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Summary and Implications

The main rainfall season has effectively come to an end in the southern region and parts of the central region. The northern region continues to experience heavy rains, which have resulted in flooding in some areas. The trailing off of the rains has facilitated the harvest of various crops in the southern and central regions.

The Ministry of Agriculture and Food Security released the second round agricultural production estimates on April 6, 2006. The figures, especially for the cereals, have been adjusted downwards, and this is mainly attributed to the dry spells. Maize production, for instance, is estimated at 2,350,159 MT in the second round: about 5% lower than previously estimated. At district level, 17 out of the 28 districts registered drops in maize production ranging from 1% in Salima to 42% in Kasungu District. Kasungu District is one of the districts that were severely affected by the dry spells in January and February (see March report). However, all crops have done much better this season than last season. Maize production is estimated at almost double last year's final estimate of 1,225,234 MT. Last year was a very bad season due to widespread dry spells that resulted in very poor harvest.

The household food security situation continues to improve as the number of households relying on the newly harvested crops from their own fields increases. However, in the areas where harvesting begins late, as is the case in the northern region, some households will continue receiving food aid until May when their crop is expected to be ready to harvest. It is also envisaged that the areas that were severely affected by the prolonged January/February dry spells will need assistance this season. In the end of April, MVAC carried out its annual assessment to determine the magnitude of the problem, and the results are expected early June.

The market demand for maize has declined as households start depending on the new harvest from their own fields. Local market maize prices continue on a downward trend as the market demand for maize decreases and supply increases.

Seasonal Timeline



Current Hazard Summary

- **Drop in maize farm gate prices** will negatively affect household incomes for those households selling maize.
- **Overselling of maize** by some households is likely to negatively impact their food security in the current consumption period.



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Food Security Summary

The household food security situation is improving with the increase in the number of households now depending on their own production from the new harvest. Many farmers in the southern and central regions have now completed the harvest, although some are still harvesting. By the end of May, the harvest should essentially be complete in the southern and central regions. Crops in many parts of the northern region have not reached the harvesting stage as their rainfall season begins and ends later than in the south (rains begin in the south and move north as the season progresses). The households in the northern region, therefore, have yet to benefit from this year's harvest. For this reason, households in those areas of the northern region that were receiving food aid will continue receiving food up until May. In addition, the areas that were severely affected by the dry spells in January/February will require food aid during this period. Overall, about 209,000 MT of cereals, comprised mostly maize, were distributed from June 2005 to March 2006 when the assistance was supposed to end. Out of this, about 100,000 MT and 109,000 MT were distributed by WFP and Government/DFID voucher system, respectively.

The government has received almost all of the expected maize imports. Government maize imports from August 2005 until the second week of April 2006 amounted to about 172,000 MT, out of which about 100,000 MT was for humanitarian distribution and 72,000 MT was for commercial sales. This amount, combined with opening stocks of 51,000 MT, puts the total amount of maize handled by the National Food Reserve Agency during the marketing season from April 2005 to March 2006 at about 223,000 MT. In the same period, ADMARC maize sales amounted to about 91,000 MT, almost all of it imported by the government. With the relatively good harvest this season, the government may not need to import maize this season, and ADMARC will be able to buy maize locally.

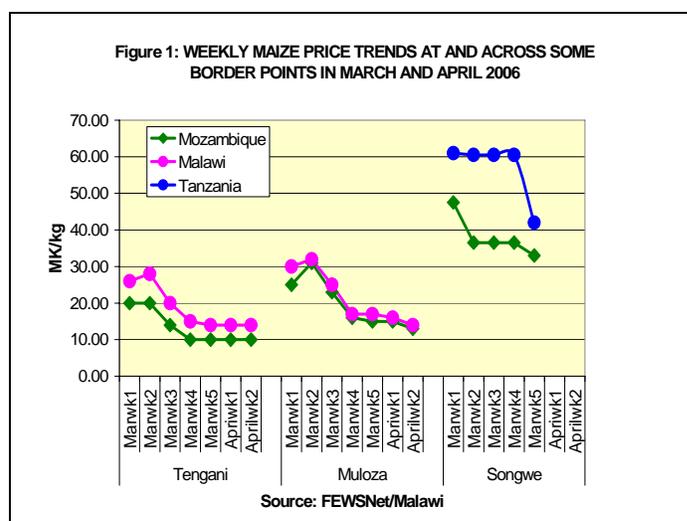
ADMARC has not yet started buying maize due to its high moisture content at present as well as insufficient finances. However, private traders have already started buying since they are not subject to regulations concerning moisture content as ADMARC is. The danger for ADMARC is that if they enter the market late, they will have difficulties buying maize because the private traders will have already bought the available farmer surplus.

It is difficult to quantify the maize sold by the private traders. However, assuming that all of the 165,000 MT of informal maize imports (see Informal Cross Border Trade report) were sold by the traders and that some of the traders bought maize locally and had carry over stocks from the previous season, private traders clearly handled much more maize than ADMARC did.

Most local markets started registering significant maize price decreases with the onset of the harvesting season. Unfortunately, this is the time when most of the poor households sell their crops, implying that they receive very little compared to what it will cost them to buy the same amount later in the season when their food stocks runs out. The government and the civil society are advising farmers not to sell their produce because it could compromise their household food security in just a few months' time. Anecdotal reports also indicate that some of the households are "overselling", in that their total production does not meet their requirements for the year. This behavior could compromise to their household food security later in the season.

Markets and Prices

April local market maize price data was not readily available from the Ministry of Agriculture and Food Security at the time of producing this report. However, from the last month's report there were already indications that prices have already started declining, especially from third week of March. This was due to the improvement of food supplies stemming from the current harvest. Market demand for maize has also gone down as households are now consuming food from own harvest. Price information collected from traders through the Informal Cross Border Trade Monitoring System show that the prices continued to drop in April as shown in Figure 1. The figure shows maize prices at the Malawi border and across the border where the maize is sourced. Some of the border points, such as Nayuchi, which



is in the southern region on the border with Mozambique, registered maize prices above MK70.00/kg in February but by the second week, the price had dropped to only MK11.00/kg. The story is similar for almost all border points. However, despite the significant drop in prices at all border points, they remain relatively high in the northern region, as shown by Songwe border point with Tanzania. Harvesting in this area has yet to begin, and the household food supply situation has not significantly improved as is the case in other parts of the country.

Special Focus: Second Round Agricultural production estimates for the 2005/06 agricultural season

The Ministry of Agriculture, Irrigation and Food Security released the second round crop production estimates figures on April 6, 2006. This updates of the first round figures that were released in January 2006 and takes into account all the developments that took place between January and March that are likely to affect the harvest outcome. Many stakeholders were anxiously awaiting the second round figures that would take into account the impact of the serious dry spells that occurred after the first round estimates figures were released. These new estimates are **still preliminary figures**. The third and final round figures will be released in June and will involve weighing crops as they are being harvested to determine the actual yield. Caution, therefore, should be exercised when using the first and second round figures. The following are some of the findings from the second round exercise for some of the major food crops.

Factors affecting crop production

There are two main factors that affected crop production this season: weather conditions and farmers' access to inputs, such as fertilizer and improved maize seed.

Weather conditions

Many parts of the country have generally experienced weather conditions that have been favorable for crop production. The rainfall season in the southern region and parts of the central region runs from October to March while in the northern region and parts of the central region the rains start in November and sometimes December and finish around April/May. Most parts of the southern and central regions and isolated areas of the northern region (Chitipa and western part of Mzimba district) started receiving rains in November. The rainfall distribution across the country was generally good for crop production until end of January, when dry spells set in, lasting two to seven weeks. This resulted in wilting of crops, some of which completely dried. This has negatively affected the crop yields in some areas. According to reports from agricultural field staff, some of the districts that were affected by the dry spells include Rumphu, Karonga and Mzimba in the northern region; Kasungu, Ntchisi and Dowa in the central region; Zomba and Nsanje in the southern region. The remaining areas in the northern region started receiving rains in December. In contrast, some areas such as Mangochi and Salima districts experienced flash floods in early March that left some farm families homeless and damaged crops and road infrastructure. These factors negatively affected the good production prospects assessed at the time of the first round crop production estimation exercise, the results of which were released in January. As a result of this some of the areas have registered a drop in crop production during the second round.

Access to farm inputs

There was increased uptake of fertilizer and improved maize seed in the 2005/06 agricultural season, mainly due to the government fertilizer and seed subsidy program. The program comprised of a 60% subsidy on fertilizer and a 50% subsidy on seed. The subsidy reduced the fertilizer price from about MK3,000/50 kg bag to only MK950/50kg bag and maize seed price from over MK100/kg to only MK50/kg. The subsidy was targeted at smallholder farmers only. A total of about 147,000 MT of fertilizers and 6,000 MT of maize seed were distributed. The program was implemented in recognition of the fact that many poor smallholder farmers could not afford these inputs at the prevailing market prices. The program appears to have worked as many areas have reported increases in expected crop production due to increased input uptake as a result of the reduced input prices. The public works program augmented the subsidy program very well by boosting the incomes of poor rural households thereby giving them the ability to buy the inputs. Everyone on this program received MK200 for each day worked for a maximum of ten days per household. Our interviews with some of the farmers indicated that there were quite a number of households who could not have afforded to buy the inputs at the reduced price if it were not for the cash they obtained from the public works program. Many stakeholders have applauded the subsidy program as one sure way of increasing crop production in the country, but there are still concerns about its and implications on the national budget.

Maize

Maize is the country's main staple food for almost all areas in the country. Even in the few areas where cassava is the main staple food, households consume a substantial amount of maize. Access to maize is therefore the major determinant of food security in the country. Maize is very susceptible to weather conditions. It is one of the crops that were adversely affected by the dry spells mentioned above. The dry spells happened when most of the maize was at the critical tasseling and cobbing stages, which require lots of moisture in the ground. The dry spells heavily affected the yield in the affected areas. Despite the 1% increase in area planted to maize over the first round projection, total maize production has dropped by 5% due to 6% drop in yield. Total maize production is estimated at 2,350,159 MT during the second round, down from 2,471,125 MT estimated during the first round. At district level, in 17 out of the 28 districts in the country, maize production decreased, from 1% in Salima District to 42% in Kasungu District. This readjustment tends to confirm that Kasungu District was the worst hit by the dry spells this season. The remaining 11 districts registered increases in the projected maize production during the second round compared to first round, ranging from 2% in Dedza District to 31% in Rumphi District. Table 1 shows a comparison of the production figures between first and second round this year.

Table 1: MAIZE PRODUCTION COMPARISON (MT) - 2006

DISTRICT	1ST ROUND	2ND ROUND	% change
Kasungu	198,838	116,031	-42%
Balaka	69,841	54,920	-21%
Nsanje	28,676	22,568	-21%
Phalombe	63,922	52,160	-18%
Chikwawa	74,344	61,852	-17%
Dowa	110,053	92,504	-16%
Mulanje	69,942	60,781	-13%
Zomba	133,781	126,527	-5%
Likoma	63	60	-5%
Ntchisi	69,233	66,196	-4%
Lilongwe	270,792	259,173	-4%
Mzimba	331,395	319,853	-3%
Mangochi	160,889	155,528	-3%
Ntcheu	105,542	102,847	-3%
Chiradzulu	32,122	31,390	-2%
Blantyre	84,139	82,519	-2%
Salima	64,674	64,240	-1%
Dedza	98,850	100,462	2%
Thyolo	91,276	92,869	2%
Nkhota kota	36,745	37,905	3%
Machinga	62,158	64,711	4%
Karonga	26,503	27,852	5%
Mwanza	24,745	26,775	8%
Neno	17,202	18,633	8%
Nkhata Bay	20,317	23,425	15%
Chitipa	30,910	37,118	20%
Mchinji	165,820	213,949	29%
Rumphi	28,548	37,310	31%
MALAWI	2,471,320	2,350,158	-5%

Rice

The rice production estimate was reduced by about 2% from 82,757 MT in the first round to 81,303 MT in the second round. This is attributed to a 2% drop in area planted to rice from 53,631 hectares in to 52,461 hectares. The reduction in the area is attributed to the dry spells experienced in some areas, which rendered planting of rice impossible due inadequate moisture. Rice production requires a lot of water. There was no significant difference in the estimated yield of 1,550kgs/ha. However, rice production this season is expected to be about 97% higher than last year due to a 7% increase in area planted, and 85% increase in yield from 840kgs/ha last season to 1,550kgs/ha this season. Despite the dry spells, the weather conditions were generally more favorable for rice production this season.

Cassava

Cassava production was revised upwards by 11%, from 2,534,535 MT in the first round to 2,831,840 MT in the second round. This is due to 8% upward revision of area planted to cassava from 151,623 hectares in the first round to 163,593 hectares in the second round. The continuation of rains after the first round provided an environment conducive for continued cassava planting. Cassava yields were also adjusted upwards by 3% from 16,782 kg/ha in the first round to 17,310 kg/ha in the second round. These figures represent an increase of 6% in area planted, 21% in yield and 29% increase in production over last season.

Cassava is important as a source of cash and food. In the central and northern lakeshore areas cassava is regarded as a staple food, while in some parts of the central region cassava is a very important cash crop. In general, cassava is very important for food security as it helps fill the gap in times of maize shortage. This is evidenced by the increase in the number of markets selling dried cassava chips during end of hungry season.

Sweet potatoes

Sweet potato production was also revised upwards by 17%, from 1,494,112 MT in the first round to 1,746,617 MT in the second round. The increase is a result of a 12% increase in area planted and a 5% increase expected yield. As with cassava, the continued rains this season have allowed farmers to continue planting sweet potatoes which has resulted in an increase in area planted: more than expected in the first round.

Groundnuts

Groundnut production during the second round was estimated at 199,037 MT, almost the same as in the first round but 41% higher than last season.

Cotton

Cotton production is estimated at 56,327 MT, almost the same as in the first round but 12% higher than last season. About 50% of the estimated production is from Lower Shire Valley, where cotton is a very important source of cash. Income generated from cotton plays an important role ensuring that households have access to food through purchases.

Tobacco

Tobacco is the main cash crop for the country. Most of the tobacco is produced in the Kasungu/Lilongwe plain, where it is an important source of livelihoods both in terms of employment and as direct source of cash income. The Ministry of Agriculture, Irrigation and Food Security estimates only include the tobacco produced by smallholders, although the bulk of Malawi's tobacco is produced by large estates. Smallholder tobacco production estimate dropped slightly by 3% from first round due to the dry spells. However, smallholder tobacco production is estimated to increase from 93,598 MT last year to 109,840 MT this year.

Implications on Food Balance Sheet

A detailed food balance sheet analysis will be developed after the release of the third round figures. Using the current figures, the country may not experience a food deficit this season. However, there are pockets that were affected by the dry spells where localized food deficits will be experienced. Households in these areas will likely need assistance. MVAC assessment results will determine the magnitude of the problem.

Appendix 1: PRODUCTION COMPARISON

TOTAL MAIZE	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	42,930	57,413	64,970	13%	51%
MZUZU	138,371	380,323	380,648	0%	175%
KASUNGU	320,810	543,944	488,680	-10%	52%
SALIMA	39,886	101,419	102,145	1%	156%
LILONGWE	318,649	475,184	462,482	-3%	45%
MACHINGA	191,499	426,669	401,687	-6%	110%
BLANTYRE	140,861	383,153	365,127	-5%	159%
SHIRE VALLEY	32,228	103,020	84,420	-18%	162%
NATION:	1,225,234	2,471,125	2,350,159	-5%	92%

CASSAVA	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	214,421	264,669	245,914	-7%	15%
MZUZU	579,410	637,700	725,541	14%	25%
KASUNGU	200,950	199,053	227,246	14%	13%
SALIMA	490,408	553,695	636,975	15%	30%
LILONGWE	183,289	202,228	224,910	11%	23%
MACHINGA	192,278	319,552	325,265	2%	69%
BLANTYRE	329,036	349,571	431,531	23%	31%
SHIRE VALLEY	7,848	18,067	14,458	-20%	84%
NATION:	2,197,640	2,544,535	2,831,840	11%	29%

RICE	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	12,662	15,468	14,720	-5%	16%
MZUZU	3,390	4,764	5,306	11%	57%
KASUNGU	1,000	1,271	1,487	17%	49%
SALIMA	4,490	11,455	9,936	-13%	121%
LILONGWE	5,013	5,775	6,102	6%	22%
MACHINGA	9,411	28,890	27,954	-3%	197%
BLANTYRE	3,355	9,062	9,836	9%	193%
SHIRE VALLEY	1,949	6,072	5,962	-2%	206%
NATION:	41,270	82,757	81,303	-2%	97%

PULSES	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	4,444	5,820	6,197	6%	39%
MZUZU	19,610	29,063	28,020	-4%	43%
KASUNGU	41,241	56,987	52,610	-8%	28%
SALIMA	1,525	2,908	2,788	-4%	83%
LILONGWE	45,684	58,936	58,948	0%	29%
MACHINGA	29,205	52,616	54,328	3%	86%
BLANTYRE	63,930	109,877	120,951	10%	89%
SHIRE VALLEY	3,853	11,916	11,421	-4%	196%
NATION:	209,492	328,123	335,263	2%	60%

GROUNDNUTS	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	3,468	4,384	4,778	9%	38%
MZUZU	17,017	19,915	18,812	-6%	11%
KASUNGU	47,215	68,236	64,725	-5%	37%
SALIMA	4,683	7,727	7,554	-2%	61%
LILONGWE	46,033	57,793	59,340	3%	29%
MACHINGA	13,175	22,668	23,149	2%	76%
BLANTYRE	8,568	16,544	18,740	13%	119%
SHIRE VALLEY	919	2,284	1,939	-15%	111%
NATION:	141,078	199,551	199,037	0%	41%

TOBACCO	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	1,594	2,419	2,484	3%	56%
MZUZU	24,021	28,667	27,693	-3%	15%
KASUNGU	29,991	32,681	30,961	-5%	3%
SALIMA	1,038	2,447	2,665	9%	157%
LILONGWE	26,196	31,843	31,316	-2%	20%
MACHINGA	8,447	10,848	9,801	-10%	16%
BLANTYRE	2,310	4,582	4,920	7%	113%
SHIRE VALLEY	1	0	0	-100%	
NATION:	93,598	113,487	109,840	-3%	17%

COTTON	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	3,057	2,466	1,666	-32%	-46%
MZUZU	434	220	159	-28%	-63%
KASUNGU	774	1,563	2,356	51%	204%
SALIMA	8,933	7,563	7,539	0%	-16%
LILONGWE	5,411	2,938	3,657	24%	-32%
MACHINGA	13,294	14,341	15,136	6%	14%
BLANTYRE	3,043	2,222	2,612	18%	-14%
SHIRE VALLEY	15,417	25,767	23,202	-10%	50%
NATION:	50,363	57,080	56,327	-1%	12%

WHEAT	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	0	0	0	N/A	
MZUZU	2	1	1	N/A	-50%
KASUNGU	6	7	8	14%	33%
SALIMA	0	0	0	N/A	N/A
LILONGWE	94	92	92	0%	-2%
MACHINGA	0	0	0	N/A	N/A
BLANTYRE	1,628	1,900	3,125	64%	92%
SHIRE VALLEY	0	0	0		
NATION:	1,730	2,000	3,226	61%	86%

SORGHUM	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	117	31	50	61%	-57%
MZUZU	0	0	0	N/A	N/A
KASUNGU	63	44	56	27%	-11%
SALIMA	55	106	151	42%	175%
LILONGWE	654	818	883	8%	35%
MACHINGA	4,400	13,957	15,015	8%	241%
BLANTYRE	8,169	21,755	22,813	5%	179%
SHIRE VALLEY	4,717	14,419	11,072	-23%	135%
NATION:	18,175	51,130	50,040	-2%	175%

MILLET	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	945	1,342	1,576	17%	67%
MZUZU	5,344	5,709	5,176	-9%	-3%
KASUNGU	760	683	600	-12%	-21%
SALIMA	15	22	21	-5%	40%
LILONGWE	4,914	6,063	6,424	6%	31%
MACHINGA	722	703	960	37%	33%
BLANTYRE	260	490	517	6%	99%
SHIRE VALLEY	3,010	11,585	10,656	-8%	254%
NATION:	15,970	26,597	25,930	-3%	62%

SUNFLOWER	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	94	135	137	1%	46%
MZUZU	104	90	88	-2%	-15%
KASUNGU	194	88	73	-17%	-62%
SALIMA	0	0	0	N/A	N/A
LILONGWE	0	0	0	N/A	N/A
MACHINGA	40	53	83	57%	108%
BLANTYRE	2,240	4,551	3,896	-14%	74%
SHIRE VALLEY	0	0	0	N/A	N/A
NATION:	2,672	4,917	4,277	-13%	60%

PAPRIKA	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	3	8	13	N/A	333%
MZUZU	299	741	613	-17%	105%
KASUNGU	469	599	623	N/A	N/A
SALIMA	0	8	6	-25%	
LILONGWE	434	801	835	N/A	92%
MACHINGA	1	1	6	500%	500%
BLANTYRE	8	30	39	30%	388%
SHIRE VALLEY	4	28	5	N/A	N/A
NATION:	1,218	2,216	2,140	-3%	76%

S. POTATOES	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	27,946	37,938	44,301	17%	59%
MZUZU	159,164	159,906	152,166	-5%	-4%
KASUNGU	188,111	222,233	264,195	19%	40%
SALIMA	31,547	49,111	50,458	3%	60%
LILONGWE	211,149	278,096	329,673	19%	56%
MACHINGA	160,777	238,062	256,006	8%	59%
BLANTYRE	275,966	417,982	554,002	33%	101%

E. POTATOES	2005_R3	2006_R1	2006_R2	6R2-06R	6R2-05R
KARONGA	710	1,293	846	-35%	19%
MZUZU	19,620	19,895	17,843	-10%	-9%
KASUNGU	63,240	70,620	88,953	26%	41%
SALIMA	0	0	0	N/A	N/A
LILONGWE	242,621	352,285	323,732	-8%	33%
MACHINGA	3,665	6,328	6,844	8%	87%
BLANTYRE	74,564	71,422	74,014	4%	-1%