Household food access restricted by atypical maize grain prices increases

July - September 2019

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Key Messages:
Most of the country is currently experiencing Minimal (IPC Phase 1). A few southern areas affected by heavy rains and flooding in early March 2019 and Karonga district in northern Malawi affected by severe dry spells are currently experiencing Stressed (IPC Phase 2). These outcomes will most likely persist through September 2019. Crisis (IPC Phase 3) outcomes are most likely to emerge in October in these areas as most poor households are expected to have limited to no food stocks and rely on markets for food.

Most households are anticipated to continue consuming own foods through at least September. In areas affected by flooding and dryness households are relying on market purchases for food after earning incomes by engaging in labor, selling vegetables, and other self-employment activities. Some households in flood hit areas such as Nsanje and Chikwawa are accessing irrigated crops atypically early, helping to mitigate food security outcomes in the short-term.

Maize grain prices continue to atypically increase across the country. June maize prices in Mitundu, the national reference market, are 11 percent above prices at the same time last year and 13 percent above five-year average. This is the result of increased demand and competition among large-scale traders, including ADMARC. Most of the demand is from traders in southern areas, especially areas impacted by flooding. In some
southern Malawi districts, retail maize prices are already ranging about 40 percent above last year’s prices and about 30 percent above the five-year average.

Tobacco sales, the main method to access foreign currency, continue to be below average both in volume sold and prices. According to the latest Tobacco Commission brief in mid-July, the tobacco volume sold is 21 percent below sold last year and earned income is 32 percent below the same time last year. The below average foreign exchange inflows have resulted in a decrease in the value of the Malawi Kwacha losing from 1USD/735 MWK in early May to 1USD/749 in late July.

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