MALAWI Food Security Outlook July to December 2013

Poor crop production in localized areas and high food prices likely to result in food security Crisis

KEY MESSAGES

- Official third round crop estimates released by the Ministry of Agriculture and Food Security (MoAFS) have projected a national maize production estimate of 3.64 million MTs, comprised of 3.09 million MTs of rain-fed gross maize production and 551,000 MTs from anticipated irrigated gross maize production. Based on the above projections a maize surplus production of 194,000 MTs is expected. However, reduced irrigated harvests look likely and could result in a lower surplus if any.

- Household food security in localized areas in the southern, central, and northern region will likely begin to deteriorate from July to September as a result of low crop yields due to dry spells. It is expected that poor rural households in these areas will begin to deplete their food stocks and incomes from crop sales, resulting in Stressed (IPC Phase 2) acute food insecurity outcomes in some districts in Southern Lakeshore (SLA), Kasungu Lilongwe Plains (KAS), Lower Shire (LSH), Northern Karonga (NKA) Mzimba Self Sufficient (MZS), Middle Shire (MSH), Lake Chilwa-Phalombe (PHA), Rift Valley Escarpment (RFT), and Western Rumphi and Mzimba (WRM) livelihood zones during this period.

- The food security situation is likely going to get worse in these highlighted areas as household stocks run out and staple food prices rise resulting in consumption deficits between October and December. Poor households are likely going to experience food consumption deficits in some districts in KAS, PHA, LSH, NKA, MZS, MSH, LSH, RFT, and SLA livelihood zones during this period.

- Maize prices were generally stable between May and June, but on average 249 percent above last year’s prices and 169 percent above the five-year average. These higher than normal prices are due to the lingering effects of last year’s localized production shocks, macro-economic instability, and high demand despite recent harvests. Given these factors FEWS NET projects that between July and December maize prices will increase.

SEASONAL CALENDAR FOR A TYPICAL YEAR

Source: FEWS NET

This map represents acute food insecurity outcomes relevant for emergency decision-making. It does not necessarily reflect chronic food insecurity.
National Overview

Current Situation

- The 2012/13 agricultural season was characterized by a two to three week delayed start of season in the southern and central regions, erratic rainfall, and an early cessation of rainfall in the surplus central and northern areas. The Mzuzu Agricultural Development Division (ADD), located in the north, reported a reduction of 27 percent in rain-fed maize production as compared to last year. Reports from the Kasungu ADD, located in central region, indicate a 19 percent reduction in total maize production when compared to last year.

- The costs for fertilizer were extremely high this past year, so poor farmers that did not benefit from the government funded Farm Input Subsidy Program (FISP) this season were probably unable to access fertilizers. Additionally, retail maize prices between October 2012 and March 2013 were more than double the previous year’s prices. As a result of these very high prices many poor households started consuming their own maize crops in the field in February, two months before the normal maize harvest in April 2013.

- In July the Ministry of Agriculture and Food Security (MoAFS) released third round agricultural production estimates projecting a gross production of 3.64 million MT and national maize availability at 3.17 million MT, after considering post-harvest losses and opening stocks (2,030 MT). This official gross production figure is just slightly (one percent) lower than the second round estimate released in April 2013 and approximately the same as gross maize production during the 2011/12 season.

- According to the official third round estimates this year rain-fed production accounts for 3.09 million MTs of available maize, while maize from the irrigated farming sector is expected to contribute about 551,000 MTs. However, gross production for irrigated maize this season will likely be reduced because of the low water table available due to erratic rainfall and the early cessation of rains.

- Poor rural households that experienced localized production shortfalls in districts located within KAS and northern districts that are located in MZS, NKA, and WRM livelihood zones are Stressed (IPC Phase 2) and these outcomes are expected to continue through September, as households finish their food stocks and incomes from crop sales. In the southern region some districts in MSH, SLA, PHA, RFT, and LSH livelihood zones are also Stressed (IPC Phase 2) due to reduced food and cash crop production, as well as very high food prices.

- According to the national food balance sheet released by the MoAFS, the annual national maize requirement needed for domestic utilization, including human requirement, livestock, and other uses is 2.98 million MT. The surveys and findings used to inform the feed and industrial usage figures used in this sheet date back to 2004 and may not reflect increased demand in animal feed and brewery activities that have taken place over the past nine years.
Based on third round estimates by the MoAFS, a maize surplus of 194,339 MT is expected after fulfilling the national requirement. However, when considering only the rain-fed maize production (3.1 million MT), since the irrigated crop is yet to be realized, any underperformance on the projected 551,000 MTs of the irrigated crop will reduce this anticipated surplus (Table 1).

National average maize prices were generally stable between May and June, but on average 249 percent above last year’s prices and 169 percent above the five-year average.

In northern Malawi, maize prices decreased by nine percent, following a seven percent increase during the same time last year. However, in all the three geographic regions of the country, average maize prices have remained very high. For instance, average maize prices for June in the north, central, and southern regions were 293 percent, 280 percent and 199 percent, respectively, above maize prices in June 2012. FEWS NET’s analysis shows that some of the current drivers of high food prices include lingering effects of last year’s localized production shocks, macro-economic instability, high production costs associated with the current crop being transferred to consumers, limited supplies due to low production in localized areas, and much higher demand.

Despite the presence of the national maize export ban, informal maize exports between April and June of this year were 39 percent higher than the five-year average during this period. Nearly all of the maize exports (> 90 percent) during this period were recorded at the Malawi-Tanzania border points of Mbirima and Songwe in the northern part of Malawi. The informal maize grain was reportedly destined for the Greater Horn of Africa. In terms of imports, between April and June, Malawi imported only 10,000 MTs. These maize import levels are 57 percent lower than the five-year average. The flow of imports from Mozambique appears to be slowly recovering since coming to a halt last season.

As of mid-July, the National Food Reserve Agency (NFRA) has reported that stocks are only three percent of their targeted level of 30,000 MTs. The national Humanitarian Response Committee (HRC) made recommendations on how to improve the replenishment of maize grain stocks in the Strategic Grain Reserves (SGR) by making price adjustments, expediting payments by the SGR, and securing contract waivers in order to increase the quantities delivered to SGR depots. Through funding commitments from Norway and Ireland, the NFRA was expected to replenish 50,000 MT of maize, however this fixed financial commitment was based last year’s maize grain rate of MWK 80/kg. Given that current prices are more than 200 percent above last year’s, the funds pledged by donors can only cover about 30,000 MT of maize.

Due to the uncertainty of actual level of maize stock in the country, the Malawi Food and Nutrition Security Joint Task Force’s Commercial Maize Sub-Committee recommended that the NFRA take the necessary measures to expedite the replenishment of the SGR. The committee also recommended that the GoM consider the immediate importation of maize required to replenish the SGR. In mid-July, the GoM adjusted the ADMARC selling price of maize from MWK 60/kg to MWK 80/kg, representing an increase of 33 percent for consumers.

An Emergency Food Security Assessment (EFSA) and Nutrition Survey was conducted in KAS, MZS, MSH, WRM, SLA, LSH, NKA, and PHA Livelihood Zones by the Malawi Vulnerability Assessment Committee (MVAC). The assessment was conducted in June, when households are typically consuming food from their harvest. The EFSA findings concluded that:

- 13 percent of households of the targeted population exhibited poor consumption (only maize and vegetables) during the time of the assessment in June 2013.
- 35 percent of the households surveyed exhibited borderline consumption (or diets comprised of only maize, vegetables, and pulses). Such high levels of borderline consumption at harvest time are atypical in Malawi.

<table>
<thead>
<tr>
<th>Table 1: Summary of projected maize production figures.</th>
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<td>Gross Production</td>
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Source: MoAFS
66 percent of the households surveyed were engaging in some form of food related coping in order to access food.

42 percent of the households were spending more than 75 percent of their income on food at harvest time.

**National Level Assumptions**

The Food Security Outlook for July to December 2013 is based on the following national-level assumptions:

**Food production and stocks**

- Based on recent field assessments and DoCCMS reports, FEWS NET is assuming that the 2012/13 gross production in rain-fed areas was adversely impacted by extended dryness and the earlier end to the rainy season, and that gross production levels from irrigated farms will be less than the 550,000 MT that was estimated in the MoAFS third round estimates. Based on third round gross production estimates released by the MoAFS, the projected sorghum production is 87,568 MT and this is 20 percent more than last year. Projected millet production is 39,262 MT or 18 percent higher than last year, while rice production estimates are 155,156 MT, or 13 percent higher than last year.

- Given that current maize prices are more than 200 percent above last year’s, FEWS NET assumes that the NFRA may be able to purchase 60,000-70,000 MT of maize between July and December in order to replenish the SGR. However, the capacity of the SGR to store large quantities of maize remains limited.

**Markets and trade**

- National average maize prices will likely remain very high in the coming months. FEWS NET projects that during the outlook period average maize prices could increase by as much as 20 percent above June level prices between September and December. The current key drivers of high maize prices in Malawi include lingering effects of last year’s localized production shocks, macro-economic instability, high production costs associated with the current crop being transferred to consumers, limited supplies and high demand due to low production in some areas. Low national grain stock holdings may also be contributing to higher than normal prices. The relative stability of the Malawi Kwacha is expected to continue until the conclusion of tobacco sales in August.

- Informal cross border trade between Malawi and neighboring Mozambique, Tanzania, and Zambia is expected to follow normal seasonal trends between July and December despite the maize export ban.

**Labor**

- Based on currently available national crop estimate data, agricultural labor opportunities and wage levels are expected to follow normal trends in most areas during the harvest and post-harvest period between July and September.

- FEWS NET assumes that seasonal rainfall will start according to climatology and will be near average in terms of amount. Based on the median start dates from 2001-2012 for Malawi, the start of season for the southern and central region is assumed to be November, and the start of season for the northern region is assumed to be in December. Based on these dates for the onset of rains, agricultural labor opportunities associated with land preparation and planting for the 2013/14 agricultural season are expected to follow normal trends between November and December.

**Humanitarian assistance**

- No humanitarian assistance has been assumed for the July to December 2013 outlook period.
**Most Likely Food Security Outcomes**

During the next quarter (July-September) the majority of poor rural households across the country are projected to access adequate food from own harvests and will be facing Minimal (IPC Phase 1) outcomes. However, localized production shortfalls and reduced incomes from cash crop sales in some districts in KAS, MZS, WRM, LSH, RFT, PHA, NKA, and MSH livelihood zones are currently Stressed (IPC Phase 2). As households in these localized areas finish their own stocks, they will begin to rely on local market purchases for their basic food needs. With very high retail maize prices expected within the range of 200 percent of average June maize prices, poor households will likely be unable to access adequate food through markets and will be in Crisis (IPC Phase 3) October to December 2013.

**AREAS OF CONCERN**

**Lilongwe Kasungu Plains (KAS)**

According to the 2003 livelihoods baselines, KAS is a primarily maize surplus and tobacco income-based zone. In an average year, the zone produces a surplus of food crops like maize, groundnuts, sweet potatoes, cassava, and soya beans which are sold to Lilongwe for income. Tobacco is also the single most important cash crop in this zone, and at one time was a source of 65-85 percent of income earned across all wealth groups. In recent years, access to tobacco income has changed. As the seed and input costs for tobacco have increased, less poor farmers can afford to produce tobacco. Compared to last season, better-off and middle income households grew more tobacco during the 2012/13 season due to better selling prices, however many poor households were unable to grow tobacco this season because of the very high production costs. The Integrated Production System (IPS), which allows processing companies to enter into contract farming agreements with households with sizable plots, does not benefit poor farming households with smaller tobacco plots.

**Current Situation**

KAS typically has an onset of rains in early December, but during the 2012/13 season the area experienced a slightly delayed onset in mid-December. Seasonal performance was characterized by erratic rainfall as well as an early cessation of rainfall in mid-February instead of mid-April. According to MoAFS reports from the Kasungu Agricultural Development Division (ADD), these reduced moisture levels stunted crop growth and caused wilting in the rain-fed areas, resulting in yields that were approximately 22 percent lower than the previous season across all wealth groups. The June 2013 MVAC field assessment showed that poor households that had less access to resources for rain-fed production experienced a 50 percent decline in production. Low rainfall amounts this season have also resulted in a low water table and this is expected to limit irrigated farming (for upcoming winter harvests) this season in Kasungu ADD. During the harvest the Kasungu ADD reported that about 10 percent of households had finished their own produced stocks, implying that the amount of crops harvested (i.e. maize, ground nuts, beans, cowpeas, tobacco) was small due to early cessation of rainfall in some areas.

Many poor households are already engaging in agricultural ganyu and are being paid the typical rate of MWK 5,000 per acre for cultivation in wetland/dimba gardens in parts of the KAS livelihood zone. Food is available in most local markets in the KAS area but prices are much higher than expected at harvest time. According to the MoAFS/AMIS, average retail maize prices in June for the central region (where KAS is located) was MWK 82.93/kg, and this is 420 percent higher than average prices in June 2012. Retail maize prices in Mponela market in Dowa district were 335 percent above prices during this same time last year. Overall, average maize prices in the central region in June were 45 percent higher than the Government of Malawi (GoM) Minimum Farm Gate Price of MWK 60/kg. Anecdotal reports indicate that household income levels in KAS are not adequate enough to cover the higher cost of living since the depreciation of the Malawi Kwacha in May 2012. In Mchinji district, the EFSA found that 32 percent of households interviewed in the areas were affected by erratic rainfall and the early cessation of rains and as a result were spending more than 75 percent of their income on market purchases for food in June, when households are usually harvesting and consuming their own production. In addition to this, within KAS 61 percent of the households interviewed were already using food-related coping strategies. This assessment also found that a significant proportion (13 percent) of the households in KAS were experiencing poor consumption in June, while 33 percent of the households interviewed reported experiencing borderline consumption during the time of the assessment. Households started to change their diet. Nine percent of the households interviewed were exclusively consuming staple food and vegetables, while 37 percent of the households were also consuming staple food, pulses, and vegetables.
In addition to the national assumptions described above, the following assumptions have been made about KAS livelihood zone:

**Assumptions**

- The availability of root crops like sweet potatoes and cassava will be reduced significantly between July and December due to poor production this season.

- The availability of ground nuts and pulses will be reduced significantly this outlook period due to poor production this season.

- The availability of own produced cereals, including maize, will be reduced by 50 percent this consumption year as a result of reduced production due to poor rainfall performance this season. Based on households interviews in this area, on average households have produced enough food to cover their basic requirements between April and September.

- Tobacco, a key cash crop for KAS, requires a lot of inorganic fertilizers and other chemicals. Due to high inflation last year, tobacco fertilizer prices were very exorbitant, resulting in limited production of tobacco by poor households this season.

- Based on FEWS NET’s integrated analysis approach, between July and December prices in markets in KAS are expected to increase by approximately 20 percent on top of June level prices.

- The lean period is likely to start 3 months earlier than normal (in July) in this area due to the reduced production this season.

**Most Likely Food Security Outcomes**

According to the EFSA findings in Kasungu and Mchinji districts, households typically require 1,650 kgs of maize for the entire consumption year, but this season households harvested 541 kgs of maize on average. These findings imply that poor households in these areas will only have enough food from their own production to last a maximum of six months (from April to September). From September onwards, most poor households in these areas will have to meet food needs through market purchases. Although access to income from non-agriculture ganyu are expected to be normal during this outlook period, food prices are already three to four times more than they were last year and these prices are expected to continue to rise, resulting in constrained food access for some households. When the EFSA was carried out in June, 61 percent of the households interviewed in KAS were already using food-related coping strategies. Based on the EFSA findings some households have started to change their diet. Nine percent of the households interviewed were exclusively consuming staple food and vegetables, while 37 percent of the households were also consuming staple food, pulses, and vegetables.

Based on this information, FEWS NET projects that poor households in 17 out of the 50 Extension Planning Areas (EPAs) in KAS livelihood zone (approximately 30 percent of the population) will be Stressed (IPC Phase 2) between July and September. Poor households will be able to cover their basic food needs, but they may not be able to afford some essential non-food items. The food security situation is likely going to deteriorate in these EPAs once poor households finish their food stocks and are unable to purchase enough food in the markets in order to meet their basic food needs due to extremely high prices. With the onset of the rains for the start of the 2013/14 agricultural season, ganyu availability should be at normal levels. However, with expected food price increases of between 20 and 48 percent between July and December, FEWS NET expects that poor households in this area will likely be in Crisis (IPC Phase 3).

**Mzimba Self Sufficient Livelihood Zone (MZS)**

The MZS zone is a relatively diversified zone, with food and income generated from a variety of sources. Good yields are typically obtained for a range of crops, of which maize and cassava are the most important. There are three main sources of income for the zone and these include the sale of food crops, livestock, and tobacco. Cattle holdings are significant, with most households (excluding the poor wealth group) owning from 1-15 animals. All wealth groups in this zone typically grow...
tobacco. However, the amount of tobacco grown is in smaller quantities than other tobacco growing areas in the country, so households are not dependent on just one crop.

Current Situation

The 2012/13 harvest in May was compromised by the late onset in late December (normally early December), erratic rainfall, as well as an early cessation of rains. All of these factors contributed to low moisture levels which resulted in the premature drying of crops, especially maize. According to Mzuzu ADD reports, at harvest time some of the crops were completely destroyed and approximately 2 percent of households did not have any food from their own production this season. Anecdotal reports from a recent FEWS NET field assessment show that there was an also abnormally high level of green maize consumption earlier this year due to the inability of households to access maize in local markets because of the very high prices.

In MZS, the EFSA found that 31 percent of households interviewed in the areas were affected by erratic rainfall and the early cessation of rains and as a result were spending more than 75 percent of their income on market purchases for food in June, when households are usually harvesting and consuming their own production. Additionally, 58 percent of the households in MZS were already using food related coping strategies. The assessment also found that 3 percent of households in MZS were eating meals made of exclusively of staple food and vegetable, exhibiting poor consumption. Household consumption involving staple food, pulses, and vegetables was being practiced by 29 percent of these same households. Many poor households are already engaging in agricultural ganyu and were being paid the typical rate of MWK 3,000 per acre for cultivation in wetland/dimba gardens in some parts of the MZS livelihood zone.

Maize grain prices in this area continue to be abnormally high. Maize is locally available on the market but the average price reported by MoAFS/AMIS showed that average maize prices in June at Embangweni market 346 percent higher than prices in June 2012. Anecdotal reports from a recent FEWS NET field assessment in these two zones show that there were abnormally high levels of green maize consumption due to the inability of households to buy maize in local markets because of the very high prices.

In June, the FEWS NET Informal cross border trade monitoring system recorded atypical maize imports from Zambia into Mzimba district through Mqocha border. Normally commodities including maize flow out of Mzimba into Zambia around harvest time. This indicates production shortfalls and could also signify earlier purchases and stronger maize demand among households in this area.

Assumptions

In addition to the national assumptions described above, the following assumptions have been made about MZS livelihood zone:

* The availability of own produced cereals, including maize, will be reduced 27 percent this consumption year as a result of reduced production due to poor rainfall performance this season. Based on households interviews in this area, on average households have produced enough food to cover their basic requirements between April and August.

* Staple crop sales will be reduced significantly during the outlook period due to reduced production in staples including maize, as a result of erratic rainfall and the early cessation of rains.

* Based on FEWS NET’s integrated analysis approach, abnormally high prices in markets in MZS are expected to continue throughout the outlook period (July-December). Maize prices in MZS markets could be as high as approximately 32 percent above June level prices. According to the African Commodity Exchange (ACE) market platform reports, traders are already purchasing maize at prices as high as MWK 122/kg in July, so the price of MWK 218/kg is likely by December if the prevailing high demand and low supply conditions continue through the outlook period.

Most Likely Food Security Outcomes

According to the EFSA findings in Mzimba district, households typically require 1,650 kgs of maize for the entire consumption year, but this season households harvested 421 kgs of maize on average. These findings imply that poor households in these areas will only have enough food from their own production to last for five months (April to August).
When the EFSA was carried out in June, 58 percent of households interviewed were already using food related coping strategies. The most commonly employed coping strategy across this area was the reliance on less expensive foods (77 percent) followed by reduction in number of meals consumed per day (55 percent) and limiting portion sizes at meal times (53 percent). The food consumption situation is likely to worsen as the season progresses into the July to December period. Although access to income from non-agriculture ganyu are expected to be normal during this outlook period, food prices are already three times more than they were last year and these prices are expected to continue to rise, resulting in constrained food access for some households.

Based on this information, FEWS NET projects that poor households in in all eight EPAs in MZS livelihood zone (approximately 30 percent of the population) will be Stressed (IPC Phase 2) between July and September. Poor households will be able to cover their basic food needs, but they may not be able to afford some essential non-food items. The food security situation is likely going to deteriorate in these EPAs once poor households finish their food stocks and are unable purchase enough food in the markets in order to meet their basic food needs due to extremely high prices. With the onset of the rains for the start of the 2013/14 agricultural season, ganyu availability should be at normal levels. However, with expected food price increases between October and December, FEWS NET projects that poor households in this area will likely be in Crisis (IPC Phase 3).

**OTHER AREAS OF CONCERN**

**Southern Lakeshore Plain (SLA) Livelihood Zone (parts of Mangochi, Salima and Dedza districts)**

**Most Likely Food Security Outcomes**

A combination of a delayed start of season and flooding affected agriculture production in SLA this season. Flooding earlier this year affected approximately 3,085 households in districts in SLA and approximately 10 percent of the crops in the flood affected areas crops were completely washed away. Between April and June, WFP distributed humanitarian food assistance to the 3,085 households that were directly impacted. In addition to the flooding earlier this year, some of the same communities in SLA were affected by extended dry spells in February and March, resulting in some crops wilting. Based on household interviews conducted in Mangochi district for the EFSA, on average 346 kgs of maize was harvested for this consumption year. Based on the average household requirement of 1,650 kgs, this amount is likely enough to cover household consumption for four months (April–July). At the time of this assessment in June, 30 percent of households were spending more than 75 percent of their income on market purchases for food. In addition to this, within SLA 66 percent of households were already using food-related coping strategies in June. The most commonly employed coping strategy across the districts in SLA were reliance on less expensive foods (77 percent), reduction in the number of meals consumed per day (55 percent), and limiting portion sizes at meal times (53 percent). The consumption situation is likely to worsen as the season progresses into the July to December period. Based on this information, FEWS NET projects that poor households in this area will be Stressed (IPC Phase 2) between July and September, since the majority of households reported in June that they were limiting portion sizes and reducing the number of meals consumed. Based on FEWS NET’s integrated analysis approach, maize prices for markets in SLA are projected to increase to levels that are approximately 32 percent higher than prices observed in June. With these expected higher prices, poor households will likely be unable to access adequate quantities of food once the lean season begins. Poor households in this area will likely be in Crisis (IPC Phase 3) during the October–December period.

**Middle Shire (MSH) Livelihood Zone (parts of Blantyre, Balaka and Zomba districts)**

**Most Likely Food Security Outcomes**

In general household production in MSH was better than in previous years; however some EPAS in this zone (Chipande, Phalula, Mpilisi, U tale, Ulongwe, Bazale, and Rivirivi) experienced production shortfalls due to crop damage because of flooding and erratic rainfall. MoAFS officers have estimated that consumption from own produced staple stocks in these areas may only cover household consumption needs up until October. Pulse production is estimated to be reduced by half this season. Irrigation potential is limited to areas near streams in MSH, so it is possible that some winter maize cropping will be available before November. While cotton is the major cash crop in this livelihood zone, crop performance was generally below average this season due to the late delivery of seed and chemicals to farmers.
Based on household interviews conducted for the EFSA, on average 303 kgs of maize was harvested by poor households for this consumption year. Based on the average household requirement, this amount is likely enough to cover household consumption for four months (April-July). At the time of this assessment in June, 37 percent of households were spending more than 75 percent of their income on market purchases for food. It is likely most of these were poor households that were facing the most production constraints in the previous 2011/12 season. In addition to this, within MSH, 54 percent of households were already using food-related coping strategies in June. The most commonly employed coping strategy across the districts in MSH were reliance on less expensive foods, reduction in the number of meals consumed per day, and limiting portion sizes at meal times. In June, maize prices were 332 percent above prices in June 2012.

Based on high amounts of household income spent on purchasing food instead of investing in asset accumulation, insufficient quantities of staple maize produced, consumption levels and the high number of households already using some coping mechanisms at harvest, FEWS NET projects that poor households in this area will be Stressed (IPC Phase 2) between July and September. Expected higher food prices, compounded with reduced incomes from cotton, are expected to continue to limit poor household access to food through markets. Crisis (IPC Phase 3) acute food insecurity outcomes are projected among poor households between October and December as the situation worsens.

**EVENTS THAT MIGHT CHANGE THE OUTLOOK**

**Table 1.** Possible events over the next six months that could change the most-likely scenario.

<table>
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<tr>
<th>Area</th>
<th>Event</th>
<th>Impact on food security outcomes</th>
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<tbody>
<tr>
<td>KAS, MZS, MSH, WRM, SLA, LSH, NKA, RFT and PHA Livelihood zones</td>
<td>Steeper depreciation of the Malawi Kwacha when the tobacco selling season closes in August, triggering high inflation similar to the one experience after the devaluation in May 2012 to April 2013.</td>
<td>This would create pressure on fuel prices and can result in increased transportation costs which will make staple food commodities more expensive.</td>
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<td>GoM and other agencies implementing a timely and adequate humanitarian response between October and December.</td>
<td>Poor households in all the areas projected to experience food insecurity able to meet food needs.</td>
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<td>Depleted foreign currency reserves resulting in poor economic performance.</td>
<td>Slower or delayed national importation of fertilizer, fuel and humanitarian maize this year.</td>
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**ABOUT SCENARIO DEVELOPMENT**

To project food security outcomes over a six-month period, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes those assumptions in the context of current conditions and local livelihoods to develop scenarios estimating food security outcomes. Typically, FEWS NET reports the most likely scenario.