



USAID
FROM THE AMERICAN PEOPLE

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE (DCHA)
OFFICE OF U.S. FOREIGN DISASTER ASSISTANCE (OFDA)

MALAWI – Food Insecurity

Situation Report #1, Fiscal Year (FY) 2006

November 14, 2005

BACKGROUND

Poor rainfall across Malawi’s Southern, Central, and Northern regions during the critical maize development and maturation period in February and March 2005, combined with inadequate supplies of fertilizer, adversely affected the country’s 2004/2005 maize crop, the primary staple food. As a result, Malawi produced approximately 1.2 million metric tons (MT) of maize during the 2004/2005 agricultural season—36 percent less than the recent 5-year production average. The worst-affected districts were in the Southern and Central regions. A Malawi Vulnerability Assessment Committee (MVAC) mission in April and May 2005 reported that the country faces a cereal gap of between 400,000 and 450,000 MT and, depending on maize price increases, will require between 272,000 and 424,000 MT of food entitlements and international food assistance. The MVAC estimated that between 4.2 and 4.6 million Malawians will require food, agricultural inputs, livelihood, or cash assistance through the next harvest in March 2006. Other factors, such as endemic poverty of nearly 60 percent of the population, a national HIV/AIDS rate of more than 14 percent, and 11 to 13 percent increases in the prices of petrol and diesel, have exacerbated the food emergency in Malawi.

NUMBERS AT A GLANCE		SOURCE
Food Insecure Population	Between 4.2 million and 4.6 million	MVAC – May 2005
Required Food Entitlement Assistance	Up to 424,000 MT	MVAC – May 2005

Total FY 2006 USAID/OFDA Assistance to Malawi\$845,678
Total FY 2006 U.S. Government (USG) Humanitarian Assistance to Malawi\$16,641,574

Total FY 2005 USAID/OFDA Assistance to Malawi\$400,000
Total FY 2005 U.S. Government (USG) Humanitarian Assistance to Malawi\$20,183,467

CURRENT SITUATION

Humanitarian situation worsens. On October 15, President Bingu wa Mutharika declared a food crisis across all 28 districts of Malawi and reported that the country will need to assist 4.6 million people through the March 2006 harvest. While the early stages of the food crisis affected the densely populated Southern Region and parts of the Central Region, the Malawi Ministry of Agriculture, Irrigation, and Food Security reported in November 2005 that between 44 and 50 percent of farming households in the north face acute food shortages. The MVAC is currently being updated, and results from the revision will be released in late November.

Rising food prices. Following the poor harvest from March to July, maize prices in Malawi rose in July and August by as much as 37 percent above the previous year’s prices, according to the U.N. World Food Program (WFP). A sharp decline in informal grain imports from Mozambique, due to a reduced harvest and increasing grain scarcity in border provinces, contributed to price increases in Malawi’s Southern Region.

On September 30, WFP reported that the price of maize continued to escalate weekly, leaving fewer Malawians able to purchase maize from local markets. USAID’s Famine Early Warning Systems Network (FEWS NET) and WFP reported in October that maize, primarily

imported from Mozambique and Tanzania, is available in local markets but unaffordable to most Malawians.

The inability to purchase maize has led many families to resort to coping mechanisms several months earlier than usual, according to both WFP and FEWS NET. Coping mechanisms include selling household possessions and livestock, eating one meal a day, migrating to tobacco estates in Central and Northern regions, removing children from school to work in the fields, selling firewood, and foraging for wild foods.

Government of Malawi (GOM) maize subsidies.

Although the Malawi Agricultural Development and Marketing Corporation (ADMARC) sells grain at subsidized prices, excess demand in 2005 and lack of grain reserves have limited the amount of maize available through subsidized sales. In addition, confusing GOM subsidy policies have again sent conflicting signals to the private sector grain and fertilizer markets, adversely affecting the availability of seed and fertilizer for commercial and subsistence farmers. WFP reported on September 23 that ADMARC depots have begun to ration subsidized maize to 10 to 25 kilos per person per day. To date, one kilogram of maize costs 17 kwacha (\$.14) in an ADMARC depot and more than 30 kwacha (\$.25) in unregulated markets in the Southern Region.

In late September, FEWS NET reported that the GOM had issued tenders to purchase more than 100,000 MT of maize to replenish the strategic grain reserves. According to USAID/Malawi, the GOM plans to issue tenders within the next month to import an additional 30,000 MT of maize by January 2006 for ADMARC sale and humanitarian distribution.

Ganyu. Seasonal *ganyu*—casual agricultural labor in exchange for food or cash—is the main source of income for poor households in Malawi. Because the planting season commences in November, vulnerable and food-insecure families had few opportunities from July through October to earn money through *ganyu*. According to FEWS NET, the early hunger season in 2005 increased the number of households seeking *ganyu*, while the lack of agricultural inputs decreased the number of large-scale farmers able to offer *ganyu*. FEWS NET predicts that as a result the oversupply of labor will cause wages to drop while maize prices continue to rise. In addition, households will be forced to devote more time to *ganyu* rather than preparing their own fields for the 2005/2006 planting season.

Health and Nutrition. As grain prices continue to increase beyond the means of food insecure households, malnutrition rates are rising countrywide. According to the U.N. Children's Fund (UNICEF), a national nutrition surveillance report in August 2005 indicated that some districts in Malawi have Global Acute Malnutrition (GAM) rates of 16 to 17 percent for children under five years of age. On October 7, WFP reported that compared to the same period in 2004, admissions to Nutritional Rehabilitation Units (NRUs) in August 2005 were higher by 41 percent in Central Region, 24 percent in Southern Region, and 15 percent in Northern Region. According to the WFP, admissions to NRUs continued to rise through October.

From August 28 to September 4 and from October 3 to 6, two USAID assessment missions visited NRUs in the districts of Nsanje and Phalombe in the Southern Region. Staff from USAID/Malawi and USAID/DCHA reported numerous signs of malnutrition, including edema and kwashiorkor. The assessment teams raised concerns that existing food rations, consisting only of maize rather than including pulses and vegetable oil, will not alleviate malnutrition in children suffering from a lack of protein. WFP reported on November 4 that corn-soya blend (CSB), vegetable oil, and pulses may be included in December food distributions.

The U.S. Embassy in Lilongwe reported that the Malawi Ministry of Health and UNICEF will conduct nutritional surveys in November in the worst-affected areas. Results should be available in late December.

HIV/AIDS. An estimated 500,000 children in Malawi have been orphaned because of HIV/AIDS, and more than 14 percent of the population is thought to be infected with HIV, according to UNICEF. Food insecurity and

poor nutrition exacerbate the vulnerability of Malawians with HIV/AIDS, reducing the effectiveness of HIV/AIDS treatments and exposing persons living with HIV/AIDS to additional health risks. According to UNICEF, rising food insecurity also increases the risk of exposure to HIV.

Food distribution and international assistance. The GOM in coordination with the U.K. Department for International Development (DFID) and WFP each oversee one of the two main pipelines for emergency food assistance in Malawi. Responding to the escalating food emergency, WFP, which had begun targeted food distributions in April, increased the target number of beneficiaries from 2 million to nearly 3 million people on October 7, 2005. Based on the initial MVAC estimate of 4.2 million people requiring assistance, FEWS NET reported in late October that 100 percent of targeted beneficiaries will be covered through December.

On August 30, 2005, the U.N. launched a consolidated “smart” flash appeal for \$88 million for Malawi, to address the immediate and longer-term needs of food insecurity, nutrition, health, prevention of sexual exploitation, and HIV/AIDS interventions.¹ In late October, the appeal increased to \$98.3 million. The U.N. Office for the Coordination of Humanitarian Affairs (OCHA) reported on November 4 that international donors have committed \$31.1 million—approximately 32 percent of the requested amount—to projects listed in the appeal. In addition, international donors have committed more than \$63.4 million in bi-lateral assistance to projects not listed in the Malawi flash appeal, including nearly \$18.4 million from the U.K. for 70,000 MT of maize and \$37 million from the World Bank to support seed and fertilizer subsidies for the 2005/2006 agricultural season.

Additional GOM actions to address food insecurity. To mitigate against escalating food shortages and ensure sufficient inputs for the 2005/2006 season, President Mutharika banned the export of maize and fertilizers in late July 2005. President Mutharika also established the Feed the Nation Fund, a mechanism through which local Malawians can donate available resources to feed affected households. To date, the Fund has raised approximately \$412,000, according to FEWS NET. To address the inaccessibility of agricultural inputs, in September the GOM introduced fertilizer and seed subsidies for smallholder farmers who grow maize, tobacco, and cotton. While the subsidies have successfully rendered inputs affordable for some farmers, FEWS NET questions whether the programs will reach all intended beneficiaries in time for the 2005/2006 planting season.

¹ In contrast to a flash appeal that addresses only immediate relief needs, the U.N.'s “smart” appeal seeks funding for both immediate humanitarian needs and longer-term government response to minimize the likelihood of recurring emergencies in subsequent years.

USG HUMANITARIAN ASSISTANCE

On October 19, 2005, U.S. Ambassador Alan Eastham redeclared a disaster in Malawi due to ongoing food insecurity. In FY 2005, the USG provided nearly \$21.2 million in humanitarian assistance to Malawi. To date in FY 2006, the USG has allocated more than \$16.6 million in humanitarian assistance to Malawi.

USAID/OFDA responded to the rising acute malnutrition in Malawi by funding programs in the areas of food security, nutrition, and agriculture. In FY 2005, USAID/OFDA provided \$400,000 to UNICEF to treat more than 20,000 malnourished children in Malawi. To date in FY 2006, USAID/OFDA has committed nearly \$840,000 to Catholic Relief Services (CRS) for seed fair programs that will supply inputs to vulnerable households for the 2005/2006 agricultural season. In November, a USAID/OFDA nutrition specialist and USAID/OFDA regional advisors for Southern Africa together with other implementing partners will conduct a health and nutrition assessment in affected areas.

In FY 2005, USAID's Office of Food for Peace (FFP)

contributed 29,360 MT of P.L. 480 Title II emergency food assistance valued at approximately \$20.8 million to WFP's Protracted Relief and Recovery Operation (PRRO). To date in FY 2006, USAID/FFP has allocated to WFP's PRRO in Malawi 23,000 MT of P.L. 480 Title II emergency food assistance valued at approximately \$15.8 million. The commodities provided by USAID/FFP include a combination of corn meal, oil, beans, CSB, and sorghum.

To address long-term food security in Malawi, in FY 2005, USAID/FFP and USAID/Malawi provided more than 10,530 MT of P.L. 480 Title II development food assistance valued at approximately \$10.8 million to Improving Livelihoods Through Increased Food Security (I-LIFE), a consortium of seven non-governmental organizations (NGOs) led by CRS. I-LIFE provides free food and other safety nets to vulnerable households with orphans or HIV/AIDS patients, oversees food-for-work programs, manages capacity building initiatives, and conducts health and nutritional assessments. In FY 2006, USAID/FFP has allocated to I-LIFE an additional 13,910 MT of P.L. 480 Title II development food assistance valued at approximately \$13.3 million.

U.S. GOVERNMENT HUMANITARIAN ASSISTANCE TO MALAWI

<i>Implementing Partner</i>	<i>Activity</i>	<i>Location</i>	<i>Amount</i>
FY 2006 (to date)			
USAID/OFDA ASSISTANCE¹			
CRS	Food security and agriculture	Countrywide	\$838,178
Administrative	Nutrition and health assessment	Countrywide	\$7,500
TOTAL USAID/OFDA			\$845,678
USAID/FFP ASSISTANCE²			
WFP	23,000 MT of P.L. 480 Title II Emergency Food Assistance	Countrywide	\$15,795,896
TOTAL USAID/FFP			\$15,795,896
TOTAL USAID HUMANITARIAN ASSISTANCE TO MALAWI IN FY 2006			\$16,641,574
TOTAL USG HUMANITARIAN ASSISTANCE TO MALAWI IN FY 2006			\$16,641,574
FY 2005			
USAID/OFDA ASSISTANCE			
UNICEF	Nutrition	Countrywide	\$400,000
TOTAL USAID/OFDA			\$400,000
USAID/FFP ASSISTANCE			
WFP	29,360 MT of P.L. 480 Title II Emergency Food Assistance	Countrywide	\$20,783,467
TOTAL USAID/FFP			\$20,783,467
TOTAL USAID HUMANITARIAN ASSISTANCE TO MALAWI IN FY 2005			\$21,183,467
TOTAL USG HUMANITARIAN ASSISTANCE TO MALAWI IN FY 2005			\$21,183,467

¹ USAID/OFDA funding represents anticipated or actual obligated amounts as of November 14, 2005

² USAID/FFP values are based on an average value of \$687 per metric ton and contributions are made to the Southern Africa Region and are not country specific.



Ken Isaacs
 Director
 Office of U.S. Foreign Disaster Assistance