KEY MESSAGES

- Stressed (IPC Phase 2) to Crisis (IPC Phase 3) outcomes are expected across southern and central Malawi through March 2019, primarily due to production deficits. The worst-affected populations will be in Salima and Kasungu districts in central Malawi and most districts in southern Malawi. The Malawi Vulnerability Assessment Committee acute food insecurity assessment and analysis results project the population in need of food assistance will be above average until the next harvest.

- Given below-average market supply, maize prices are trending about 11 percent above the five-year average and are likely to increase through early 2019, despite ADMARC is expected to begin releasing stocks onto the market in October. Labor- and livestock-to-maize terms of trade are declining, reducing food access for households that are more reliant on market purchases than usual due to the early start of the lean season.

- The increased likelihood of a weak El Niño event from September 2018 to May 2019 may cause average to below-average rainfall, which is likely to negatively impact 2019 production and agricultural labor opportunities.

CURRENT SITUATION

Although household stocks are sufficient to sustain Minimal (IPC Phase 1) outcomes in northern Malawi through at least January, food availability is declining in southern and central Malawi due to rainfall deficits that resulted in below-average 2018 main and winter (irrigated maize) harvests. Third round crop production estimates released by the Ministry of Agriculture, Irrigation and Water Development in September indicated 2018 maize, rice, and sorghum production is 17, two, and 61 percent below the five-year average, respectively. These major cereal crops typically contribute about 75 percent of rural households’ annual food requirement. Very poor and poor households in the worst-affected areas are increasingly reliant on market purchases due to household production deficits, and September marked an atypically early beginning of the lean season in southern Malawi.

With significantly below-average income from staple and cash crop sales and reduced agricultural labor income during the winter harvest period, poor households are expanding typical coping strategies by selling more livestock, seeking casual labor opportunities much earlier than normal, and increasing the intensity and frequency of other income generating activities such as

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firewood and charcoal sales. Expansion of these opportunities is constrained, however, given that middle and better-off households also have reduced incomes from below-average 2018 crop sales and demand for these goods and services is down. Agricultural labor opportunities are and will continue to be seasonally low until the start of planting activities in November for the 2019 production season. Tobacco-related sales and income, a significant source of income in northern and central Malawi, are similarly below average. As the tobacco marketing season draws to the end in September, statistics from the Tobacco Control Commission show the current average tobacco price for the entire marketing season (April to August/September) is approximately 9 and 16 percent below the five-year average and 2017 average, respectively. Constrained sources of income and rising maize prices are reducing purchasing power, and this is expected to soon lead to livelihood protection and food deficits in worst-affected districts.

Month-on-month average maize retail prices have been steadily increasing in most markets across the country since June (Figure 1). In mid-July 2018, the National Food Reserve Agency (NFRA), which manages Malawi’s Strategic Grain Reserve (SGR), announced the start of maize purchases from Malawi traders and farmers through the national commodity exchange market at the government-mandated minimum farm gate price of MWK150 per kilogram, which is about 17 percent higher than the current average retail price in most markets. ADMARC, the national grain marketer, also announced maize purchases at the same price. However, outlets are not yet selling maize to customers on the market. These institutional purchases coupled with early, increasing household demand are the main drivers of rising price trends. As the lean season progresses, maize prices will likely follow seasonal trends and continue to rise, though prices may not rise beyond the MWK 170/kg price ceiling set by ADMARC.

Informal cross border maize imports increased 35 percent from July to August but remain 11 percent below the five-year average. These imports are mainly flowing from Mozambique into southern Malawi, where significant production deficits were recorded. Notable imports were also recorded from Zambia through Mchinji/Chipata border. However, imported maize is primarily being sold to large commodity trading companies in Blantyre and traders in Chitipa district that are positioning themselves to sell to ADMARC and the SGR, and thus this supply has not yet entered local markets. Informal cross border maize exports in August were almost negligible given limited supply and the existing maize export ban, totaling 234 MT or 96 percent below the five-year August average. Since the beginning of the consumption year in April, the country has informally imported an estimated 12,000 MT of maize and exported an estimated 3,000 MT.

**UPDATED ASSUMPTIONS**

Revisions to assumptions used to develop the most likely scenario for the June 2018 to January 2019 Outlook period include:

- According to the IRI/CPC consensus forecast, the most likely ENSO phase for September 2018 through May 2019 is a weak El Niño. Although a wide range of outcomes remain possible due to the uncertainty associated with this forecast, seasonal rainfall in the southern half of Malawi is most likely to be average to below average during the main rainy season, with potential for a false start of the season and dry spells. In contrast, the north is most likely to receive average to slightly above-average rainfall. The expectation of below-average rainfall in the south could lead to reduced agricultural labor opportunities for poor households through January and below average 2019 production.

- Based on FEWS NET’s integrated price projections in four key markets, retail maize grain prices are now expected to be slightly above the five-year average and will likely slowly increase through March 2019, given tight market supply and continued institutional purchases by ADMARC and NFRA. Average maize prices are expected to trend close to ADMARC’s selling price of MWK170 per kilogram, especially once ADMARC begins to release stocks on the market in October.

- The Malawi Vulnerability Assessment Committee (MVAC) released its assessment of food insecure populations requiring humanitarian assistance at the end of September, projecting that 3.3 million people will be in need through March 2019. Due to delayed humanitarian assistance planning, however, this scenario assumes humanitarian food assistance is not
currently confirmed and funded at this time. It should be noted that the Malawi government intends to distribute one-off food assistance to an estimated 12% of the population pending comprehensive humanitarian assistance planning in line with the MVAC report.

PROJECTED OUTLOOK THROUGH MARCH 2019

Projected outcomes through January 2019: Although November typically marks the beginning of the lean season in Malawi, southern districts entered the lean season atypically early in September and central districts are also expected to see an early start to the lean season in late September/October. Households will become more reliant than usual on market purchases during the extended lean period. At the same time, food commodity prices are expected to continue to increase in response to declining supply, trending above the five-year average and impacting food access given that households have reduced incomes from crop sales. Rising prices and the atypical length of time households will be required to make purchases will constrain purchasing power and access to food, and this is expected to result in livelihood protection and food deficits. This may be exacerbated if the expectation of below-average rainfall in the south comes to fruition and leads to below-average agricultural labor opportunities during the November to December cultivation period.

As a result, poor households in Kasungu Lilongwe Plain, Phirilongwe Hills, parts of Shire Highlands, and Thyolo Mulunje Tea Estates livelihood zones will continue to face Stressed (IPC Phase 2) outcomes through January. In October to November, Southern Lakeshore, Lower Shire, Middle Shire Valley, and Lake Chilwa-Phalombe Plain livelihood zones will deteriorate to Crisis (IPC Phase 3). These households will require humanitarian assistance to meet their minimum food needs. Based on historical nutrition trends, the GAM prevalence – which is currently 1.3 percent – is likely to worsen slightly during this period in the affected districts, but is still expected to fall within ‘acceptable’ WHO thresholds. Dedza and Ntcheu districts in central region and the northern region will sustain Minimal (IPC Phase 1) outcomes due to adequate household food stocks.

Projected outcomes through the end of the next lean season (March 2019): In February, the lean season will be at its peak. Food stocks for most very poor and poor households will have been exhausted, and labor opportunities will be limited following the completion of 2019 cultivation activities. From February to March, acute food insecurity outcomes are expected to deteriorate further as poor households in Dowa, Ntchisi, Mchinji and Lilongwe districts in central Malawi and areas in the Shire Highlands livelihood zone in southern Malawi additionally face food consumptions gaps. Crisis (IPC Phase 3) outcomes will widely prevail in south and central Malawi in the absence of humanitarian assistance. In late February/March, poor households may be able to access some green consumption; however, this may be negatively affected by poor rainfall.

SEASONAL CALENDAR FOR A TYPICAL YEAR

About this update

This report covers current conditions as well as changes to the projected outlook for food insecurity in this country. It updates the FEWS NET’s Food Security Outlook, which is published three times per year. Learn more about our work here.