 for the 2016/17 cropping year. This is down from an estimated 1.5 million during the previous 2015/16 season. This 40 percent reduction in the coverage of the FISP is coming at a time when most households are still recovering from drought and have depleted their livelihoods so they have no means of purchasing input in commercial markets. The recent cutback in the FISP may adversely impact production in the 2016/17 cropping season.

- **Seasonal forecast for irrigated production (June-Sept):** Due to the El Niño-induced drought in last season and the reduced availability of residual moisture, irrigated maize production estimates across the country are expected to register significant reductions that will vary by region. Irrigated production in the south will be at about 87 percent of the five-year average; the central region will be 73 percent of average, while in the north production will be around average. Across the country about 10-13 percent of crops from irrigated production is sold while the remainder is consumed.

- **Food availability in local market supplies /ADMARC /Informal trade /imports:** This year the maize stocks within the SGR are at their lowest levels in the past 5-10 years. Based on calculations from the preliminary national food balance sheet, staple food availability across the country will be significantly below average throughout the outlook period (June 2016-January 2017). Recent crop estimates and national cereal requirements indicate that Malawi will likely register a cereal requirement gap of over 1 million MT. Domestic staple food supplies will only cover 70 percent of national staple food needs in the 2016/17 marketing year according to current estimates. The availability of supplies for purchase by both ADMARC and among private traders has also been impacted by the below-average 2016 production. The government has announced plans...
Malawi Food Security Outlook June 2016 to January 2017

...to import maize, but funding and sources of the maize have yet to be identified. Since South Africa and most of the southern Africa region is facing large maize production deficits, Malawi may need to import maize from outside of the region.

However, the depreciation of the Malawi Kwacha could adversely impact the country's capacity to import maize during the outlook period (Figure 4). Tobacco is a major source of foreign currency and even though production this year is average, the Kwacha has depreciated during the period for tobacco sales.

Informal and formal maize imports are expected to be below average during the outlook period. Since neighboring Mozambique experienced below average 2016 production, the usual flow of maize supplies into Malawi will be reduced this marketing year. Similarly, formal and informal maize from Zambia will be much lower compared to the previous marketing year because Zambia has reported below normal levels of exportable stocks this year.

- **Food prices and projections:** National average food prices will be significantly higher than 2015/16 prices as well as the five-year average due to below average 2016 production. ADMARC and private traders are buying maize at prices that are already 40 percent above ADMARC’s subsidized selling price. In May, maize prices were 53 percent above last year’s prices and 126 percent above the five-year average. FEWS NET price projections for maize show that prices will start to increase from June reaching about MWK 170/kg in September, MWK 200 in December and peaking at an average of MWK 330/kg in March. Another factor that could impact food prices between June 2016 and January 2017 will be the ability of ADMARC to purchase enough maize to supply their markets this consumption year. Low supplies in ADMARC markets and posts across the country could reduce the capacity of the parastatal to stabilize food prices.

- **Income availability/crop sales/livestock:** Between June and September, the number of casual labor opportunities is expected to be reduced by half for poor and very poor households. This will result in lower amounts of income during this period. In May, FEWS NET observed distress sales and a significant decrease in all livestock prices of nearly 50 percent. Although national tobacco production is at average levels this year, the selling price is likely to range from 10-20 percent below average. This will directly impact the amount of income that middle and better-off households receive through their crop sales. Ultimately this will limit the amount of casual labor that middle and better-off households can offer to poor households, leading to lower levels of income earned by poor households from labor between October and January.

- **Nutrition:** According to the 2014 MICS survey, the national Global Acute Malnutrition (GAM) prevalence across Malawi was 3.8 percent, which is considered “acceptable” according to the WHO Crisis threshold. In seven recent nutrition surveys conducted using the Standardized Monitoring and Assessment of Relief and Transitions (SMART) methodology, the prevalence of GAM among children between the ages of 6-59 months remained under the 5 percent threshold across most of the country, with the exception of the Lower Shire zone, where a GAM prevalence of 6.6 percent (CI: 4.3-9.9) was recorded. These nutrition surveys were completed during the harvest period in May 2016. The GAM level in Lower Shire shows a deterioration of acute malnutrition that could be linked to the prolonged drought experienced in the southern region since 2015 and its effect on...
household food intake as a result of low or no crop harvests, loss of income, and increases in food prices. During the outlook period (June-January) the level of acute malnutrition is expected to remain above 5 percent in the Lower Shire because of the effect of drought and the anticipated food access challenges that poor and very poor households will face, especially during the lean season.

- **Humanitarian Assistance:** Currently, humanitarian assistance is not planned, funded, or likely as of June. This is likely to change during the outlook period (June 2016-January 2017). In the past, humanitarian assistance has started in October. The WFP recently released an emergency resourcing alert for Malawi, stating that the Malawi Vulnerability Assessment Committee (MVAC) found that at least 39 percent of the population will require emergency food assistance during the current consumption year.

### Most Likely Food Security Outcomes

Households have produced very little maize, sorghum, and millet crops during the main season harvests and by June most very poor and poor households are depending on food purchases in order to meet their food needs. Access to food through purchases is expected to continue for the remainder of the consumption year, with the exception of households in areas with access to irrigated crop production in September and or labor in-kind between October and January. Between June and September, some households may engage in non-traditional income generating activities such as migration into Mozambique to do odd jobs, migrating to trading centers to look for jobs, and migrating to the sugar estates for labor opportunities. Poor and very poor households that have depleted most of their assets will continue to engage in crisis coping mechanisms due to significantly reduced income earning opportunities and the very high food prices that are expected. These households will face Crisis (IPC Phase 3) acute food insecurity outcomes in the absence of humanitarian assistance.

ADMARC posts are expected to open in August/September, however their supplies will be insufficient to cover the high demand. Private traders will try to supply steady maize supplies from surplus producing areas in the north and Zambia to deficit areas in the south and central regions. The high demand and lower than normal supplies in both local and ADMARC markets, will maintain upward pressure on prices for maize sold by private traders in local markets. FEWS NET technical analysis estimates that maize prices are likely going to range from MWK 175 to 300/kg in the May – September period, MWK 300 to 350/kg in the October to December period and MWK 350 to 400/kg in the January- March 2017 period. Prices for alternative food such as sweet potatoes and cassava will also be about double the five-year average.
This analysis is consistent with the results of the Household Economy Approach (HEA) outcome analysis conducted by FEWS NET in May 2016, which found that FEWS NET’s recent assessments and outcome analysis results show that a historically large population of households in the southern and central regions will be facing Crisis (IPC Phase 3) outcomes through January 2017, in the absence of humanitarian assistance (Figures 6 and 7).

**AREAS OF CONCERN**

**Nsanje District of the Lower Shire Livelihood Zone**

This zone has an estimated population of 811,130 people and includes parts of Nsanje and Chikwawa Districts. An estimated 21 percent in this zone are in the very poor wealth group and 47 percent are in the poor wealth group. The poor wealth group in Nsanje is the focus of this most likely scenario from June 2016 to January 2017.

In a typical year, the Lower Shire Livelihood Zone (LSH) is normally a deficit area in which household cereal production covers only six months of their needs. Despite households consuming food from their own production for periods ranging from 3 to 6 months after harvest, households usually commence purchases of the maize staple during the harvest months of April to June, after cotton sales, to boost household stocks. During the April to June period which is the harvest time traders buy maize at lower prices from some productive southern Malawi districts, parts of central region and Mozambique markets to sell in local markets as well stocking for future sales. Retail prices are normally higher than the rest of the country due to transactional costs such as transportation and storage which are pushed to the consumer.

**Current Situation**

During the recent 2015/16 production season, Nsanje district and many other districts in the south experienced drought conditions. According to district rainfall data, Nsanje district received about 60 percent of the normal rainfall total. Rains were also erratic during critical periods of crop germination in December and during grain formation in February and March. The dry conditions and high temperatures caused most crops to wilt and die off due to moisture stress, resulting in significant decreases (>75 percent) in rainfed production for both cash and food crops. Households that did not harvest anything continue to rely on food purchases at a time when they would normally consume their own produced foods.

The availability and wages for agricultural and or casual labor opportunities declined due to the drought conditions and below-normal production. Most households harvested very little or no crops and began to depend on negative coping strategies, such as the sale of productive and household assets. The income levels of middle and better off households have also been impacted by the drought because they usually rely on the sale of cash crops like cotton and on the sale of livestock. Focus group discussions conducted by FEWS NET indicate that livestock distress sales are leading to selling prices at only half of normal prices. In Nsanje district, terms of trade had deteriorated considerably. In the reference year (2013/14 consumption year) a household could buy 115 Kilograms of maize by selling 1 goat, while in May 2016 the sale of 1 goat only allowed for the purchase of about 24 Kilograms of maize.
The availability of maize in local markets was much lower than usual for the month of May due to lower supplies flowing from source markets in other parts of the south and central region. Traders that are sourcing maize from the surplus producing parts of the central region are buying it at prices that are more than three times above the five-year average. Informal flows of maize from Mozambique are less than half of the typical levels, which is atypical during the harvest period. Demand for maize grain and other food commodities remains much higher than usual. Due to a shortage of stocks, ADMARC suspended maize sales in their outposts at the end of May in order to purchase maize from farmers and replenish their stocks. In May, maize prices in this district were at MWK 227.07/kg, which is about 220 percent above the five-year average (MWK 70.93/kg).

**Current Food Consumption:** In May 2016, the Food Consumption Score using the Standardized Monitoring and Assessment of Relief and Transitions (SMART) Methodology found consumption to be “poor” among 16.2 percent of the population in Nsanje, “borderline” among 34.3 percent and “acceptable” among 49.5 percent. Because the raw Food Consumption Score data is unavailable, FEWS NET was unable to make adjustments to the consumption categories to enhance classification precision.

Based on FEWS NET’s field assessments in May, most very poor, poor, and middle households faced food gaps even during the harvest period. Very poor and poor households reported consuming cereals and vegetables with no dietary diversity. Middle and better off households are consuming cereals and vegetables with occasional proteins and selling livestock to get cash for maize purchases. Some very poor and poor households that could not afford to buy foods reported consuming the wild water lily tubers (*nyika*) from the Shire River banks. Some households reported going without a daily meal at least 4 times a month.

**Current Livelihoods Changes:** There is currently a shortage of farm and non-farm labor opportunities that the very poor and poor populations normally rely on for incomes. The shortage of labor is also being exacerbated by shortages in opportunities for migratory labor to neighboring Mozambique because of drought conditions and conflict. Some household members are migrating to the neighboring Chikwawa district to seek labor in the sugar estates, and some household members are migrating 600 km away to Nkhotakota to seek labor in the sugar estates on the shores of Lake Malawi.

**Assumptions for Lower Shire (LSH) Livelihood Zone**

In addition to the national assumptions listed above, the most likely scenario in for poor households in this livelihood zone for June 2016 and March 2017 is based on the following assumptions:

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**Figure 9. Lower Shire/Nsanje maize grain price trends and projections (MWK/kg).**

Source: Malawi Ministry of Agriculture/FEWS NET
**Income availability:** Most poor and very poor households will realize significant reductions in incomes ranging from 30 to 50 percent below normal this consumption period due to the adverse impact of drought on the availability of agricultural related labor.

- Labor opportunities for harvest and irrigated cultivation will remain significantly below normal in the June to September period and this will result in lower incomes for households.
- Some household members will continue migrating into the neighboring Mozambique to seek agricultural labor opportunities.
- Incomes from crop sales in the May to September period will be considerably lower than normal due to the drought.
- Incomes from livestock sales will be significantly below average or nonexistent for very poor and poor households as they have depleted the little livestock they had due to consecutive years of dryness and poor production.
- Labor opportunities may improve as preparations for the next cropping season being in October. Between October and January, very poor and poor households will have access to labor in the form of cultivation and weeding. However, wages for this labor are not expected to return to normal levels due to the livelihood protection deficits that some middle households faced as a result of the drought. Better off households have also been selling livestock at unsustainable levels to obtain food and incomes and may not have adequate incomes to pay normal wages for labor.

**Staple food retail prices:** Food prices, especially for maize, will remain around 70 percent above the previous year and about 160 percent above the five-year average during the outlook period (Figure 9). The demand for maize grain and other food commodities is likely going to keep on increasing between June 2016 and March 2017 as households deplete any little food stocks they may have harvested.

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**Most Likely Food Security Outcomes**

Very poor households and poor households are expected to face Crisis (IPC Phase 3) food security outcomes in the June-September period in the absence of humanitarian assistance. Very poor, poor, and middle households are expected to face IPC Phase 3 Crisis food security outcomes in the October-January period. The results of the Household Economy Approach (HEA) outcome analysis conducted by FEWS NET in May 2016, show that very poor and poor households will be facing food deficits ranging from 30-50 percent during the June to September period. From October to January, very poor, poor, and middle households in Nsanje and other parts of the Lower Shire livelihood zone will also begin to face survival deficits ranging from 40-50 percent as compared to the baseline. Based on these findings FEWS NET projects that very poor, poor, and middle households will be in Crisis (IPC Phase 3) during the October-January period. These results show that during the entire 2016/17 consumption season an extremely large population will face both livelihood protection deficits, as well as food deficits due to below-average 2016 food and cash crop production, excessive sale of livestock, reduced labor wages and opportunities, and unusually high food prices.

**Kasungu District of Lilongwe Kasungu Plain Livelihood Zone**

This zone has an estimated population of 4,370,560 people and includes parts of Dedza, Dowa, Kasungu, Lilongwe, Mchinji, Ntchisi and Mzimba Districts. An estimated 31 percent in this zone are in the very poor wealth group and 35 percent are in the poor wealth group. The poor wealth group in Kasungu is the focus of this most likely scenario from June 2016 to January 2017.

Generally Kasungu- Lilongwe Plain Livelihood zone is a maize production surplus area that exports to most of the livelihood zones in the southern region. Normally very poor and poor households run out of own produced food by September. The price of maize is typically low in the harvest and post-harvest periods between April and June. The lowest average price for maize staple in Kasungu market is usually recorded in June. The main driver behind these low prices during this period is improved availability of maize at the household and market levels with the new harvest. Maize, sweet potatoes, groundnuts, and soya beans are the primary food crops grown in Kasungu district.
Tobacco is the main cash crop, although maize, sweet potatoes, groundnuts, and soya beans are all sold as well. These crops are mostly available during the harvest period between April and June. Normally very poor households harvest food enough to keep them for five to six months while the poor harvest enough food to last them for seven months. The very poor typically start depending on the market for food purchases around October while the poor start depending on the market around November.

**Current Situation**

Rainfed maize production for the 2015/16 season in Kasungu District was recorded at 66 percent of production levels during the baseline year (2013/14). A further 34 percent reduction has been recorded in groundnuts production and 26 percent reduction has been registered in tobacco production while almost normal levels have been recorded for soya and sweet potatoes production in comparison to baseline year production (2013/14). Maize is currently available in the main markets across the district and the price is about 81 percent above the five-year average. The maize being sold in the markets is mostly from within the district and almost all of the wealth groups in Kasungu are currently consuming own produced food since harvesting started in April.

**Current Food Consumption:** In May 2016, the Food Consumption Score using the Standardized Monitoring and Assessment of Relief and Transitions (SMART) Methodology found consumption to be “poor” among 2.8 percent of the population in Kasungu, “borderline” among 22.2 percent and “acceptable” among 75 percent. Because the raw Food Consumption Score data is unavailable, FEWS NET was unable to make adjustments to the consumption categories to enhance classification precision.

Based on FEWS NET’s field assessments in May, most of the very poor and poor households produced enough maize and other food crops to last them for about two months. Very poor households have small consumption gaps and are unable to afford some essential non-food expenditures without engaging in irreversible coping strategies. Poor households are consuming maize meal or nsima with mostly vegetables and rarely small fish and are eating two meals a day. Some of the very poor households reported that they are reducing the number of meals to once a day. Normally during harvest time in June, poor households eat three meals a day. Middle and better-off households are consuming own produced food and eating their normal three meals per day.

**Current Livelihoods Changes:** There is an increased number of poor household members migrating to Mzimba district to seek labor for cash or food on timber plantations. People normally migrate to Mzimba district and neighboring Zambia when the lean season begins in November, so this year the search for labor opportunities has begun several months earlier than normal. Due to below-average production for middle households, they are consuming their food crops and selling only their cash crops and small livestock including chicken, goats, and pigs for cash to purchase food. Since there is a shortage of farm labor and non-farm labor opportunities, poor households are reported to be increasing their sale of small livestock (chickens and goats) to obtain income for food purchases. Poor households have already started seeking labor opportunities in the nearby estates where trees are being planted. This is atypical because normally poor households begin to seek labor on estates in September.

**Assumptions Lilongwe Kasungu Plain (KAS) Livelihood Zone**

In addition to the national assumptions listed above, the most likely scenario for poor households in this livelihood zone for June 2016 and March 2017 is based on the following assumptions:

- **Irrigated Maize production:** Production for irrigated maize is estimated to be just about 72 percent below baseline (2013/14) production according to Second Round Agriculture Production Estimates released by the Ministry of Agriculture, Irrigation, and Water Development. The harvest from irrigated production is normally accessed for consumption and sale from July until October. This reduction is mostly attributed to the El Nino induced drought the district experienced during the 2015/16 rainfall season.
• **Income availability:** Income from agricultural labor for the very poor and poor households is estimated to decrease by about 20 percent due this year’s lower tobacco prices. Agricultural labor incomes are mostly accessed in July when land preparation begins and continues through January. Tobacco is the largest cash crop income earner for better off households and this cash is usually available from April to September. These households mostly use this income to pay poor households for land clearing, preparation, planting, and weeding. In the June to September period households are likely going to intensify on firewood fetching and selling so as to obtain some income to buy food. Between June and September, households are likely going to intensify firewood collection and sales for cash for food purchases.

• **Staple food retail prices:** Current maize prices have declined since the previous month. However the current average price is still about 81 percent above the five-year average price. The maize being sold in the markets is mostly from within the district. FEWS NET maize price projections show that between June and September maize prices are likely to be 231 percent above the five-year average while in the October 2016 to January 2017 period, average maize prices will likely be 235 percent above the five-year average (Figure 10). The main driver for this trend is below average market supplies mainly due to two consecutive years of significantly below average production for the country. There is a likelihood that local production will be complimented by imports. Due to the expected weakening of the local currency, the landing costs of these imports are likely to be very high which will ultimately push up consumer prices.

**Figure 10. KAS/Kasungu maize grain price trends and projections (MWK/kg).**

*Source: Malawi Ministry of Agriculture/FEWS NET*

**Most Likely Food Security Outcomes**

The results of the Household Economy Approach (HEA) outcome analysis conducted by FEWS NET in May 2016, show that very poor and poor households will be facing food deficits during the September to January period. Middle and better-off households are not expected to face livelihood protection or survival deficits during the outlook period. Very poor households are expected to face IPC phase 2 (Crisis) food security outcomes in the June-September period and IPC Phase 3 (Crisis) food security outcomes in the October –January period.

Currently most wealth groups are consuming their own produced foods. However due to below average production the poor will run out of own produced food in July. Poor households normally obtain incomes from firewood sales from June to November and migratory labor is sought from August to January. However due to reduced income from crop sales and reduced food crop production, members from poor households have already started migrating to neighboring districts and livelihood zones especially in the north in search of labor opportunities. This is likely to continue through January.
Chicken and other small livestock sales normally peak between November and December as the lean period starts. However, due to an expected earlier than normal start of the lean season as a result of production shortfalls, chicken sales have already started and expected to peak between August and September.

During the lean season, average maize prices are projected to be at levels that are more than double the five-year average will likely be 235 percent above the five-year average. This is expected to hinder household purchasing power substantially. The main driver for this trend is below average market supplies mainly due to two consecutive years of significantly below average production for the country. During the period October to January, local production will likely be complemented by imports. Due to the expected weakening of the local currency, the landing costs of these imports are likely to be very high which will ultimately push up consumer prices.

OTHER AREAS OF CONCERN

Karonga District of Central Karonga Livelihood Zone

This zone has an estimated population of 58,290 people and includes parts of Karonga District. An estimated 34 percent in this zone are in the very poor wealth group. The very poor wealth group in Karonga is the focus of this most likely scenario from June 2016 to January 2017.

Central Karonga Livelihood zone is generally a food deficit area. Food is mostly imported from Chitipa district during the lean season. Unlike other zones in Malawi, where rainfall normally starts around October to November, rainfall in Central Karonga Livelihood Zone starts in December. January and February are the peak of the rainy season and the rains tail off in April. This provides a relatively short window for agricultural production, and in the event of a few dry spells, crop production is easily affected.

Current Situation

Rainfed maize production for 2016 was about 34 percent below the baseline year levels (2013/14 reference year). Similar to most of the country, maize prices are well above the five year average and last year’s levels. In May 2016, the Food Consumption Score using the Standardized Monitoring and Assessment of Relief and Transitions (SMART) Methodology found consumption to be “poor” among 4 percent of the population in Karonga, “borderline” among 25.3 percent and “acceptable” among 70.7 percent. Because the raw Food Consumption Score data is unavailable, FEWS NET was unable to make adjustments to the consumption categories to enhance classification precision. Currently, very poor and poor households are relying on income from mat making as well as firewood and charcoal sales in order to purchase their basic non-food items.

Most Likely Food Security Outcomes

The results of the Household Economy Approach (HEA) outcome analysis conducted by FEWS NET in May 2016, show that very poor and poor households will be facing moderate food deficits starting in January 2017.

Normally high staple prices peak between November and March. FEWS NET’s price projections show that prices will increase by 17 percent between June and September while steep increases of about 36 percent are likely going to be registered between October 2016 and January 2017 and these prices are likely to be more than 150 percent above the five year average price. This is going to limit access to food by the very poor and poor households. In the June to September period very poor households are estimated to face IPC Phase 1 (none) food security outcomes. During this period these households will be relying on own produced crops such as maize, rice and cassava for food. Very poor and poor households will be relying on sales of crops like pigeon peas, tomatoes and rice, as well as self-employment activities for example basket making, mat weaving and firewood sales to access income. However these food and income sources are likely going to be unavailable during the October to January period. Therefore Very poor and poor households are likely going to have moderate consumption gaps between October and January and these households are likely going to face Stressed (IPC Phase 2) food security outcomes.
EVENTS THAT MIGHT CHANGE THE OUTLOOK

Table 1. Possible events over the next six months that could change the most-likely scenario.

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<thead>
<tr>
<th>Area</th>
<th>Event</th>
<th>Impact on food security outcomes</th>
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<tbody>
<tr>
<td>Areas of concern</td>
<td>Commencement of Humanitarian assistance during the outlook period.</td>
<td>Projected improved food security outcomes in the harvest and pre-harvest periods would not be attainable.</td>
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<td></td>
<td>Improvements in national capacity to import cereals to cover the national food gap.</td>
<td>Fulfillment of government’s procurement of adequate maize would adequately replenish ADMARC stocks and allow it to satisfy household maize demand at lower prices which would slow down the steep maize price increases in parallel markets especially for households with modest incomes purchase food.</td>
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ABOUT SCENARIO DEVELOPMENT

To project food security outcomes over a six-month period, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes those assumptions in the context of current conditions and local livelihoods to develop scenarios estimating food security outcomes. Typically, FEWS NET reports the most likely scenario.