

Price Monitoring and Analysis Country Brief

Malawi

May 2010

Key Messages

- In recent months staple food prices gradually decreased and remained relatively low compared to one year earlier.
- Prolonged drought adversely affected production in southern districts and the number of people in need of food assistance is expected to rise.
- Food security is considered favourable in the country apart from southern districts, but agencies evaluate a moderately high and serious scale of hunger in the long term.
- The government is implementing an input subsidies programme which resulted in increased production in the last years.

Background

In Malawi total population was 14.27 million in 2008. Of these 73% were living with less than 1\$ PPP per day and 29% were reported as undernourished.

Economic Indicators	View Data
Total Population - 2008 (WB)	14278404
Population growth rate - 2008 (WB)	2%
GNI per capita, \$ PPP - 2008 (WB)	830
Population below 1\$ PPP per day - 2004 (MDGI)	73%
Rural population - 2007 (WB)	82%
Agriculture, value added (% of GDP) - 2008 (WB)	34%

Food Consumption	
Undernourished Population - 2005 (FAO)	29%
Cereal share in total dietary energy consumption - 2005 (FAO)	56%
Meat share in total dietary energy consumption	n.a.

Health Indicators	
Pop. with sustainable access to improved sanitation - 2006 (WHO)	60%
Life expectancy at birth (years) both sexes - 2006 (WHO)	50
Pop. with access to improved drinking water sources - 2006 (WHO)	76%
Prevalence of HIV among adults aged >= 15 years - 2005 (WHO)	12%

Prices

Maize retail prices in Lilongwe markets have registered a stable trend at around 44.3 MWK/K between Dec 09 and Feb 2010. Prices are relatively low compared to prices in January/February 2009 (72 MWK/K). The average selling price of maize in April 2010 at local market was 40.10 MK/kg compared to March average of 44.86 MK/kg. In the Southern region, prices have followed an upward trend in January and February, registering 51 MWK/K in Nsanje markets, but then decreased again to 45.5 MWK/k in March and 38.92 MWK/K in April. Compared to international prices of US Maize No2 Yellow which was at 162.35 USD/T in February, Lilongwe maize prices were 78% higher (289.56 USD/T).

Natural Disasters, Drought and Conflicts

Food security in Southern and Central regions, especially in Chikhwawa and Nsanje districts, has been adversely affected by extended drought from December to late January 2010 which resulted in a failed agricultural season. Recent field assessments in the two districts show that all field crops have failed and nearly all farmers had no harvest at all in April 2010. Although these areas received heavy rains in February, the crop situation has not improved. The Government has requested WFP to extend the food assistance programme until the end May.



Refugees and IDPs	2006	2007	2008
Total in the country	9188	9711	10716
Total outside the country	159	8287	8316

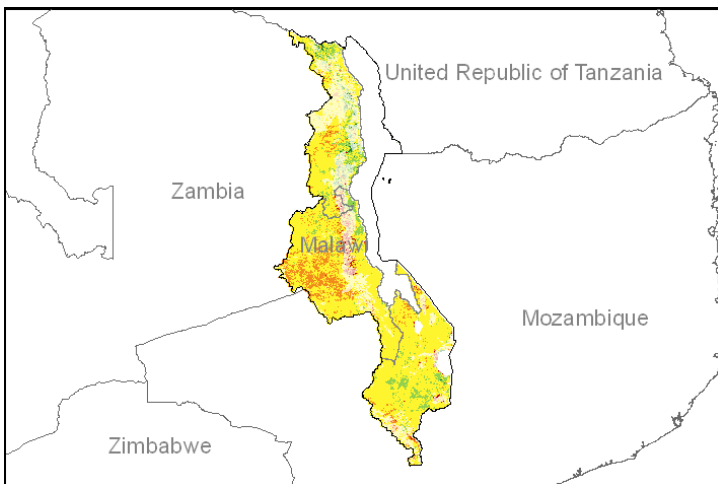
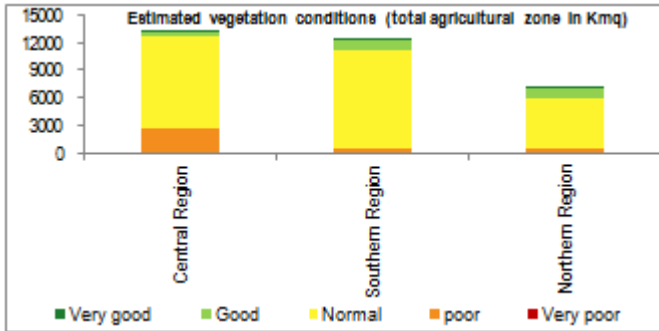
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

Disaster Type (last year)	Date	Location	Alert
Earthquake	2009-12-19	NorthernProvin.	2/3
Earthquake	2009-12-08	NorthernProvin.	2/3
Earthquake	2009-12-06	NorthernProvin.	2/3

Source: Global Disaster Alert and Coordination System - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Vegetation Condition

At the end of the rainy season, normal vegetation conditions are observed for the major part of the country with some concerns for the Central region province where poor conditions are observed. The indicator of vegetation condition is the relative difference between the NDVI for April 2010 and the average of the last 10 years on the agricultural zones derived from the GLOBCOVER database.



Source: JRC MARS & FoodSec

Food Security Situation

The Malawi Vulnerability Assessment Committee MVAC report is expected to be released shortly; however it is anticipated that about 1 million people in the southern region will require assistance from July 2010 to March 2011. On the other hand, the food security of the country remains favourable in the short term. WFP and IFPRI estimate moderately high and serious hunger in the long term.

CURRENT EMERGENCY ASSESSMENT

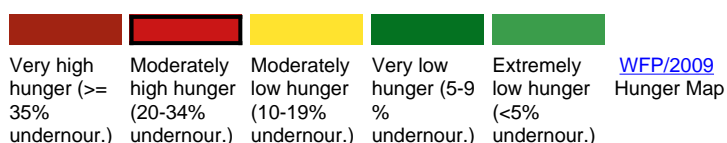
Malawi is not part of the countries in crisis requiring external assistance

[FAO/GIEWS CPFS 2010](#)

Despite prolonged dry spells which affected the whole country, Malawi is set to realize another maize production surplus year. Maize in southern Malawi has started drying and many farmers have started harvesting ...[more](#)

[FEWSNET](#)

SCALE OF HUNGER



[WFP/2009 Hunger Map](#)



[IFPRI/2009 GHI](#)

Food Balance Sheet

The 2010 maize production was estimated at 2.9 million tonnes, some 20% less than the 2009 output, (3.6 million tonnes). Same decrease is projected for total cereal production: 3.1 million compared to 3.8 million of 2009. However, despite the prolonged dry spells, another maize production surplus is expected.

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Maize	2737	3662	2943	-20
Rice (paddy)	99	131	103	-21
Sorghum	51	59	37	-37
Others	30	30	23	-23
Total	2917	3881	3106	-20

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Source: [GIEWS Country Briefs](#)

Government Policies

The Govt implemented a large input subsidy programme. The National Food Reserve Agency and ADMARC are expected to mitigate impacts of reduced production with maize stock. The maximum selling price approved by the Govt (MWK/K60) is higher than market price to support farmers. The Govt is expanding social cash transfer scheme as part of the National Social Protection Policy and providing food aid with WFP.

Consumer and market oriented measures	Built up stocks.
Producer oriented measures	Input subsidy programme; increase minimum price for producers.
Trade policy measures	n.a.
Safety net (increased or introduced)	Food assistance; Cash transfers.

Different sources

Current events to watch (Click to see the full report)

- [MALAWI: Malawi moves to adopt WHO guidelines](#)
- [MALAWI: Enough to eat despite an uneven harvest](#)
- [MALAWI: PMTCT battles missing drugs, missing moms](#)
- [MALAWI: Clinics dispel male circumcision myths](#)
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