



MALAWI

Food Security Update

November 2006

ALERT STATUS:
NO ALERT
WATCH
WARNING
EMERGENCY

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Summary and implications

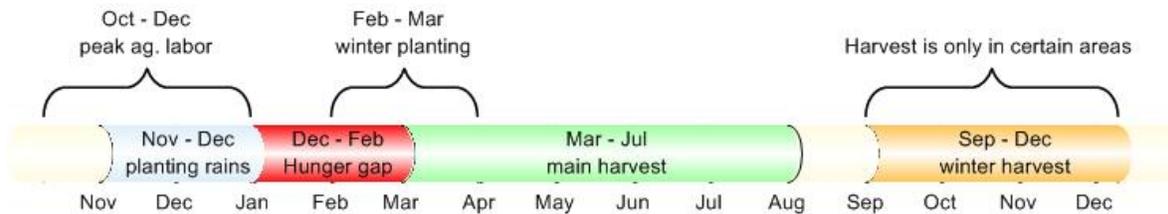
Farming activity intensified in all regions as a result of improved rainfall during the last two weeks of November. Inputs are widely available, rainfall has been well distributed and crops are already emerging and in good condition, indicating a good start to the season. Many poor households are depending on the input subsidy program to purchase subsidized fertilizer and improved seed, and it is important for suppliers to ensure that the

inputs are available in outlets so that farmers can plant and apply fertilizer on time. Demand for agricultural labor has increased, providing an important source of food and income to poor households.

Localized heavy downpours and flooding caused loss of life and damage to property in Chikwawa and other districts. Relief assistance is being provided to the affected households.

Maize prices have increased in many markets. The increases are expected, given the depletion of household food stocks and the onset of the hunger season, but the magnitude of the increases over the next month will determine whether poor households will be able to purchase enough food for household consumption at the peak of the hungry season.

Seasonal timeline



Current hazard summary

- **Many markets registered maize price increases in November.** If prices continue to rise steeply over the coming months, more households will be at risk of food insecurity.
- **Flooding in Chikwawa and other districts has caused loss of life and damage to property,** including household gardens, and affected households require emergency assistance and food aid.

Agro-meteorological situation

After a slow start to the season, rainfall increased during the second half of November. Moist Congo air mass—a major rainfall inducer in Malawi—flowed into the country at this time and caused significant rainfall in the southern and central regions. Rains sufficient for planting have yet to come in the northern areas. Despite the initial erratic pattern experienced in mid-November, the start of the season appears to be normal. Figure 1 shows that rains were normal to above-normal rainfall by the end of November, except in the north. Although a weak to moderate El Niño is currently developing in the Pacific, all climate models currently available predict that a greater part of Malawi is likely to experience normal total rainfall amounts during the 2006/07 rainfall season with localized dry spells and flash floods.



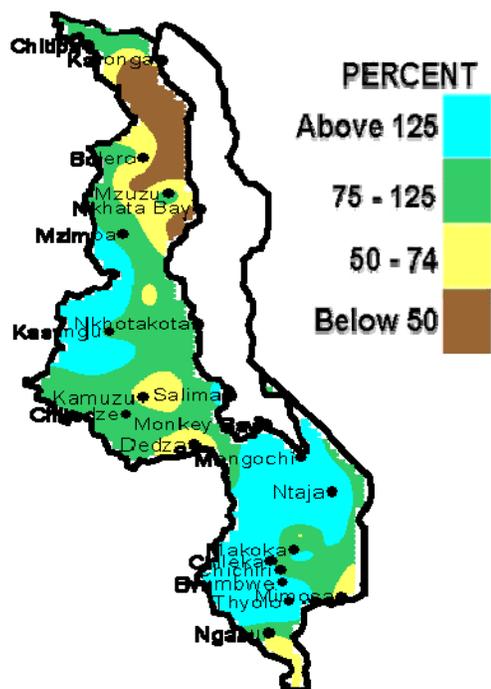
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Farming activities intensified as a result of the improved rainfall. The onset of the rains is also beneficial for livestock as it improves water availability and pasture conditions, resulting in improvements in animal health conditions.

With the onset of the rains, the demand for casual agricultural labor, or *ganyu*, has increased. *Ganyu* is an important source of income and food for poor households whose food production does not last the whole season. With the increase in farming and favorable food production in the previous season, demand for *ganyu* is high and the cash or food payment is reasonable, offering an important source of supplemental income to poor households.

Figure 1: Total rainfall from Oct 1 to Nov 30, 2006 as percentage of normal rainfall



Source: Malawi Meteorological Department

from their ancestors, and others may be motivated by the incentive of receiving handouts from disaster relief.

Localized heavy downpours caused hailstorms and floods at the end of November, causing loss of life and property damage, including gardens. The impact was worst in Chikwawa district, where close to 7,000 households were affected. Other areas affected include Machinga, Blantyre, Neno, Mulanje and Phalombe districts in the southern region, Salima and Lilongwe in the central region and Nkhatabay in the northern region. The Department of Poverty and Disaster Management Affairs has provided affected households with relief food and essential household wares such as plates, pails and cups. UN agencies such as UNICEF, WFP and FAO have also provided assistance and an assessment to provide further details on the extent of the damage. The households whose gardens were washed away require seed to replant quickly to avoid crop loss. Seed is readily available, however, and given that these floods occurred early in the season, replanting is still viable. Annex 3 shows the disasters that have taken place since the onset of the rains, their impact and actions taken to address the problems.

The government and other stakeholders are concerned over the reluctance by some households living in these flood-prone areas to move to safer ground, despite government requests for them to do so. Some of the households, especially in the Lower Shire districts of Nsanje and Chikwawa, are afraid of losing their land which usually is favorable for winter crop production when the floods subside. Some households are motivated to stay by a cultural resistance to abandon the land inherited from their ancestors, and others may be motivated by the incentive of receiving handouts from disaster relief.

Fertilizer and input availability

The demand for inputs and fertilizer is high as the main planting season is fully underway, and these are readily available in retail outlets across the country. Fertilizer imports continue to flow into the country, and the cross-border trade monitoring system has recorded imports totaling more than 53,300 MT of various types from April to November. As the rainy season is fully underway, it is important to speed up the delivery and distribution of these inputs to the outlets to avoid the farmers receiving fertilizer too late to be of any meaningful use during the season.

For the majority of smallholder farmers, the government input subsidy program is the main source through which they can purchase fertilizer and improved seed, as the program sells these inputs at less than a third of the market price. The subsidy program requires a total of 150,000 MT. Media reports indicate that the program has distributed far fewer subsidy coupons than the number of intended beneficiaries and, in some cases, less than last season, an allegation that the government refutes. The availability of affordable fertilizer to smallholder farmers is being monitored.

About half of the fertilizer imports (over 27,000 MT) recorded by the informal cross-border trade monitoring system entered the country through the Songwe border in the northern region, probably coming from Tanzania or other countries through the Dar es Salaam port. This is followed by the Nayuchi border with Mozambique (36 percent, or about 19,000 MT) where the fertilizer would be coming from Mozambique or countries through the Mozambican port of Nacala. The remaining 14 percent came through the Mwanza border with Mozambique, with fertilizers coming from Mozambique, South Africa or other countries through the Mozambican port of Beira. Fertilizer imports through the Mchinji border with Zambia have been insignificant, at only 30 MT imported during the last week of July 2006.

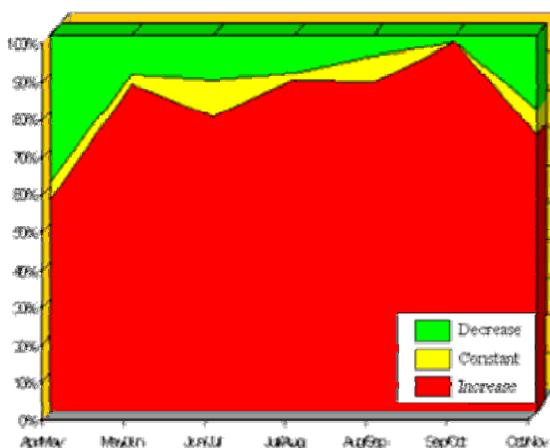
Markets and prices

Maize is readily available in both ADMARC and local markets. Local market maize prices in November in the central region ranged from MK15.99/kg at Madisi market in Dowa district to MK31.13/kg at Dwangwa market in Nkhotakota district. In the northern region, prices ranged from MK16.66/kg at Misuku market in Chitipa district to MK30.39/kg at Rumphu market in Rumphu district, and in the southern region, prices ranged from MK17.87/kg at Namwera market in Mangochi district to MK26.00/kg at Thondwe market in Zomba district.

A majority of markets registered maize prices less than the Agricultural Development and Marketing Corporation (ADMARC) selling price of MK25.00/kg announced by the government two months ago. Out of the 65 markets for which data was available, 56 markets (86 percent) registered prices of MK25.00/kg and below. The current low prices are good for household food security, as poor households are able to buy maize at reasonable prices. In some markets ADMARC is selling maize at MK30.00/kg, higher than all monitored local market prices except for two (Rumphu and Dwangwa). This poses a big challenge for ADMARC to sell its maize; ADMARC has large maize stocks, demand for maize in ADMARC markets is low as many households still have food from their last harvest, and local market maize prices are lower than the ADMARC price. However, ADMARC needs to sell its maize in order to repay the loans it obtained to buy the maize and to have enough resources to buy again next season. The agency will also be facing significant storage costs, especially if the next harvest is also good, and may face fiscal challenges and be unable to buy much maize from farmers after the next harvest.

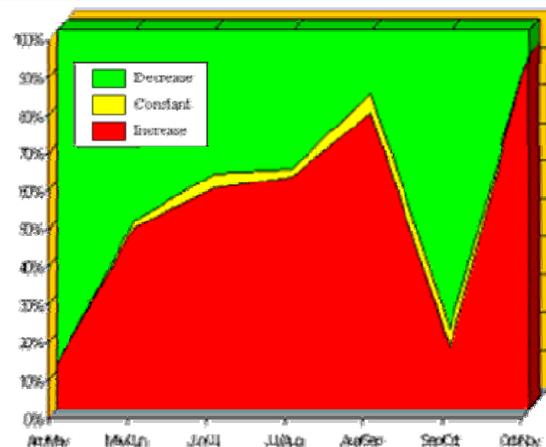
Most markets registered price increases from October to November, which could signal the start of the hunger season. Higher prices during the hunger season prevent poor households from being able to afford enough food for consumption. If prices continue to rise, some households could turn to ADMARC markets where prices have remained stable. As time passes since the last harvest, a growing number of markets register price increases as household food stocks from their own harvest are depleted. This has been more or less the pattern this marketing season unlike last marketing season (2005/06) when the proportion of markets registering price increases remained very high throughout this period as shown in figures 2 and 3. This was because the 2004/05 agricultural season was a bad year in terms of crop production in the country.

Figure 2: Month-to-month changes in market prices, by percentage of markets, 2005



Source: MoAFS, FEWS NET/Malawi

Figure 3: Month-to-month changes in market prices, by percentage of markets, 2006



Source: MoAFS, FEWS NET/Malawi

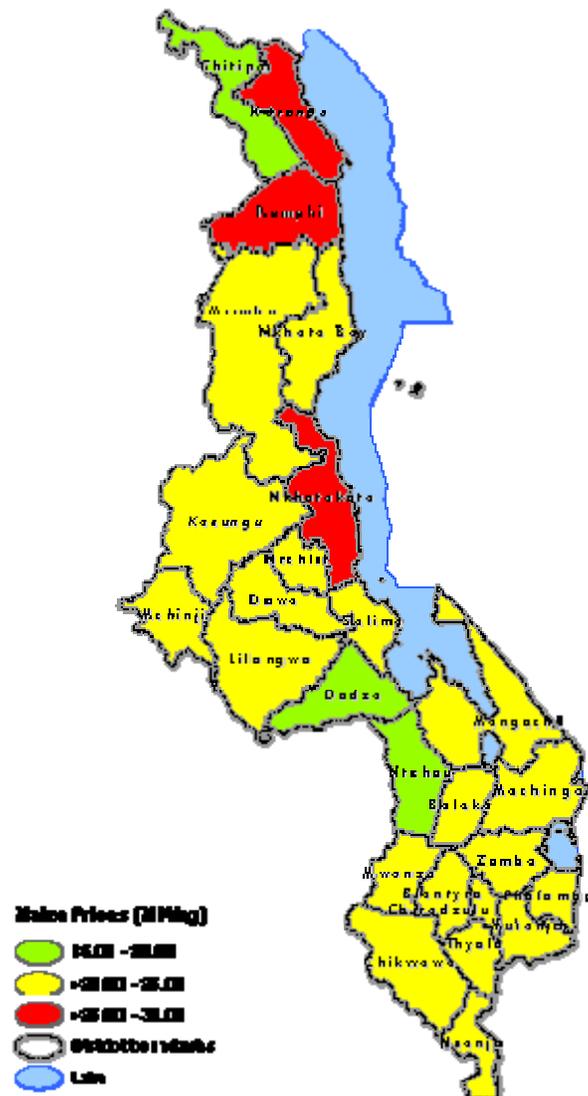
A majority of districts registered maize prices of between MK20.00 and MK25.00/kg. Maize prices of more than MK25.00/kg were registered in Nkhotakota district in the central region and Rumphu and Karonga district in the northern region. Chitipa district in the northern region and Dedza and Ntcheu districts in the central region registered the lowest prices, in the range of MK15.00/kg to MK20.00/kg. Figure 4 shows the average maize price distribution in November 2006. Karonga district generally does not produce enough maize to feed its population and relies on maize from Chitipa and, in bad years, some imports from Tanzania. Chitipa had a good maize production and maize from that area is flowing to Karonga. Even ADMARC has been buying a lot of maize in Chitipa, some of which is also moved to Karonga. Chitipa district is still registering a maize price of less than MK20.00/kg and Karonga more than MK25.00/kg.

Rumphi, one of two districts in northern Malawi shaded red in figure 4, was one of the districts at risk of food insecurity according to the MVAC assessment in July last season. Last year's risk was caused by a prolonged dry spell that hit during the agricultural season. The southern part of the district was the worst affected, and the market maize price in this area of MK30.39/kg pushed the average price for the district to more than MK25.00/kg. The other market in the northern part of the district, Hewe, registered a maize price as low as MK20.34/kg which suggests little integration between the two markets. The case is similar to Nkhhotakota. In the southern part of the district, around Mawansambo, production was favorable, and low maize prices were registered (MK17.22/kg). However, the average for the district is pushed up by the high price at Dwangwa market (MK31.13/kg) in the northern part of the district. The northern part of Nkhhotakota also grows rice, and some of the farmers sell the rice to buy maize, thereby increasing the demand for maize. Again, this suggests little market integration in the district. In fact the maize from Mwanasambo is sold in neighboring districts such as Salima, Ntchisi, Kasungu and even Dowa, particularly this year when these districts were severely affected by the low food production last season. See Appendix 4 for a detailed national analysis of the extent of district-level market integration.

FEWS NET continues to monitor maize price developments in each livelihood zone in relation to MVAC vulnerability assessment analysis. Appendix 1 shows the current price trends in each of the livelihood zones in relation to the projected prices used in the MVAC scenario. The appendix shows that all the livelihood zones except Western Rumphi are within the MVAC scenario. This could indicate a deteriorating food security situation in the Western Rumphi livelihood zone, which mainly comprises Rumphi district. The MVAC analysis identified the southern part of Rumphi as an affected by the previous dry spell. The northern part was relatively better off, but as demonstrated above, there is very little market integration between Hewe northern region where maize prices are relatively low and Rumphi. Prices in the Central Karonga livelihood zone are at the highest level projected in the MVAC analysis.

Malawi imported about 6,161 MT of maize through informal cross-border trade in November; cumulative annual maize imports through informal cross-border trade are about 66,696 MT, about 22 percent lower than the amount at this time last season. This greater self-sufficiency this year is due to the favorable maize harvests in 2006. Informal cross-border maize exports on the other hand amounted to only 30 MT. The government imposed an export ban, which has contributed to the low volumes of exports.

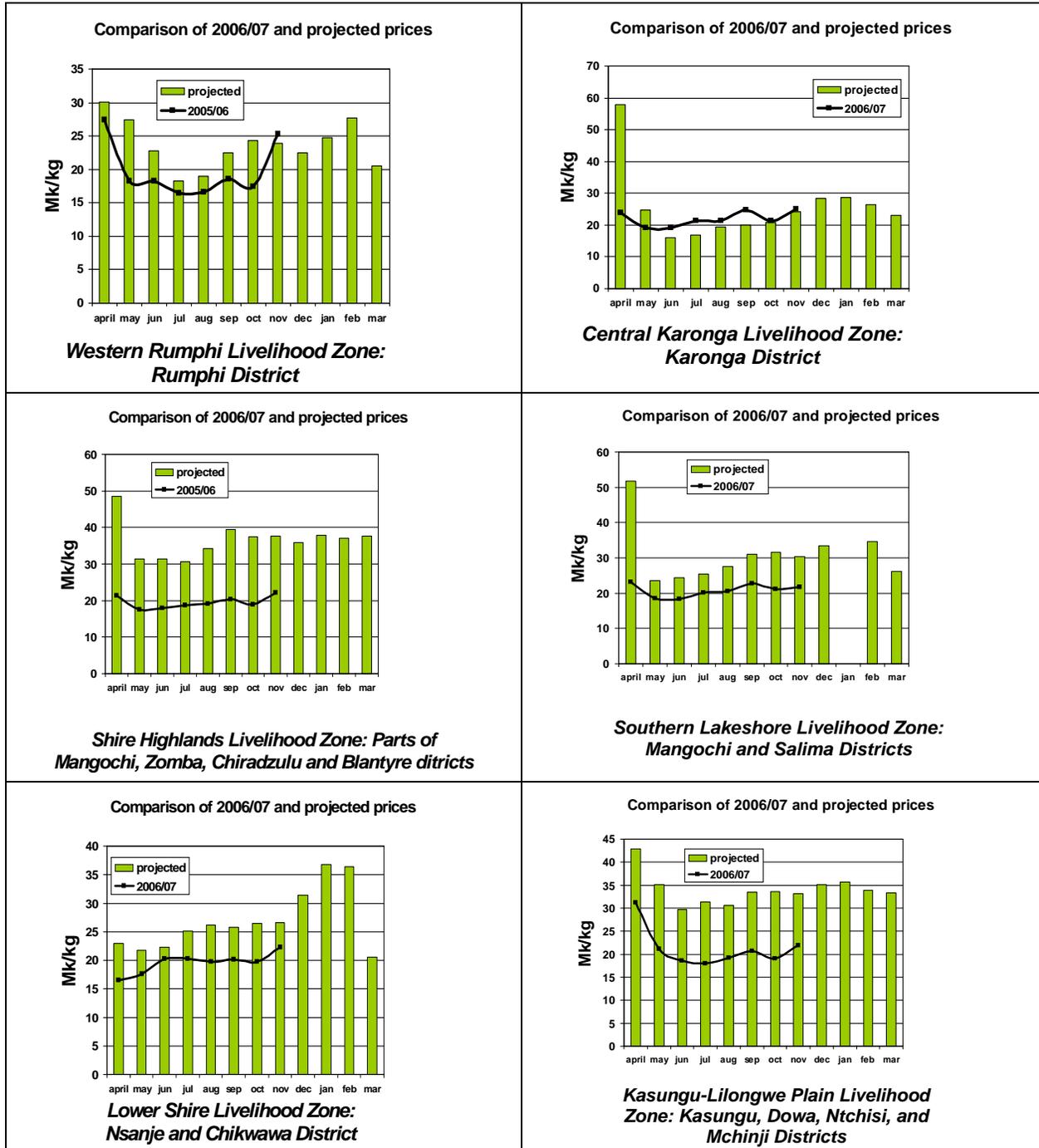
Figure 4: Average maize prices by district

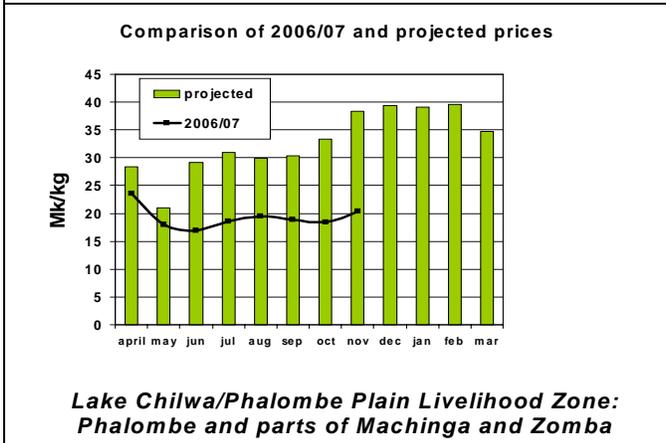
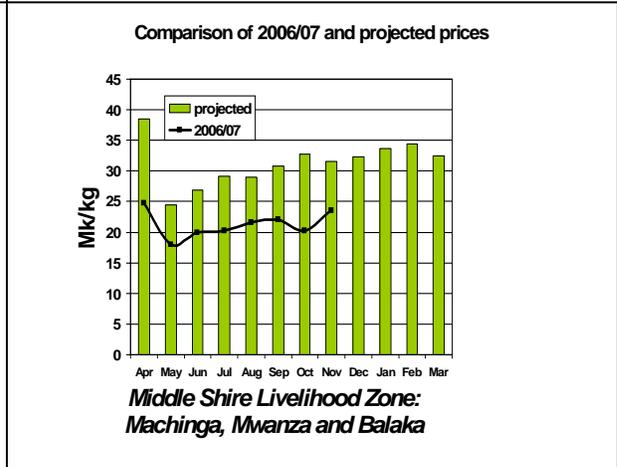
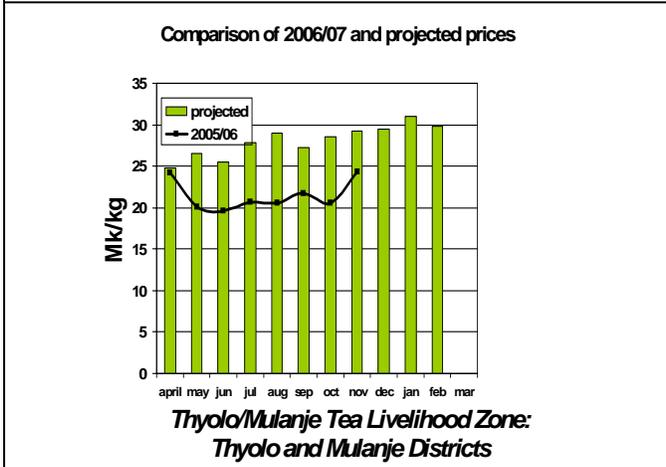
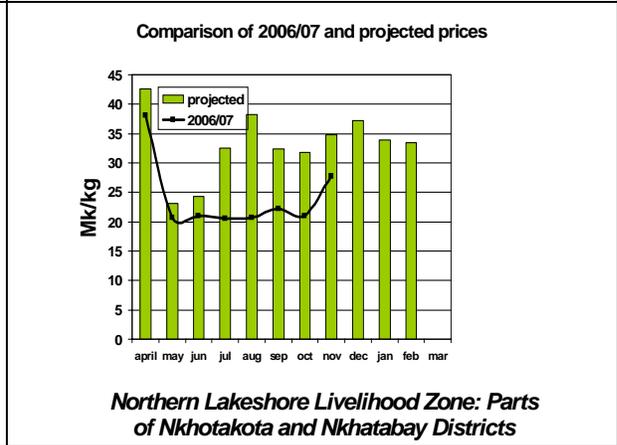
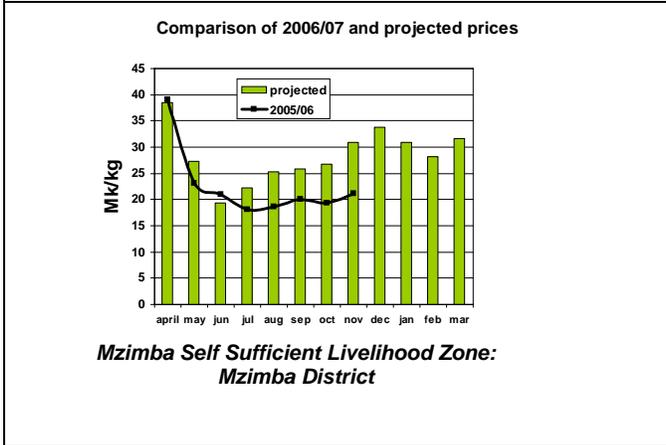
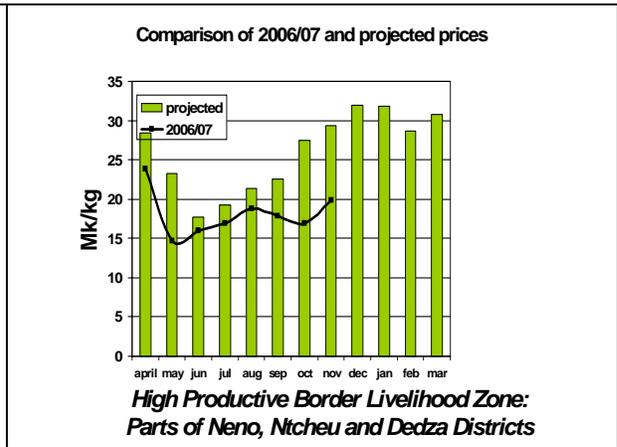
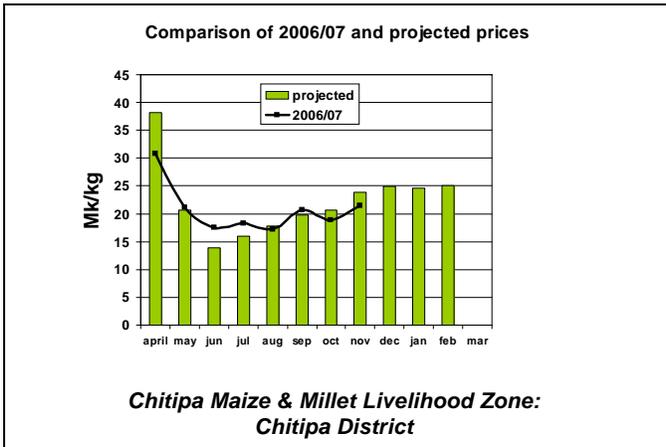


Source: MoAFS

Appendix 1: Comparison of current local market maize price trends and projected prices under the MVAC analysis

Note: Data not presented for the Phirilongwe, Rift Valley, Nkhatabay Cassava, Misuku and Northern Karonga livelihood zones due to a lack of information.





Appendix 2: Average local market prices (MK/kg)

Market	April	May	June	July	August	September	October	November
MADISI								15.99
MISUKU	30.55	16.67	13.13	17.03	15.67	15.84	15.70	16.66
TSANGANO T-OFF	23.12	16.63	16.18	17.44	16.37	16.58	16.64	17.01
MWANSAMBO								17.22
NAMWERA	23.53	16.48	14.70	15.10	15.29	15.29	15.37	17.87
BEMBEKE	26.00	11.76	13.50	18.67	23.60	19.50	17.65	18.00
MALOMO	48.96		16.00				16.00	18.28
CHIMBIYA	22.33	13.00	15.12	15.25	16.42	17.30	15.54	18.50
NTCHEU	21.94	16.40	16.45	16.40	18.60	16.99	17.07	18.50
MZIMBA	41.75	25.49	19.08	18.55	18.68	19.21	20.07	18.58
THETE	19.75	14.40	15.50	16.50	17.30	17.38	16.17	18.84
ZOMBA	25.00	27.00	19.50	19.25	19.00	18.25	20.55	19.00
MAYAKA	24.40	16.96	15.54	17.59	17.31	17.77	17.03	19.11
JENDA		13.84	19.24	18.05	19.14	19.37	17.78	19.42
MANGOCHI	30.20	16.59	18.33	18.54	19.39	19.57	18.59	19.44
NTAJA	21.25	14.55	16.00	18.00	17.78	18.00	16.92	20.00
EMBANGWENI	40.00		18.00	18.00	18.14	18.57	18.18	20.00
MIGOWI		18.88		17.66	21.33	19.44	19.33	20.00
MCHINJI		16.67	15.40	16.63	16.59	16.70	16.47	20.12
SANTHE				16.00	17.25	19.25	17.50	20.25
HEWE	15.04	11.67	12.57	12.90	12.91	14.16	12.71	20.34
CHIRADZULU	16.49	16.53	20.00	16.84	19.37	20.00	18.55	20.50
MTAKATAKA	35.00	11.00	15.00				13.00	20.50
NKHOMA	31.16	21.88	19.37	18.00	19.01	20.00	19.60	20.69
NSUNDWE	17.39	15.22	17.17	18.71	19.23	20.06	18.21	20.81
NTONDA	28.85	22.56		18.00	17.14	19.79	19.10	21.00
NCHALO	14.44	17.78	22.22	21.08	20.56	21.08	20.65	21.03
MITUNDU	20.00	16.93	16.47	18.58	20.00	20.11	18.39	21.13
CHITIPA	26.88	17.24	16.62	15.90	15.56	21.30	17.20	21.20
NTHALIRE	34.83	25.04	18.45	20.64	18.89	19.94	20.57	21.56
PHALOMBE		16.95	18.15	20.43	21.22	20.69	19.57	21.59
MPAMBA		13.05		18.04	18.62	21.03	17.58	21.68
NGABU	16.33	18.00	20.00	19.45	17.78	18.33	18.71	21.92
NTCHISI	45.87	25.22	17.40	22.21	21.72	21.99	21.69	21.99
LUNZU	22.50	16.80	18.03	20.46	20.20	20.67	19.43	22.00
CHIKWAWA		17.75		22.22	21.78	21.11	21.02	22.22
SALIMA	23.75	22.03				25.00	23.52	22.25
BANGULA	17.04	16.67	20.00	18.89	18.00	18.89	18.38	22.29
JALI		13.78	15.56	18.34	19.95	18.98	17.32	22.83
BALAKA	24.80	17.36	22.25	21.54	20.47	21.01	20.55	22.90
MULOZA	17.00	18.33	19.00	20.00	20.00	20.00	19.53	23.00
CHINTHECHE	45.00	17.62	16.67	21.11	21.23	22.77	20.30	23.06
DOWA	34.96	25.45	22.05	18.97	18.26	17.35	20.29	23.67
MWANZA	16.05	13.89	14.45	18.54	19.44	20.22	17.34	23.68
MONKEY BAY	15.32	17.02		21.85	21.76	23.74	21.12	23.69
MPONELA	41.90	27.79	19.54	19.62	18.95	26.59	22.50	23.70
NAMBUMA	39.71	35.30	35.89	18.73	18.38	20.11	24.29	23.73
NANJIRI	19.85	16.58	15.94	16.56	19.69	21.00	17.94	23.75
NSANJE	18.48	17.90	18.86	19.92	20.53	21.02	19.72	23.77
LIMBE	22.50	20.00	20.50	21.75	21.00	22.50	21.31	23.99
LIWONDE	24.68	18.59	17.46	18.95	22.63	23.00	20.08	24.10
KASIYA	19.00			16.38	16.20	19.88	16.86	24.25
LILONGWE	36.00	20.59	20.50	21.86	20.89	21.51	21.12	24.50
BVUMBWE	28.75	20.00	20.00	20.00	20.00	22.75	20.55	25.00
LUCHENZA	26.70	22.00	20.00	22.00	21.60	22.50	21.62	25.00
KARONGA	23.86	19.20	19.18	21.40	21.37	24.78	21.26	25.00
NKHATABAY		23.48	21.98	20.23	20.34	20.29	21.24	25.36
NENO								25.89
THONDWE			16.20	19.75	20.00	23.50	20.28	26.00
CHILUMBA		26.53	25.00	20.23	22.31	22.36	22.92	26.63
MZUZU	35.53	30.07	27.18	18.06	18.62	23.36	21.12	26.66
KASUNGU	40.35	26.35	13.09	17.13	27.15	30.38	22.80	26.75
NKHOTAKOTA	31.55	23.09	20.47	19.03	19.27	19.28	20.21	29.15
RUMPHI	39.67	24.74	23.90	20.11	20.27	22.98	22.10	30.39
DWANGWA	37.82	21.48	25.64	21.39	21.63	24.46	22.53	31.13
LIZULU	24.13	14.05	17.56	15.37	16.49	18.20	16.38	

Note: November average prices for the first four weeks only

Appendix 3

Table 1: Summary of households affected by disasters in the 2006/07 season

DATE	TYPE OF DISASTER	AREA/DISTRICT	EXTENT OF DAMAGE	REMARKS
26th October	Hailstorm	GVH Mungula in TA Gyman in Mzimba	70 Houses destroyed	Relief items were sent on 30th October, 2006
13th November	Hailstorm	12 villages in TA Malde in Ulongwe	130 households affected	Relief items were sent on 20th November, 2006
17th November	Heavy rains	6 villages in TA Nundumbwe in Blantyre	96 houses damaged and had their gardens washed away	Relief items were sent on 21st November, 2006
18th November	Storm and heavy rains	GVH Mthara, VHe Winyayo, Malpa, Malama and Mandimo in TA Kapeni in Blantyre	117 houses destroyed and one person died	Relief items were sent on 24th November, 2006
21st November	Storm	Longwe Village in STA Fula Mlaza in Mtshekeby	16 houses destroyed and one person died	Relief items were sent on 24th November, 2006
24th November	Floods	GVH Chibwem in TA Gbide in Machinga	146 households affected	Relief items were sent on 28th November, 2006
24th November	Floods	STA Nwanema in Machinga	211 houses destroyed	
November	Floods	Chilwasa	6,632 households estimated to have lost their crops while 110 households had their houses collapsed. 4 people (2 women and 2 children) died in TA Chapananga	Relief items were sent on 28th November, 2006. UNICEF has also sent other relief items. DoPOMA and UN agencies Le WFP, UNICEF, FAO have sent assessment mission to Chilwasa on 28th November, 06 to assess the extent of damage.
November	Floods	Fhakaribe	Information on extent of damage is being sought from the District Assembly	
November	Floods	Mulanje	Information on extent of damage is being sought from the District Assembly	
November	Floods	TA's Fambwa and Mbindi in Salima	Information on extent of damage is being sought from the District Assembly	

Source: Department of Poverty and Disaster Management Affairs

