



STATUS OF FOOD SECURITY

THE CASE OF MALAWI

**Charles Mataya – Bunda College,
University of Malawi, Lilongwe**

BACKGROUND

- **Malawi is among the most food insecure countries in the world.**
- **According to UNDP(2004) only 12 of all 174 countries reporting fell below Malawi on the Human Development Index, and**
- **Half of these countries were recovering from conflict and state failure.**

BACKGROUND - cont

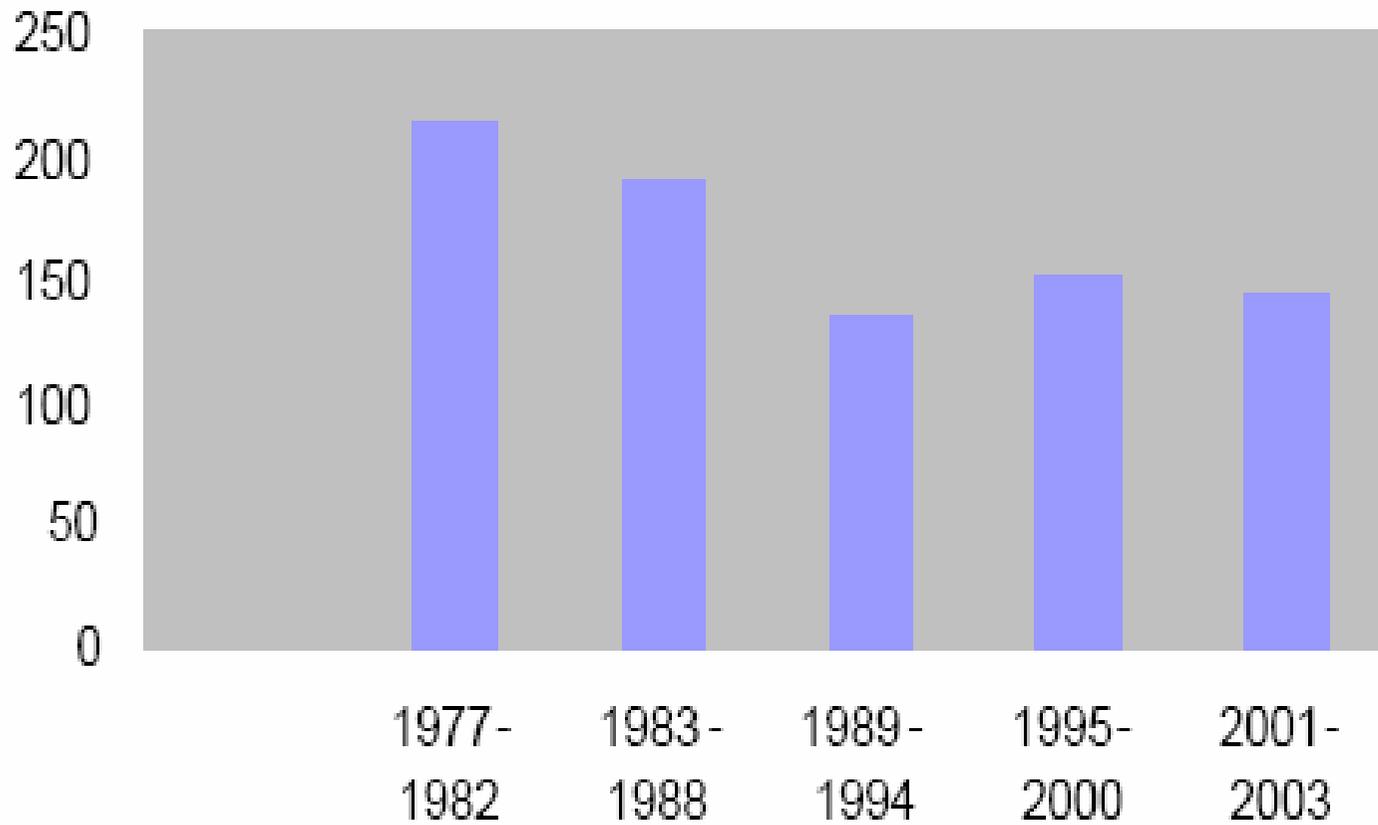
- **20 years after independence in 1964, Malawi was fully capable of producing all the food it needed.**
- **The country is now in a near constant state of food shortage with persistently high levels of nutritional deprivation.**

STATUS OF FOOD SECURITY

- **Maize is the dominant crop covering about 60% of arable land.**
- **Production of maize has significantly fluctuated over the years.**
- **In 1999 and 2000 production was around 2.3 million mt; this was due to starter pack.**
- **In 2001 and 2002 production was around 1.6 million mt.**

MAIZE PRODUCTION TREND

Maize Production
Kg/person (5 year averages)



Source: Steve Carr, 2005

Periods

STATUS OF FOOD SECURITY- cont

- **In 2003 and 2004, the country experienced shortfall between 250,000 to 400,000 mt.**
- **In 2005/06 production is estimated at 2,3 million mt – too early to celebrate?**
- **Maize production is predominantly under smallholder farmers.**
- **Grain milling is dominated by one large company.**
- **There is a large number of small hammer millers whose capacity is limited during low production periods.**

POLICY STANCE

- **Malawi liberalized agricultural markets except maize marketing.**
- **The Government has continued to interfere in food and input marketing to maintain low prices**
 - **2005/06 Maize Price fixed at (MK17/kg) US\$123/mt.**
 - **Market Price – Jan – March \$289-\$362/mt**
- **This has been at the expense of producers and input traders.**
- **Banning of exports.**

STRATEGIES TO AVERT HUNGER

- **Malawi requires 2,173,600 – 2,654,080 mt of food in maize equivalents.**
- **During the past 5 years the country has experienced a shortfall in food of approximately 450,000mt.**
- **On average Government imports 250,000 mt of maize for commercial distribution.**
- **Limited quantities of maize are imported by the private sector (2005 estimate – 70,000 mt)**

STRATEGIES TO AVERT HUNGER

- cont

- **Humanitarian distribution of food covers part of the shortfall (food aid).**
- **Free distribution of inputs (1999-2004)**
- **Public Works Program – cash, food and inputs for work.**
- **Promotion of cassava production.**
- **Promotion of irrigated winter of maize.**

2005/05 FOOD SECURITY PLANS

Free Distribution	Quantity (mt)
Ex-SGR	6,000
Imports - Donors	42,000
Option to Import	40,000
Humanitarian Relief	31,000
Commercial	68,000
Total	241,000

CHALLENGES TO DESIGNING STRATEGIES

- **No consensus on extent of food insecurity and vulnerability**
 - Gov relies on crop estimates and donors rely on VAM
- **Distrust between Gov and private sector.**
- **Dependence on maize.**
- **Dependence on rain-fed agriculture.**
- **Donor influence.**
- **Rent seeking.**

NEGATIVE EFFECTS OF POLICY INTERVENTIONS

- **Drain on foreign exchange and government budget.**
 - For example, out of 235,000 mt of commercial maize imported in 2003, only 41,433 mt were sold.
- **Macroeconomic instability – inflation.**
- **Increased risk to private sector to invest in input and output marketing.**
- **Increased instability in Input and output marketing resulting is wild price fluctuations.**

NEGATIVE EFFECTS OF POLICY INTERVENTIONS-cont

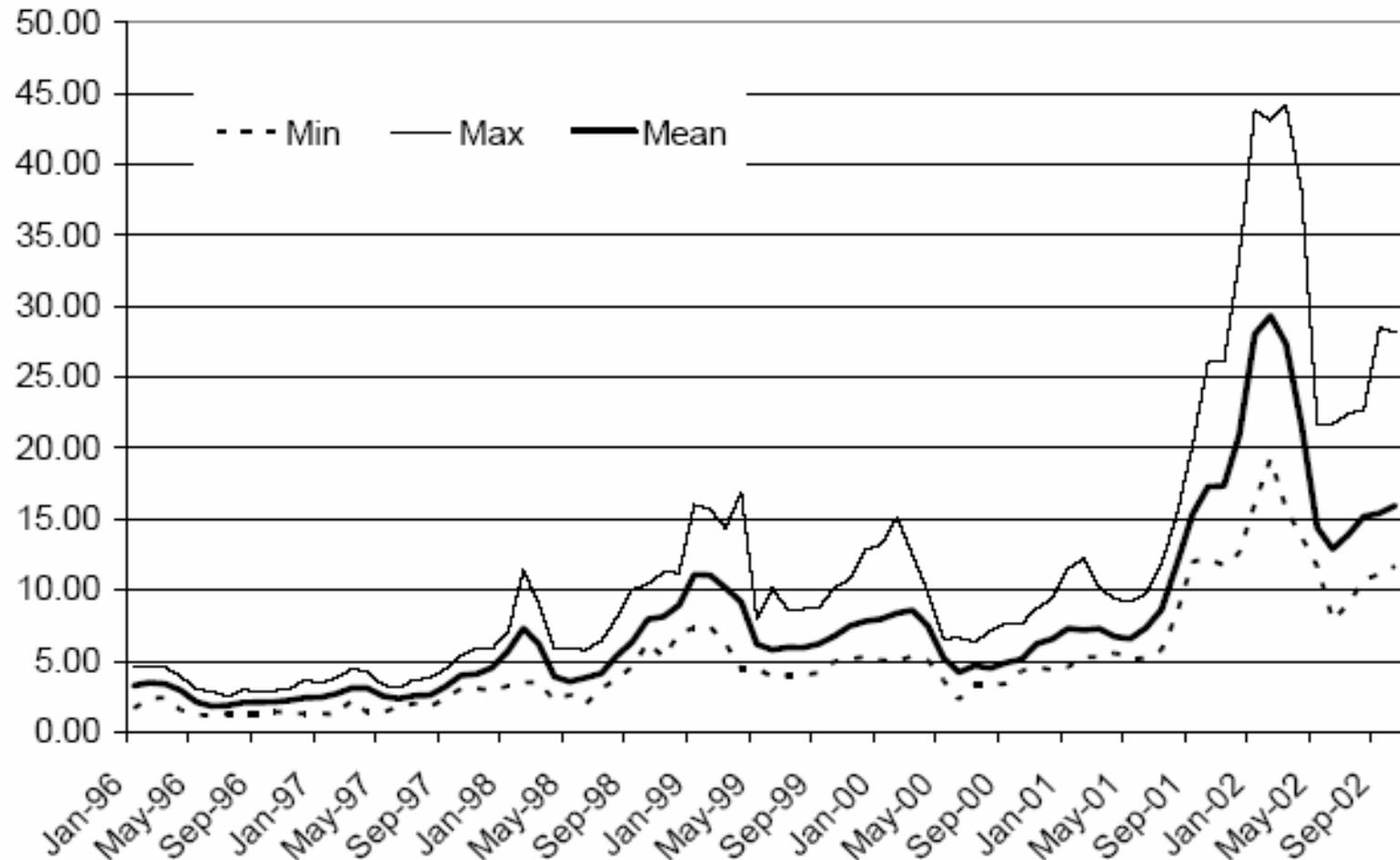


Figure 2: Nominal wholesale maize prices, May 96- October 03, Malawi Kwacha per kilogram (Source: FEWS NET, Malawi)

NEGATIVE EFFECTS OF POLICY INTERVENTIONS-cont

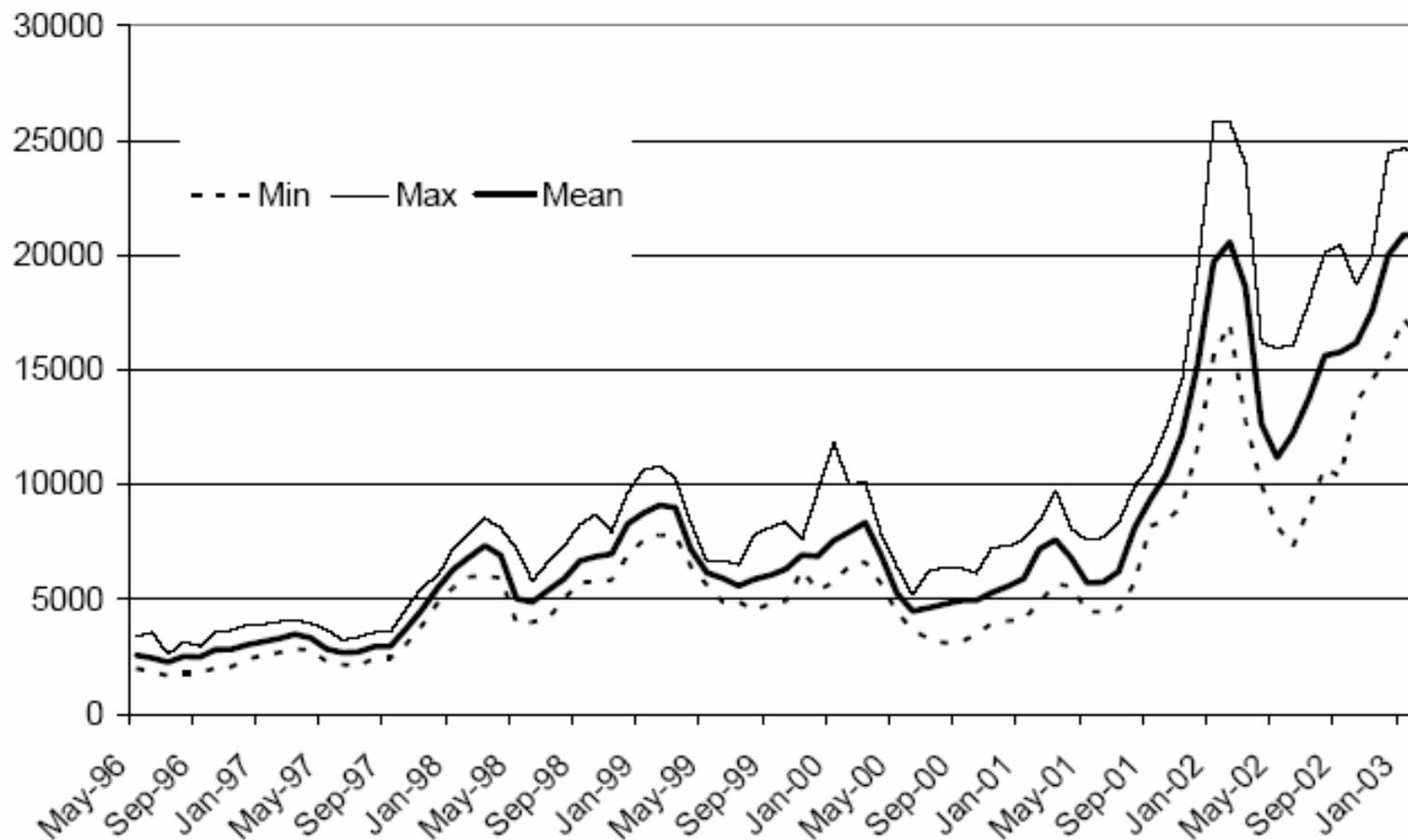


Figure 3 : Nominal wholesale maize prices, May 96- April 03, Zambian Kwacha per bag (15 kg) (Source: FEWS NET, Zambia)

NEGATIVE EFFECTS OF POLICY INTERVENTIONS-cont

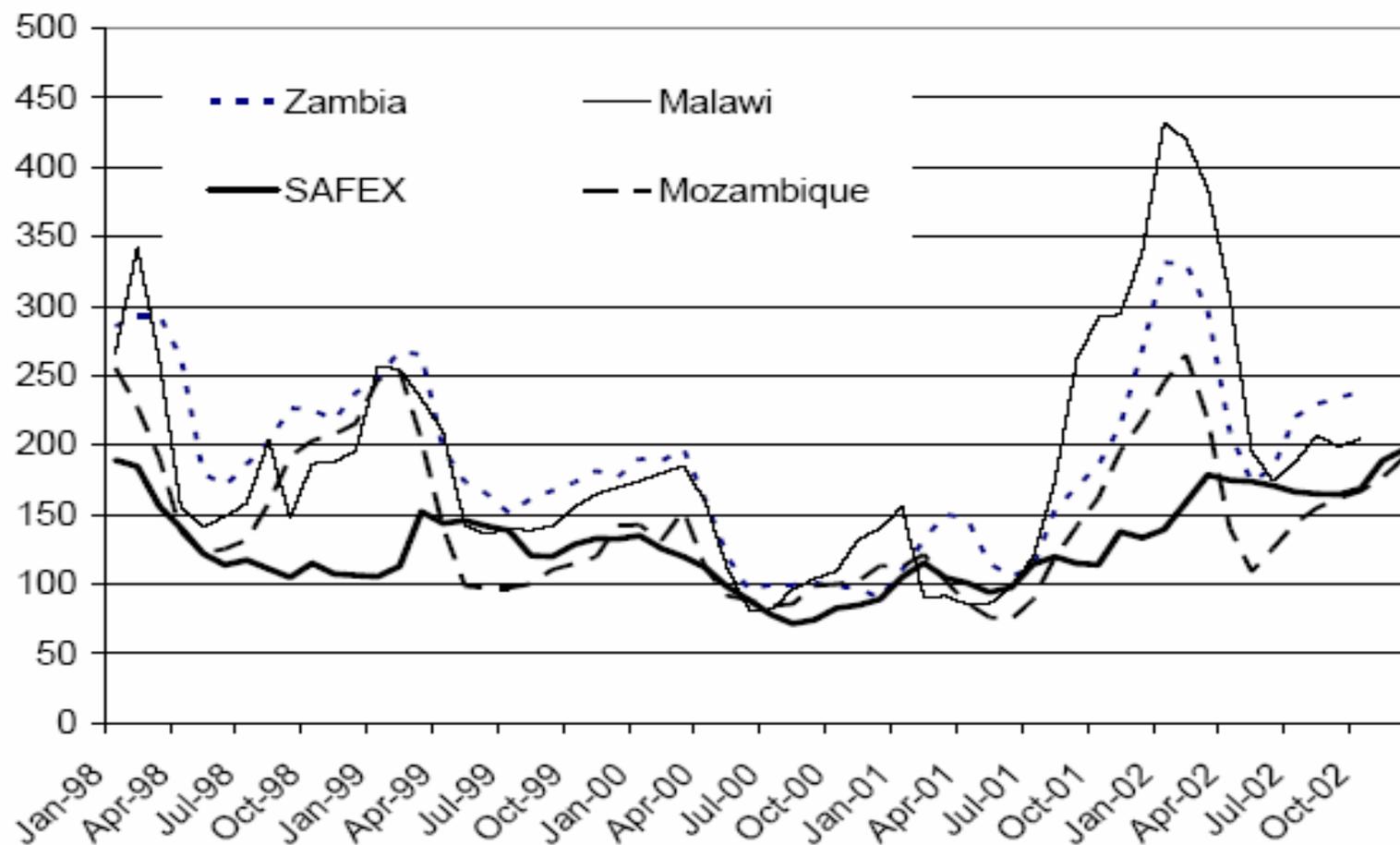


Figure 4: Maize price development Jan 1998 – Dec 2002 for Zambia, Malawi, Mozambique and South Africa (prices in US\$/MT). (Sources: Safex, FEWS NET)

CONCLUSION

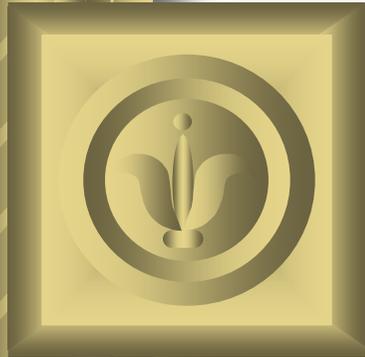
- **Government's involvement in input and maize sectors discourages private sector investment and limits private sector development.**
- **High cost of Gov intervention fuels macroeconomic instability.**
- **Banning and delays in allowing exports creates uncertainty on food trade flows.**
- **Dependency on crop estimates leads to unreliable estimate of food shortages.**

RECOMMENDATIONS

- **This is not the first time recommendations have been made.**
- **Private sector should develop capacity to lobby and influence Gov decision making.**
- **Private sector in collaboration with civil society to develop an effective monitoring system to hold Gov accountable.**

RECOMMENDATIONS-cont

- **There should be a clear demarcation between development and safety-net programmes.**
- **Government to contract private sector in the delivery of safety net programmes – Input subsidy and free food distribution.**
- **Government involvement in input and maize trading to be curtailed.**
- **VAM and Crop Estimates programmes to be merged and conducted by an independent body.**



**THANK YOU FOR
LISTENING**