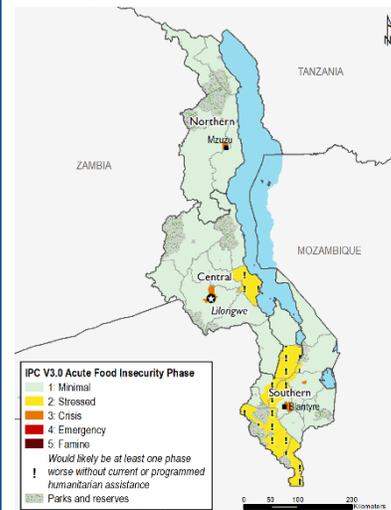


Humanitarian assistance improves outcomes, with above-average crop production expected in April/May

KEY MESSAGES

- Across most rural areas, Minimal (IPC Phase 1) outcomes are expected throughout the projection period, supported by above-average crop production. However, in some southern and central districts impacted by localized production shortfalls in the 2019/20 season, Stressed! (IPC Phase 2!) outcomes are expected through March in the presence of humanitarian assistance. These areas will likely transition to Stressed (IPC Phase 2) outcomes with the beginning of the main harvest in April, with further improvement to Minimal (IPC Phase 1) expected in May. In August/September, Stressed (IPC Phase 2) outcomes are likely to emerge in Nsanje and Chikwawa where the 2020/21 crop has been impacted by dry spells.
- In urban areas impacted by COVID-19 control measures, humanitarian assistance distributions have started at the end of February 2021. As such, Crisis (IPC Phase 3) outcomes present for most of February are expected to have improved to Stressed! (IPC Phase 2!), expected to persist in the presence of assistance through April. Due to expected economic improvement supported by easing of control measures and cash injections from humanitarian assistance, improvements in income-earning will likely support Stressed (IPC Phase 2) outcomes in May and June. With seasonal increases in economic activity expected during the harvest period, improvement to Minimal (IPC Phase 1) outcomes is likely around July.
- Malawi is expecting above-average production in the 2020/21 season due to average to above-average rainfall and increased access to inputs through the government's Affordable Inputs Program. According to Ministry of Agriculture and Food Security first round production estimates, Malawi is expected to produce 4.4 million MT of maize. This is 42 percent above the five-year average and 21 percent above the national requirement. However, these prospects may be revised downward due to dry spells in some southern districts.
- In January, ADMARC began selling maize at the subsidized price of MWK 160/kg. Given this and above-average market supplies, maize grain prices are expected to remain atypically stable at the national level through the harvest. Maize grain prices have remained stable since November 2020, and in January 2021 were between 12 percent below average to 8 percent above average (but below average in most markets), and 30 to 44 percent below prices at the same time last year.

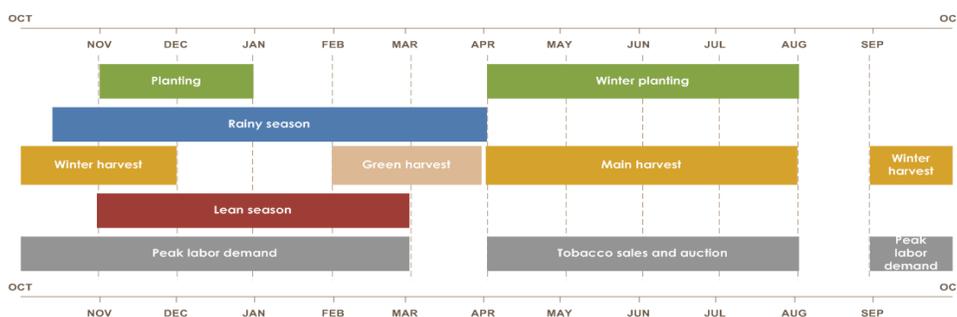
Current food security outcomes, February 2021



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

SEASONAL CALENDAR FOR A TYPICAL YEAR



Source: FEWS NET

NATIONAL OVERVIEW

Current Situation

According to the Ministry of Agriculture and Food Security (MOAFS), Malawi produced 3.7 million MT of the maize staple in the 2019/20 production season. This production was 28 percent above five-year average levels and, according to the 2020/21 national food balance sheet, Malawi recorded a surplus of 534,000 MT against an estimated national requirement of about 3.4 million MT. As a result of this above-average production, market supplies of the maize staple and other food commodities are generally above average across Malawi. At the household level, maize supply levels remain average to above average, with most households accessing food from their own crop production, supplemented by market purchases. However, households in some southern Malawi districts and the central Salima district that registered localized production shortfalls have run out of own-produced food and are relying on market purchases. Despite localized production shortfalls in these areas, market food availability is high due to above-average production in Malawi and neighboring countries.

As of January 2021, the Agricultural Development and Marketing Cooperation (ADMARC) and the National Food Reserve Agency's (NFRA) Strategic Grain Reserves (SGR) had procured 130,000 MT and 55,000 MT, respectively, of maize grain. On January 19, 2021, ADMARC announced commencement of commercial sales of maize grain at the subsidized price of MWK 160/kg, 20 percent lower than the minimum buying price of MWK 200/kg set by the government in April 2020.

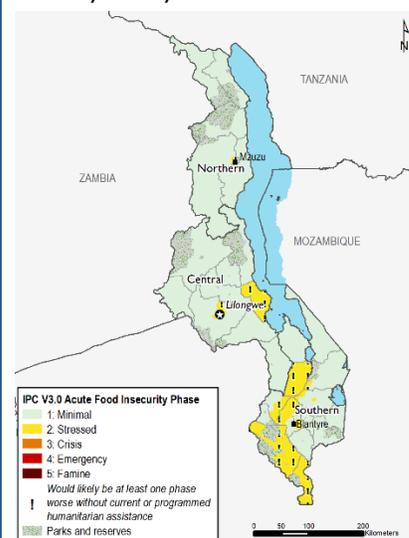
Malawi continues to record above-average volumes of informal maize imports despite above-average local supplies. This is mainly due to the relatively close proximity of Malawian markets for farmers and traders in border areas of neighboring countries of Mozambique, Zambia, and Tanzania. Maize from neighboring countries is bought and sold at lower prices and is therefore attractive to local traders. From April 2020 to January 2021 (the marketing year to date), Malawi informally imported 60,179 MT of maize and exported 28,913 MT, equating to net imports of 31,266 MT. Total imports through January are 113 percent above the five-year average for the same period.

Due to above-average market supplies and, more recently, subsidized ADMARC sales, maize grain prices have remained atypically stable at the national level from November 2020 to January 2021. In January 2021, maize grain prices ranged from MWK 160 to 220/kg across monitored markets. Maize grain prices in January 2021 were between 12 percent below average to 8 percent above average, but below average in most markets (Figure 1), and 30 to 44 percent below prices at the same time last year. In the 2019/20 marketing year, below-average ADMARC supplies resulted in low sales and lack of significant influence on the market prices amidst increased market demand.

The government targeted about 3.8 million farmers in the first year of the new Affordable Inputs Program (AIP) for the 2020/21 production season. Under the program, farmers can access maize seeds and fertilizer at subsidized prices. Under the old Farm Input Subsidy Program (FISP), only around 900,000 farmers were targeted. As of February 20, 2021, the MOAFS announced that 90 percent of the targeted households had accessed fertilizers under the AIP this year. However, only 66 percent had accessed seeds. This is likely due to the delayed start of AIP distributions. Because seeds became available later than the normal planting time, many farmers likely obtained seeds from alternative sources. Despite lower uptake of seeds, area planted with maize is reported to have increased by around 5 percent compared to the previous season, according to MOAFS first round production estimates.

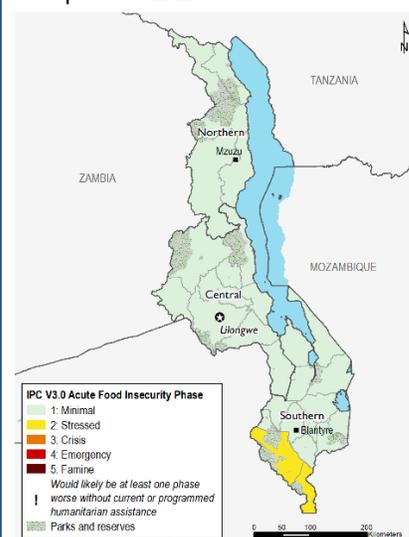
Despite some delays in the start of the rainy season and erratic spatial and temporal distribution of rain in the October to December period, rain from late November to the end of January generally eradicated earlier deficits across the country. As of

Projected food security outcomes, February to May 2021



Source: FEWS NET

Projected food security outcomes, June to September 2021



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

late February, cumulative rainfall in the 2020/21 season has been average across most of the country, though with localized areas of above-average and below-average rainfall (Figure 2). This generally favorable rainfall and improved access to inputs through the AIP has facilitated a very good crop stand that is expected to lead to an above-average production season overall. As of the end of February, the maize crop was at cob formation and maturing stages, with green harvests expected in March and main harvests expected in April and May — starting in the south — as is typical. However, there is concern for production in the southern Nsanje and Chikwawa districts in the Lower Shire Livelihood Zone due to the delayed start of season, poorly distributed rainfall to date, and mid-season dry spells at the time of crop maturity when water requirements are higher. According to the Malawi Department of Climate Change and Meteorological Services (DCCMS) as of mid-February, the zone had received about half of the normal amount of cumulative rainfall, and the rains were also poorly distributed. As of late February, rainfall deficits were occurring at the critical time of crop maturity.

In January and February 2021, Malawi has been impacted by a second wave of COVID-19. Although the number of new cases per day has been declining since the end of January, the second wave has been characterized by a significantly higher number of confirmed infections relative to the first wave in mid-2020. As of December 31, 2020, Malawi had recorded 6,583 cases of COVID-19, with 189 associated deaths. Since that time, the number of cumulative recorded cases has increased by nearly five times, reaching 32,229 recorded cases with 1,056 associated deaths by March 3, 2021. As of March 3, the seven-day average of new cases recorded per day was still around 133.

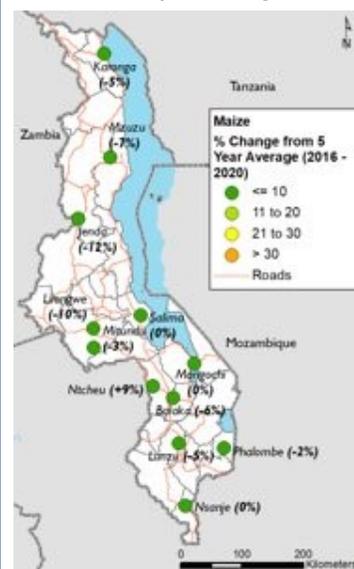
On January 12, 2021, the government responded by enacting a series of control measures including closing land borders, restricting trade activities, closing schools, limiting office working hours for essential services only, restricting business hours for markets and entertainment places, and restricting public gatherings to 50 people. However, due to a reduction in the COVID-19 positivity rate to around 15 percent, the government reopened schools and other learning institutions as of February 22, 2021. While these control measures are expected to have reduced income earning among poor urban households, impacts on the economy and urban livelihoods were likely less severe than during the first wave of COVID-19 control measures, as many institutions, businesses, and organizations have adapted to the changed environment and are functioning at reduced capacity, in contrast to the total closures of mid-2020.

Impacts of COVID-19 control measures on rural livelihoods likely remain minimal, as the number of reported cases remains low and enforcement of control measures remains moderate. For rural households, typical activities such as agricultural production and marketing are taking place normally. However, in the 2019/20 marketing year, COVID-19-related restrictions on international trade impacted income from cash crop sales (including cotton, tobacco, and pulses).

From October 2020 to February 2021, the Malawi Kwacha has lost value against major foreign currencies. This is mainly due to reduced tobacco sales and consequently lower foreign exchange earnings in the 2019/20 production season, on top of typical seasonal trends. According to some media reports, Malawi's import cover was 2.41 months in January 2021 compared to 3.76 months in January 2020. However, Malawi's annual rate of inflation decreased in the year 2020, mainly due to lower food prices which account for about half of the value of the Consumer Price Index. According to the National Statistical Office, average inflation for the year 2020 was 8.6 percent, 1.2 percentage points lower than the previous year. However, the business community has been reporting foreign exchange shortages, with the [parallel market](#) cost of buying foreign currency over 10 percent higher than the [bank rate](#) as of mid to late February.

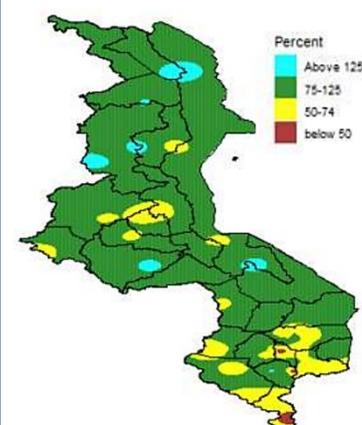
In most rural areas of the country, households are expected to be accessing normal levels of income from labor, self-employment, trading, and livestock sales. Currently, most available labor is agricultural, related to land preparation, planting, and weeding of late-maturing crops (such as sweet potato and cassava) and picking and processing of tobacco. Given above-average production in 2020 and the favorable progress to date of the 2020/21 production season, availability of labor is expected to be normal, with wages also expected to be at average to above-average levels. Due to the average to above-

Figure 1. Maize grain prices in Malawi markets, January 2021 relative to five-year average



Source: MOAFS (observed) and FEWS NET (projected)

Figure 2. Cumulative rainfall as percent of normal, October 1, 2020, to February 20, 2021



Source: DCCMS

average precipitation, pasture conditions continue to be average to above average across most of the country, expected to be supporting average livestock body conditions and prices. Additionally, due largely to lower food prices, purchasing power for those selling livestock (as measured by terms of trade between goat prices and maize prices) is nearly three times higher at the national level. However, in the southern districts of Nsanje and Chikwawa that experienced localized below-average production last year, availability of labor is reportedly lower than normal and, due to dry spells this year, pasture recovery has been constrained and livestock conditions are expected to be below average.

In late December 2020, the government and partners began implementation of the humanitarian assistance program for the 2020/21 lean season. Monthly rations comprise in-kind food items including 50 kilograms of maize, 10 kilograms of pulses, and 2 liters of cooking oil, or a cash equivalent of the food items valued at around MWK 23,100 (though the value is adjusted based on local prices). Distributions started in late December 2020 in Mangochi, Machinga, Zomba, and Nsanje districts, in January 2021 in Balaka, Neno, and Blantyre districts, and in February 2021 in the rest of targeted districts. In urban areas, humanitarian assistance distributions for low-income households impacted by COVID-19 control measures in mid-2020 started in late February after a long delay. Households will receive monthly cash transfers through April 2021.

According to preliminary results of a nutrition SMART survey conducted in November/December 2020, the prevalence of Global Acute Malnutrition (GAM) as measured by weight-for-height z-score (WHZ) at the national was low, at 1.9 percent (95% CI: 1.2 - 3.0) and within “acceptable” levels (defined by the WHO as less than 5 percent). Although the point estimate is slightly higher than in the January/February 2018 lean season assessment when it was 1.3 percent (95% CI: 0.9 - 1.9), overlapping confidence intervals means that GAM prevalence may be similar to that in 2018. However, GAM prevalence in November/December 2020 was higher than in the June/July 2019 post-harvest assessment when it was 0.5 percent (95% CI: 0.3 - 1.0). This could be due to typical seasonal trends. According to the 2020 assessment, both crude death rate and under-five death rate were low and within the “acceptable” levels (defined by the WHO as less than 1 death/10,000 people/day and less than 2 deaths/10,000 people/day, respectively, in all zones).

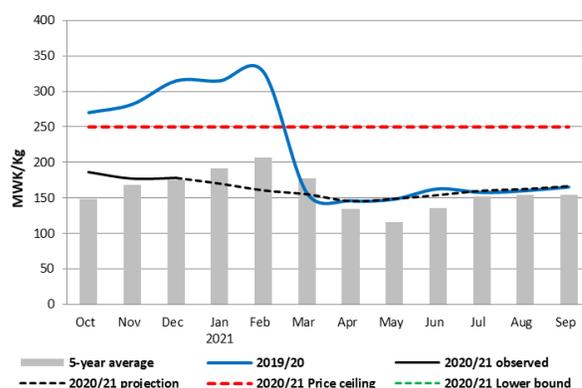
In most rural areas of the country, households are likely continuing to access some food from own crop production and income from labor opportunities, petty trade, and livestock sales. This food and income is expected to be sufficient for most households to meet food and essential non-food needs, with Minimal (IPC Phase 1) outcomes expected. However, across the country, some worst-off households are expected to be exhausting stocks and relying on market purchases for food as the lean season progresses, with Stressed (IPC Phase 2) outcomes likely in the absence of sufficient income-earning opportunities. In southern districts that registered localized below-average production, humanitarian assistance is expected to have improved outcomes to Stressed! (IPC Phase 2!). In urban areas, Crisis (IPC Phase 3) outcomes present for most of February are expected to have improved to Stressed! (IPC Phase 2!) in the presence of humanitarian assistance.

Assumptions

The Food Security Outlook for February to September 2021 is based on the following national-level assumptions:

- According to national and international forecasts, average to above-average cumulative rainfall is expected across most of the country in the October 2020 to March 2021 season. However, localized areas of below-average rainfall (particularly in the south) are expected.
- Improved access to inputs is expected to increase yields across much of the country. Given this and expectations for rainfall, above-average production is expected across most of the country during the harvest period in April and May. However, in Nsanje and Chikwawa, below-average production is expected due to localized rainfall deficits. According to MOAFS first round production estimates, Malawi is expected to produce 4.4 million MT of maize, 42 percent above the five-year average and 21 percent above the national requirement. However, these estimates may be revised downward due to dry spells in some southern districts.
- Net maize grain supply from informal cross-border trade will likely remain above average during the outlook period.

Figure 3. Maize grain prices (MWK/kg) in Mitundu market, observed and projected through September 2021



Source: MOAFS data (observed) and FEWS NET (projected)

- Food availability at both the national and household level is expected to remain above average throughout the outlook period. ADMARC and NFRA are expected to have adequate stocks for both commercial sales and humanitarian food assistance until the harvests in April and May 2021.
- According to government plans, ADMARC and NFRA are expected to purchase maize grain following the upcoming harvest. This is expected to maintain high demand for maize.
- Staple maize grain prices at Mitundu — the national reference market — are expected to remain atypically stable through the harvest period due to above-average market supply and subsidized ADMARC sales. Following this, prices are expected to follow typical seasonal trends (Figure 3).
- Livestock herd sizes and body conditions are generally expected to remain normal in most areas. There is likely to be some increase in herd sizes due to restocking as is typical at this time of year. Livestock prices are generally expected to follow seasonal trends, decreasing as the lean season progresses, though remain average to above-average due to fewer households selling livestock in the above-average production year. However, in the Lower Shire Livelihood Zone which is facing rainfall deficits and poor crop performance, livestock prices may decrease during the lean season.
- The second wave of COVID-19 is expected to persist for one to three months, given the length of outbreaks observed previously in Malawi and elsewhere. The number of new cases will likely continue declining throughout the outlook period (supported by government plans to commence vaccination in March), though uncertainty exists, including due to the threat of new variants.
- Currently enacted COVID-19 control measures are expected to be eased in the near term (one to three months) due to the decreasing numbers of new COVID-19 cases. This is expected to improve access to income in urban areas. The threat of impacts on rural livelihoods remains low.
- Due to expected above-average 2020/21 production, normal levels of agricultural and non-agricultural labor will likely be available across most of the country during the projection period. Following the harvest period, non-agricultural labor availability will be at peak levels, while agricultural labor availability will be at seasonally low levels. Non-agricultural labor wages are expected to be average, while agricultural labor wages during the harvest period are expected to be average or above average. However, labor availability is likely to be lower in areas that experience localized below-average production.
- Cash crop production is expected to be average in most areas. Prices of tobacco — the main cash crop — are expected to be average (though uncertainty exists) while both demand and prices for cotton will likely remain below average due to fewer buying companies on the market.
- Given expectations for above-average production, most poor rural households are not expected to expand reliance on self-employment activities relative to what is normal, reducing pressure on supply and supporting average prices. At the same time, normal income levels for middle and better off households that procure self-employment services are expected to result in normal demand. As a result, incomes from self-employment will likely be average.
- Distributions of humanitarian assistance are expected to continue in the targeted rural areas through March and in the cities of Blantyre, Zomba, Lilongwe, and Mzuzu through April.
- Macroeconomic conditions in Malawi will likely remain stable throughout the outlook period. The Malawi Kwacha will likely begin to appreciate around April/May when sales of tobacco — the main foreign exchange earner — commence, as is typical.

Most Likely Food Security Outcomes

Across most of the country, Minimal (IPC Phase 1) outcomes are expected to persist throughout the projection period, supported by a second consecutive year of above-average harvests in April/May 2021.

In some southern districts and the central Salima district, humanitarian assistance is expected to continue to support Stressed! (IPC Phase 2!) outcomes through March 2021. In April and May, the beginning of the main harvest will likely support transition to Stressed (IPC Phase 2) outcomes as households access food from own crop production, with further improvement to Minimal (IPC Phase 1) outcomes expected as households increasingly access income from crop sales.

In most areas, Minimal (IPC Phase 1) outcomes are expected to persist throughout the projection period. However, in Nsanje and Chikwawa districts in the Lower Shire Livelihood Zone, below-average production is expected in the upcoming harvests. As such, many poor households will likely stock below-average levels of own-produced food, with an increasing number expected

to exhaust stocks and become fully reliant on markets for food as the consumption season progresses. Given limited availability of income sources, many will likely be unable to meet all food and essential non-food needs, with Stressed (IPC Phase 2) outcomes likely to re-emerge at the area level between August and September 2021.

In urban areas, humanitarian assistance is expected to support Stressed! (IPC Phase 2!) outcomes through April 2021. Due to expected economic improvement supported by easing of control measures and cash injections from humanitarian assistance, improvements in income-earning will likely support Stressed (IPC Phase 2) outcomes from May to June. With seasonal increases in economic activity expected during the harvest period, improvement to Minimal (IPC Phase 1) outcomes is likely around July.

The prevalence of acute malnutrition among children under five will likely remain low and within “acceptable” levels (GAM less than 5 percent) according to WHO classification, supported by seasonal access to food from the harvests and humanitarian assistance in some areas.

Events that Might Change the Outlook

Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
National	Early cessation of rainfall	<p>This would likely inhibit maturity of crops and reduce production prospects in affected areas. In these areas, households would likely stock lower amounts of food. Since Malawi is largely an agricultural economy with most economic activities in rural areas being influenced by agricultural production, reduced production would likely reduce available labor opportunities during harvest time and reduce access to income from other sources such as from crop sales and petty trading.</p> <p>In many areas where production is currently expected to be above average, reduced production would likely lead to average levels of production, with normal levels of food and income as a result, and no impact on outcomes. However, in worst affected areas, below-average production levels would likely lead to below-average food stocks and below-average access to income during the projection period. As a result, in these areas, an increase in the number of households facing Stressed (IPC Phase 2) outcomes in August/September would be likely. In Nsanje and Chikwawa, area-level Stressed (IPC Phase 2) outcomes would likely be expected earlier in the June to September period.</p> <p>This would also likely lead to drier conditions and reduced water availability for irrigated farming, with the potential for lower production levels.</p>
National	Increase in COVID-19 cases and control measures	<p>This would likely slow or reverse expected improvements in economic and business activity. Access to income would likely decrease again for many low-income urban households. An increase in the number of urban households facing Stressed (IPC Phase 2) or Crisis (IPC Phase 3) outcomes would be likely in the absence of assistance.</p> <p>In rural areas, further disruptions to international trade would impact tobacco and cotton marketing, leading to lower prices. This would reduce access to income for many rural households and reduce foreign exchange earnings, negatively impacting the macroeconomy.</p>

AREAS OF CONCERN

Lower Shire Livelihood Zone (LSH), Nsanje District

Current Situation

The [Lower Shire Livelihood Zone](#) in southern Malawi — comprising Nsanje and Chikwawa districts — has experienced multiple poor production seasons in the past five years. Most recently, the Lower Shire registered localized production shortfalls in 2020 due to poor rainfall performance during the 2019/20 production season.

As of January 2021, 25 percent of households had run out of own produced food, according to the Nsanje District Agriculture Office. These households remain dependent on market purchases and humanitarian assistance.

According to District Agriculture Office, the 2020/21 rainy season started about three weeks late in Nsanje district. Following this, erratic rainfall delayed planting in some localized areas, while other areas experienced prolonged dry spells from late December to mid-January. According to a preliminary report from the District Agriculture Office, 9,656 hectares of cropped land (about 20 percent) either wilted or dried up. Despite some crop recovery due to increased rainfall in late January 2021, some crops required replanting. By mid-January, subsidized fertilizer and seed uptake from the AIP remained very low in Nsanje district, with less than 30 percent of targeted households accessing the fertilizers and seeds through the program. This may be at least partially due to low access to income for input redemption as well as the fact that many households in Nsanje produce millet and sorghum rather than maize in the rainfed (summer) production season.

It should also be noted that the neighboring Chikwawa district registered poor rainfall in terms of spatial and temporal distribution for around four weeks from mid-December 2020 to early January 2021. Similarly, the district registered poor rainfall from late January to mid-February 2021. Overall, from November 2020 to mid-January 2021, the district recorded 303 mm of cumulative rainfall (in 34 rainy days), significantly lower than the 644 mm (in 41 rainy days) recorded in the same time period last year. As of early February, the District Agriculture Office reported that 19,511 hectares of cropland registered permanent wilting, 29,000 hectares registered temporary wilting, and 4,589 hectares were not planted, for a total 53,186 hectares affected by prolonged dryness.

Informal imports of maize grain — mostly from Mozambique — continue to flow into Nsanje at above-average levels. Although 2020 production in Malawi was above average at the national level, maize from Mozambique is cheaper and closer to Nsanje. Additionally, some Nsanje farmers rent land in Mozambique and import their harvests. According to FEWS NET cross-border monitoring data, import volumes into Nsanje from June to January 2021 were 22 percent above the three-year average.

In January 2021, maize was readily available at prices averaging MWK 225/kg in Nsanje market. Market supplies are generally above average, with maize being sourced from some southern and central Malawi districts and from Mozambique through informal cross-border trade. In January, ADMARC began selling maize at a subsidized price of MWK 160/kg. Typically, ADMARC opens its selling points in November. Maize purchases at ADMARC markets are rationed at 30 kg per purchase. As such, there is still demand for maize in local markets.

Poor households in Nsanje are currently earning income from agricultural labor, some irrigated crop sales (fruits and vegetables), some livestock sales, petty trade, self-employment activities, and some non-agricultural labor. However, access to typical income earning opportunities is below average due to the below-average 2019/20 production season.

Implementation of the humanitarian food assistance program began in late December in Nsanje. Currently, about 20 percent of the population is being targeted with monthly cash transfers equivalent to the cost of a food basket including 50 kilograms of maize grain, 10 kilograms of pulses and 2 liters of cooking oil. The ration is currently MWK 23,100 per household per month.

According to a District Agriculture Office report in January 2021, poor households sold livestock to buy food prior to the start of the humanitarian assistance program. As a result, livestock herd sizes among poorer households are expected to be below normal. Due to dry spells, pasture recovery has been constrained and pasture conditions are expected to be below average.

Figure 4. Reference map for Lower Shire Livelihood Zone (LSH), Nsanje district



Source: FEWS NET

According to preliminary results of a nutrition SMART survey conducted in November/December 2020, the prevalence of Global Acute Malnutrition (GAM) in the Lower Shire Livelihood Zone as measured by weight-for-height z-score (WHZ) was 4.9 percent (95% CI: 2.9 - 8.1), within “acceptable” levels (defined by the WHO as less than 5 percent). Although the point estimate is slightly higher than in January/February 2018 lean season assessment when it was 2.8 percent (95% CI: 1.2 – 3.8), overlapping confidence intervals means that GAM prevalence may be similar to that in 2018. However, GAM prevalence in November/December 2020 was higher than in the June/July 2019 post-harvest assessment when it was 1.0 percent (95% CI: 0.3 – 2.7). This could be due to typical seasonal trends. According to the 2020 assessment, the crude death rate in the zone was 0.24 (95% CI: 0.12-0.48) and the under-five death rate was 0.8 (95% CI: 0.25-2.50). Both crude death rate and under-five death rate were within the “acceptable” levels (defined by the WHO as less than 1 death/10,000 people/day and less than 2 deaths/10,000 people/day, respectively).

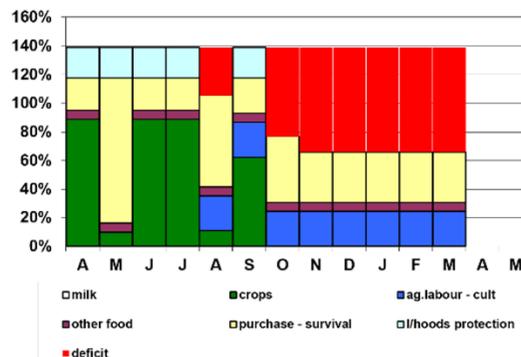
Currently, poor households are expected to be accessing below-average levels of income as a result of the below-average 2019/20 production season. In the absence of humanitarian assistance, many poor households would likely be unable to meet their food needs. A FEWS NET outcome analysis conducted in September 2020 and updated in January 2021 provides additional evidence of this (Figure 5).¹ Given levels of humanitarian assistance, most households are expected to be meeting their food needs. Households are likely consuming meals from maize meal, taken with legumes, vegetables, and occasionally dry fish. However, given below-average levels of food and income from typical sources, many poor households are expected to be unable to meet all of their essential non-food needs, with Stressed! (IPC Phase 2!) food security outcomes likely in the presence of the ongoing humanitarian assistance.

Assumptions

In addition to the national-level assumptions, the following assumptions have been used to develop the most likely scenario for food security outcomes in this area through September 2021:

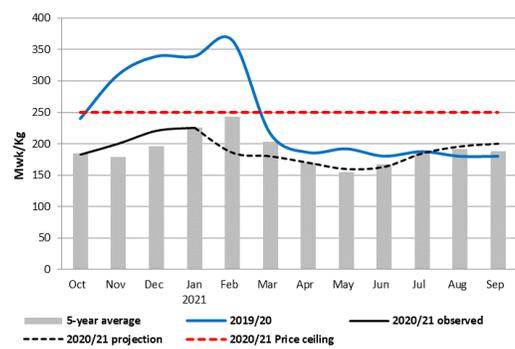
- According to national forecasts, below-average cumulative rainfall is expected in the 2020/21 season.
- Due to the delayed planting and dry spells in many areas, production of most crops the 2020/21 rainfed (summer) season is expected to be below average, with main harvests expected starting in April 2020. Although MOAFS first round production estimates for Nsanje project an average production season, this is likely to change due to the poor rainfall received after the estimates were made.
- Irrigated (winter) production in Nsanje is expected to be average, with harvests beginning in September. However, a range of possibilities exist given the dependence of this production season on floods and residual moisture that provide water for irrigation.
- Informal cross-border maize imports from Mozambique into Nsanje are expected to remain above-average.
- Market supplies of maize grain are expected to remain above average due to current above-average supplies and anticipated above-average production in other parts of the country. Maize supplies in ADMARC markets are expected to be normal through the end of the season around April/May given sufficient procurement in late 2020.

Figure 5. Seasonal expenditure (food and cash) relative to needs for very poor households in Nsanje (Lower Shire), April 2020 – March 2021, according to HEA outcome analysis update



Source: FEWS NET

Figure 6. Observed and projected maize grain prices in Nsanje market, October 2020 – September 2021



Source: MoAFS AMIS (observed) and FEWS NET (projections)

¹ Despite relatively large seasonal deficits which are in line with Emergency (IPC Phase 4) level outcomes according to IPC definitions, a convergence of evidence approach is applied to determine the most likely area-level outcomes, and the majority of evidence concerning both contributing factors and outcomes points to smaller seasonal deficits than those reflected in the HEA outcome analysis.

- Maize grain prices at Nsanje market are expected to atypically decrease through February due to above-average market supply and subsidized ADMARC sales. Following this, prices are expected to follow typical seasonal trends (Figure 6).
- Income from crop sales accessed in the May to September period is likely to be below average due to anticipated below-average production as well as expected below-average global demand prices for cotton, the main cash crop.
- Availability of agricultural and non-agricultural labor opportunities is generally expected to be below normal. Wages will likely be below average due to reduced income among middle-income and better-off households who hire labor. Overall income from agricultural and non-agricultural labor is expected to be below-average. In-kind payments for labor are not expected at significant levels due to anticipated poor production.
- Income from petty trading is expected to be below average due to reduced demand as consumers reduce expenditure on non-essential goods.
- Due to poor rainfall performance, pasture regeneration will likely be below normal. Livestock herd sizes are expected to remain below average throughout the projection period, with livestock body conditions expected to be below average in some areas later in the season.

Most Likely Food Security Outcomes

During the peak of the lean season through March 2021, poor households will continue to rely on humanitarian assistance to meet their food needs. In March, households will also access some food from the green harvest. Despite access to some modest income from trading and self-employment activities, many poor households will likely not have sufficient income to meet all essential non-food needs, as access to income will be at seasonally low levels during the peak of the lean season. As such, Stressed! (IPC Phase 2!) outcomes are expected during this time.

In April and May, the main harvest is expected to contribute to improvements in poor households' access to food. Given this, Stressed (IPC Phase 2) outcomes are expected in April with further improvement to Minimal (IPC Phase 1) expected in May as households access greater amounts of income from crop sales. At this time, households will be consuming food from own crop production supplemented with some non-staple food purchase from markets.

From June to September, households will likely continue to earn income from typical sources including crop sales, agricultural labor, non-agricultural labor, self-employment, petty trading, and livestock sales. However, during this period, an increasing number of poor households will likely exhaust food stocks due to expected localized below-average production. In August and September, many households will likely experience constraints on access to food and income, with Stressed (IPC Phase 2) outcomes expected at the area level. In September, some households are expected to access some food from the winter (irrigated) production, temporarily increasing access to food, though Stressed (IPC Phase 2) outcomes are expected to persist at the area level.

The prevalence of acute malnutrition among children under five will likely remain low and within "acceptable" levels (GAM less than 5 percent) according to WHO classification, supported by humanitarian assistance and seasonal access to food from the harvests, throughout the outlook period.

Events that Might Change the Outlook

Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
Nsanje	Average production	This would result in fewer households facing Stressed (IPC Phase 2) outcomes throughout the projection period, with Minimal (IPC Phase 1) area level outcomes expected through September.
Nsanje	Flooding in March and April 2021	Extensive flooding would likely destroy crop fields and livestock, and damage infrastructure and dwelling houses. This would reduce access to food and income from typical livelihoods. An increase in the number of households facing Stressed (IPC Phase 2) or worse outcomes would be expected during the projection period, with area-level Stressed (IPC Phase 2) outcomes expected to emerge earlier in the June to September period, depending on the scale of damage.
Nsanje	Below-average irrigated production	This would likely result in an increase in the number of households facing Stressed (IPC Phase 2) outcomes in September when the beginning of irrigated harvesting typically starts.

Middle Shire Livelihood Zone (MSH), Balaka District

Current Situation

The **Middle Shire Livelihood Zone** in Southern Malawi — comprising Balaka district and parts of Machinga, Zomba, Neno, Mwanza, and Blantyre districts — has suffered multiple years of acute food insecurity in the past five years.

According to the Balaka District Agriculture Office report for January 2021, an estimated 47 percent of farming households in the district had run out of own produced food from the 2019/20 production season by January and were dependent on market purchases. This is typical for the time of year and is lower than the 52 percent of the population that had run out of own produced food during the same period in 2020. Typically, very poor and poor households in the Middle Shire Livelihood Zone start running out of own produced food by October. However, production of cotton — the main cash crop in this area — was 46 percent below five-year average levels last year according to MOAFS production estimates, with below-average cotton prices further reducing income from crop sales in the 2019/20 season.

In the 2020/21 production season, an estimated 112,629 farming households (about 90 percent of the farming households in the district) were targeted for subsidized fertilizer and seeds under the new AIP according to reports from the District Agriculture Office. This is more than three times the number of beneficiaries targeted under the FISP in the 2019/20 production year. By mid-January 2021, slightly more than 80 percent of the targeted beneficiaries had purchased their subsidized inputs. This has led to an estimated five percent increase in the area planted with maize compared to 2019/20 production season.

The 2020/21 rainfall season in Balaka started almost ten days later than normal and seven days later than the previous season according to Ministry of Agriculture District report of February 2021. The district received effective rainfall in the last week of November 2020, when a majority of farmers planted their crops. According to the District Agriculture Office report of February 6, 2021, area planted with the maize staple increased by 5 percent. According to district agriculture reports, Balaka experienced good and well-distributed rainfall until mid-January 2021, though lower amounts than last year. From November to mid-January, the district had received 201 millimeters of rain as compared to 303 millimeters received during the same period the previous year. However, according to the Balaka district special assessment report of February 6, about 6,097 hectares of maize (about 10 percent of the maize crop) was affected by prolonged dry spells from around January 25 to February 15. Most recently, as of February 20, cumulative rainfall was near average according to DCCMS updates, though the earlier dry spell came at critical time for crop development and has reportedly led to permanent wilting of over 10 percent of the crops and moisture stress for crops in other areas.

Staple maize and other food commodities including legumes are currently available in major markets in the district, and supplies are above average. Due to above-average supplies, maize grain prices in Balaka market have remained atypically stable from October 2020 to January 2021. In January 2021, maize prices were 43 percent below prices recorded at the same time last year and 6 percent below the five-year average. Additionally, ADMARC began selling maize at a subsidized price of MWK 160/kg in mid-January, putting downward pressure on prices. Typically, ADMARC selling points are open from October to March. In the 2019/20 marketing year, below-average ADMARC supplies resulted in low sales and lack of significant influence on the market prices amidst increased market demand.

Currently, poor households are earning income from some agricultural labor opportunities for land preparation, planting, and weeding for late-maturing crops (such as sweet potato and cassava). Households are expected to be accessing near normal income levels from this source. Additionally, poor households are relying on petty trade and self-employment activities (including sales of firewood and charcoal) to obtain some income.

An estimated 77,805 people in Balaka (around 20 percent of the population) are currently receiving humanitarian food assistance in form of cash transfers amounting to MWK 23,100 per month (equivalent to a full food ration for a household of five). In Balaka, the first delivery of assistance occurred in January 2021 as planned.

Figure 7. Reference map for Middle Shire Livelihood Zone (MSH), Balaka District



Source: FEWS NET

Preliminary results of a nutrition SMART survey conducted in November/December 2020 show relatively low prevalence of GAM in the Rift Valley Escarpment Zone² which includes Balaka, at 2.1 percent (95% CI: 0.8 - 5.9) and within “acceptable” levels defined by the WHO as less than 5 percent. Although the point estimate is slightly higher than in January/February 2018 when it was 1.5 percent (95% CI: 0.7 - 2.9) and in June/July 2019 when it was 0.6 percent (95% CI: 0.2 - 1.8), overlapping confidence intervals means that similar GAM prevalence over the years is possible. The 2020 survey also recorded a crude death rate of 0.14 (95% CI: 0.04-0.43) and under-five death rate of 0.00 (95% CI: 0.00-0.00) in the Rift Valley Escarpment Zone, which is below the WHO threshold for acceptable levels (defined by the WHO as less than 1 death/10,000 people/day and less than 2 deaths/10,000 people/day, respectively).

Overall, most poor households are expected to be accessing calorically adequate levels of food from own crop production supplemented by market purchases using the income obtained from the labor exchange, petty trade, and self-employment activities such as firewood and charcoal sales. However, given below-average levels of income from petty trade, self-employment activities, and crop sales in the previous season, many poor households not expected to be able to meet all essential non-food needs, with Stressed! (IPC Phase 2!) food security outcomes expected in the presence of the ongoing humanitarian assistance.

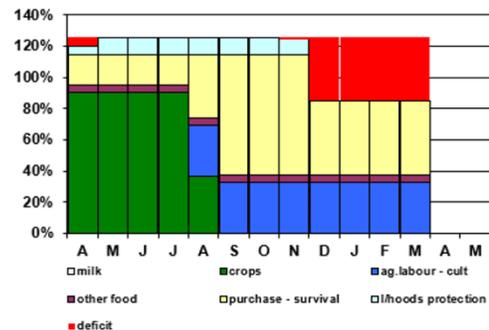
Additional evidence is provided by results of an HEA outcome analysis update — which uses information on crop production, prices, and other sources to understand households’ access to food and income relative to typical requirements — conducted by FEWS NET in September 2020 and updated in February 2021 (Figure 8). Results suggest that, in the absence of humanitarian assistance, nearly 36 percent of the population in Balaka (mainly the very poor households) would be facing 7 percent survival deficits in February, which means these households would be facing some small food consumption gaps according to this source of evidence. However, due to the humanitarian assistance program and maize prices which are near average and even lower in ADMARC selling points, most households are not expected to be facing consumption gaps.

Assumptions

In addition to the national-level assumptions, the following assumptions have been used to develop the most likely scenario for food security outcomes in this area through September 2021:

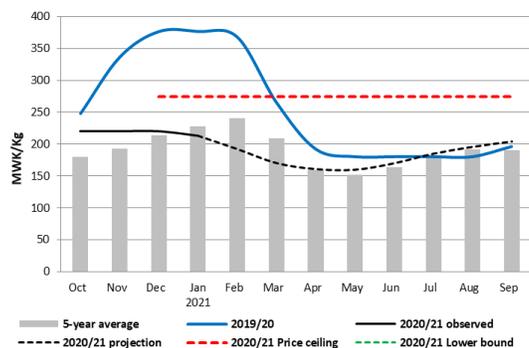
- According to national forecasts, cumulative rainfall in Balaka will likely be average.
- Production in the 2020/21 season is expected to be average overall, though localized dry spells during critical times for crop development may reduce production in some areas.
- Irrigated (winter) production in Balaka is expected to be average, with harvests beginning in September. However, a range of possibilities exist given the long lead time and the dependence of this production season on floods that provide water for irrigation.
- Market supplies of maize grain are expected to be above average due to above-average national production in the 2019/20 season and the 2020/21 season in the source markets of the central region districts. ADMARC is expected to continue selling maize at a subsidized price of MWK 160/kg through March.

Figure 8. Seasonal expenditure (food and cash) relative to needs for very poor households in Balaka (Middle Shire), April 2020 – March 2021, according to HEA outcome analysis update



Source: FEWS NET

Figure 9. Observed and projected maize grain prices in Balaka market, August 2020 – July 2021



Source: MoAFS AMIS (observed) and FEWS NET (projections)

² A zone used for nutrition assessments in Malawi; different from FEWS NET livelihood zones

- Prices for maize grain at Balaka market are expected to decline through April/May 2021, driven by the impacts of above-average market supplies and subsidized ADMARC prices on market prices (Figure 9). Following this, prices are expected to follow seasonal trends, increasing as the consumption season progresses.
- Income from cotton sales (the main cash crop) in the 2021 marketing season is expected to be below average due to expectations for below-average global cotton demand and prices.

Most Likely Food Security Outcomes

During the peak of the lean season through March 2021, poor households will continue to rely on humanitarian assistance to meet their food needs. In March, households will also access some food from the green harvest. Despite access to some modest income from trading and self-employment activities, many poor households will likely not have sufficient income to meet all essential non-food needs, as access to income will be at seasonally low levels during the peak of the lean season.

In April and May, food consumption is expected to improve as households begin consuming food from own crop production with the harvest. In April and May, households are expected to begin accessing income from crop sales. Given expectations for average crop production, households are expected to access almost normal levels of income between April and May 2021.

Food consumption is expected to improve even more between June and September as households continue consuming food from own crop production. Households are expected to consume relatively more diversified meal due to improved income from crop sales. Households will likely continue to earn income from other typical sources including agricultural labor, non-agricultural labor, self-employment, petty trading, and livestock sales. However, food security outcomes for households in areas that have experienced severe dry spells and crop damage may register consumption deficits.

In the February to March 2021 period, Stressed! (IPC Phase 2!) outcomes are expected to continue in the presence of humanitarian assistance. In April, food from the harvests is expected to improve outcomes to Stressed (IPC Phase 2), with further improvement to Minimal (IPC Phase 1) expected in May as households continue accessing own produced food and access income from crop sales. These Minimal (IPC Phase 1) outcomes are expected to persist at the area level throughout the projection period. In September, some households are expected to access some food from the winter (irrigated) production. However, by September, some poor households in areas affected by dry spells will likely face Stressed (IPC Phase 2) outcomes due to localized production shortfalls as well as below-average income from sales of cotton.

The prevalence of acute malnutrition among children under five will likely remain low and within “acceptable” levels (GAM less than 5 percent) according to WHO classification, supported by humanitarian assistance and seasonal access to food from the harvests, throughout the outlook period.

Events that Might Change the Outlook

Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
Balaka	Further reduced demand from cotton buying companies	Cotton remains a major cash crop in Balaka district and the Middle Shire Livelihood Zone. In 2020, most cotton was not sold as most buyers did not enter the market due to disruption of international cotton markets. If this occurs again, an increasing number of households would likely have insufficient income to meet all essential food needs and would be expected to face Stressed (IPC Phase 2) outcomes as the lean season progresses.

ABOUT SCENARIO DEVELOPMENT

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here.](#)