



STATE OF DISASTER

Causes, Consequences & Policy Lessons from Malawi

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This paper was commissioned by ActionAid Malawi's Country Director, Sakou Jobe, as a contribution to the debate in Malawi about the ongoing food crisis, and towards learning lessons that will assist in identifying more appropriate and timely interventions in future, as well as reducing vulnerability to future food crises. The paper was written by Dr Stephen Devereux (Fellow, IDS Sussex), who led a research team in Malawi in May 2002, coordinated by Edson Musopole (Africa Policy Coordinator, ActionAid), and including Franklin Simtowe (Research Fellow, APRU [Agricultural Policy Research Unit], Bunda College, University of Malawi), and Prince Kapondamgaga (Research Officer, Concern Universal, and CISANET representative).

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This paper is based primarily on the information and opinions provided in the interviews. It attempts to present all points of views fairly and in a balanced way. Throughout this paper, statements in *italics* are quotations transcribed from interviews conducted by the research team in Lilongwe in May 2002, with the speaker's identity concealed to protect the confidentiality of the interview format. Nonetheless, the issues raised by the famine are extremely sensitive and often controversial, and some readers may feel strongly that their personal views or institutional positions have been imperfectly represented here.

This paper was presented to a stakeholders' consultation workshop in Lilongwe on 30 May 2002; feedback received from workshop participants has yet to be incorporated.

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Summary

The food crisis in Malawi in early 2002 resulted in several hundred hunger-related deaths – perhaps several thousand. These deaths make this the worst famine in living memory, certainly worse than the drought of 1991/92, and worse even than the Nyasaland famine of 1949. This paper attempts to explain why the famine occurred, and draws lessons for policy interventions to prevent future famines.

The famine can be explained in one of two ways. The ‘technical’ view is that bad weather, limited information and import bottlenecks resulted in famine, despite the best efforts of well-intentioned actors. The ‘political’ view attempts to attribute blame: depending on who one talks to, the famine was caused by a callous IMF, profiteering traders, or complacent government and donor officials. The truth lies somewhere in between. The famine was a product of a complex combination of both bad luck and inadequate policies.

Following two good production years in 1998/99 and 1999/00, localised floods reduced the 2000/01 maize harvest and left a shortfall estimated at 600,000 MT. However, crop estimates suggested that the maize deficit was partly offset by a 30% increase in roots and tubers production (especially cassava) over the previous year. This figure was wrong and generated misplaced complacency. Donors failed to react to signals of an impending food crisis, the Strategic Grain Reserve was sold, and senior members of government denied the existence of a famine until February 2002, when civil society and the media presented irrefutable evidence of hunger-related deaths.

The decision to sell the Strategic Grain Reserve (SGR) followed advice from the IMF to reduce the level of buffer stocks held from 165,000 MT to 60,000 MT. Instead, almost all of the reserve was sold, much of it on local markets, against IMF advice to export it in order to minimise disincentives to maize producers. There is some evidence that much of the SGR was sold to local traders, who stockpiled it and profited from hunger. When the government attempted to cover the resulting food gap through imports, this proved extremely expensive, and a series of logistical problems caused fatal delays and an escalation of maize prices to unaffordable levels. Concern about various governance issues – including suspicions of corrupt practice around the SGR sale – caused donors to vacillate for several months before responding to signals of distress with food assistance.

These immediate causes of the 2002 famine must be contextualised by explaining the underlying vulnerability factors that left poor Malawians unable to cope with a production shock that was actually less severe than the drought of 1991/92. These ‘vulnerability factors’ included declining soil fertility and restricted access to agricultural inputs during the 1990s; deepening poverty which eradicated asset buffers that the poor could exchange for food to bridge food gaps; the erosion of social capital and informal social support systems in poor communities; the demographic and economic consequences of HIV/AIDS; and the relative neglect over many years of the smallholder agriculture sector.

Alarmingly, an FAO/WFP Crop Assessment Mission concluded in May 2002 that the food deficit for the present agricultural year is even larger than last year’s food gap, and with an *El Nino* event predicted for next year, it is difficult to imagine how rural Malawians can survive three consecutive bad harvests, let alone preserve or rebuild viable livelihoods.

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Introduction

Between January and April 2002, at least 500-1,000 people died of hunger and hunger-related diseases in southern and central Malawi.¹ At the time of writing, in May 2002, Malawi remains at grave risk of famine later this year. The crisis is not over; it is ongoing. As with all famines, the explanations fall into two clusters: 'trigger factors' (livelihood shocks and response failures), and 'underlying causes' (factors that create vulnerability to livelihood shocks). Also as with other famines, the famine can be explained as the product of a combination of both 'technical' issues and 'political' problems.

In order to look forward it is necessary first to look back. In trying to understand what went tragically wrong in Malawi in late 2001 and early 2002, the intention is not simply to indulge in the 'blame game'. Rather, this paper aims to contribute to a dialogue among stakeholders around interventions that will both protect Malawian lives and livelihoods in the short term – specifically in the context of another poor harvest this year and the possibility of an *El Nino* event next year – and generate sustainable livelihoods and reduced vulnerability to production shocks in the long run.

▪ ***Trigger Factors***

Explanations for the famine earlier this year fall into two categories: the 'technical' and the 'political'.

▪ *The 'technical' explanation*

The famine followed a sequence of unfortunate events: production failure, information constraints, a depleted food reserve, import bottlenecks, unaffordably high food prices.

- A food production shock, triggered by localised flooding in the central and southern regions during February and March 2001, reduced maize production from 2.5 million metric tons (MT) in 1999/00 to 1.7 million MT in 2000/01, and created a national maize deficit of 273,000 MT.
- The magnitude of the food gap was underestimated by the Government and donors, because of exaggerated forecasts of roots and tubers production (methodological errors), which should have compensated for the maize gap. Some government and donor officials even blamed the 'inflexible food habits' (white maize preference) of Malawians for their 'failure' to switch to cassava and sweet potato instead of maize.
- The Strategic Grain Reserve had been sold, leaving the Government and donors unable to implement food distribution programmes in good time.
- Transport bottlenecks caused fatal delays in the arrival of food imports: congested roads, diversion of food trucks to Zimbabwe and Zambia, a train derailment at Beit Bridge, capacity constraints at Nacala and Beira ports in Mozambique.
- Because of limited supplies and food marketing liberalisation, food prices rose from MK4/kg at harvest time (June 2001) to MK40+/kg (January 2002), while the *ganyu* (agricultural labour) wage rate averaged MK20/day.

▪ *The 'political' explanation*

The famine was caused by negative synergies between government and donor policies and practices.

- The IMF instructed the Government of Malawi to sell the Strategic Grain Reserve, to repay a debt of MK1 billion incurred by the National Food Reserve Agency when it was set up as a quasi-independent agency. (The IMF insists that it advised the government to reduce the SGR from 165,000 MT to 60,000 MT, not to sell it all.)

¹ A detailed month-by-month chronology of the famine, from January 2001 through to May 2002, is provided as Annex 1 to this paper.

- Private traders profited from the sale of the Grain Reserve, buying maize cheaply and hoarding it until prices rose before reselling it for exorbitant profits.
- Donor–government relations were strained at the crucial time, because of allegations by the donors of economic mismanagement and governance failures.
- The donors delayed responding to the food crisis because they were obsessed with finding out what had happened to the Strategic Grain Reserve: if it was still in-country it could be released onto the market; if politicians had profited they should own up.

▪ **Underlying Causes**

The underlying cause of the current food crisis in Malawi is the steadily increasing livelihood vulnerability of the predominantly rural population. Factors include:

- intensifying pressure on land, accelerated by rapid population growth;
- declining soil fertility associated with falling application of agricultural inputs;
- strictly limited off-farm and non-agricultural income-generating opportunities;
- the HIV/AIDS pandemic, which is decimating the labour force and raising household dependency ratios;
- Government policies that favour urban populations and the business sector, including the commercial estates, to the relative neglect of smallholder agriculture;
- economic liberalisation measures that have undermined farmers' access to inputs and eliminated consumer subsidies and food price stabilisation interventions.

This year is widely perceived as worse than the more severe drought of 1991/92, mainly because ten years ago, the agricultural marketing parastatal (ADMARC) had depots in the most inaccessible rural communities and made food available at affordable prices. Malawi has entered an extremely vulnerable 'transition' phase between state regulation – when ADMARC controlled agricultural marketing, input supply, and food prices – and full liberalisation – where food supplies and prices are wholly market-determined. Negotiating the balance between public intervention and private sector activities is extremely difficult – but is absolutely vital for the livelihood security of millions of vulnerable Malawians.

▪ **Lessons**

Two sets of factors intersected in producing the 2002 famine: vulnerable livelihoods and weak institutions. *Livelihood vulnerability* can only be addressed by socioeconomic development, in particular by pursuing policies that, directly or indirectly, raise the incomes of poor households, and diversify or stabilise their food sources to reduce food security risks. Direct measures include employment creation programmes and enhancing access to agricultural inputs (an example which achieves both objectives is inputs-for-work). Indirect measures include education to improve prospects for young Malawians to leave their dependence on rainfed agriculture behind and find non-farm employment. *Institutional vulnerability* can best be addressed by institution-building (where institutions are broadly defined) and strengthening government capacity to design and implement sound, pro-poor policies.

These are longer-term measures. The immediate priority facing Malawi is to prevent a similar catastrophe in the coming agricultural year, which again is predicted to be a deficit year. Three key policy areas are briefly discussed below: management of the Strategic Grain Reserve, the future of the Starter Pack programme, and the right to food.

- **Strategic Grain Reserve:** The appropriate functions and stocking level of the SGR must be negotiated and agreed between the Government of Malawi and its donor partners. Three key questions remain unresolved: (1) What is the appropriate level of the SGR to meet national food security objectives at reasonable cost? Opinions vary

between 60,000 MT and 180,000 MT, or enough grain to meet 3-9 months of national consumption needs. (2) Should the SGR intervene in the market – e.g. to stabilise prices counter-seasonally, by buying grain at harvest at selling this grain during the ‘hungry season’ at cost – or should it function purely as an emergency buffer stock? (3) If the SGR is to fulfil food security functions, it must be adequately capitalised. But should its operations be subsidised or should it operate as a cost-recovery agency? However these issues are resolved, there is little disagreement that the SGR must be managed in a transparent manner and be subjected to regular independent audit.

- **Starter Packs:** The main constraint on agricultural production in Malawi since the early 1990s has been constrained access to inputs (fertiliser, seeds, credit). In this context, the Starter Pack – or Targeted Inputs Programme – makes an important contribution to the national harvest and household food security. Distribution of Starter Packs was restricted to 1 million households last year, but will be expanded this year, up to 2.5 million households. Production must be emphasised: it costs 3-4 times as much to import maize as to produce it, and the famine of 2002 has shown that delayed food imports can cost lives. However, the Starter Pack cannot be seen as a substitute for a more holistic agriculture and food security policy. The long-term solution is to promote production through extending access to inputs.
- **The Right to Food:** The right to food means making adequate food available and affordable to all Malawians at all times. The allegation that private traders deliberately purchased SGR maize cheaply in order to hoard and resell it at excessively high prices during the food shortage is an extremely serious accusation. Profiteering from hunger violates the basic human right to food as well as the constitutional provision to guarantee access to adequate food for all Malawian citizens. The government’s food security policy must aim at promoting food production and ensuring adequate supplies of food in the market at affordable prices. Civil society must be involved in any future policy decisions that impact directly on household food security. A sensitisation campaign is needed to inform people about their right to food, and their right to hold politicians accountable if the right to food is violated. Democracy is about empowering the poor to demand their rights. This is a sensitive issue, because economic rights are very expensive on the state, and Malawi is a poor state. Also, thirty years of Malawians being indoctrinated never to challenge authority will take time to overcome.

The remainder of this paper examines these explanatory factors in detail, and concludes by drawing lessons and offering suggestions for famine prevention and improved food crisis management in future. The paper also identifies and challenges several ‘fallacies’ about the Malawi famine, namely that:

1. cutbacks in the Starter Pack Programme caused the famine;
2. inflexible ‘maize preferences’ of Malawians caused the famine;
3. the media acted as an ‘Early Warning System’, mobilising government and donors to prevent famine deaths;
4. the IMF caused the famine by forcing the government to export the Strategic Grain Reserve;
5. ADMARC could have prevented the famine by intervening in the grain market to stabilise food supplies and prices.

Immediate Causes

According to Sen's 'entitlement approach' to famine analysis, famines follow from failures in production-based, trade-based, labour-based and transfer-based entitlements to food.² This is a useful framework for analysing the Malawi famine of early 2002, which followed from a reduced maize harvest (production shock), import bottlenecks (trade constraints), poverty and limited off-farm employment opportunities (labour constraints), and late delivery of food aid (transfer failures).

▪ **Food production shock**

The immediate trigger for the food crisis was abnormal rains – localised flooding and waterlogging of fields – during February and March 2001, which reduced national maize production by 32%, from a record high of 2.5 million MT in the 1999/2000 season to 1.7 million MT in 2000/01.³ The Famine Early Warning System (FEWS NET) predicted a maize shortfall of 273,000 MT (see [Box 1](#) below), but expected households to have carry-over stocks from the previous good year. Also, since the Ministry of Agriculture and Irrigation (MoA&I) estimated that root and tuber production (cassava, sweet potatoes, Irish potatoes) had been "high", FEWS NET predicted that food availability would be more than adequate, with a surplus over consumption needs (in maize-equivalent terms) of 437,775 MT.⁴ Also, ADMARC and the National Food Reserve Agency (NFRA) held over 60,000 MT in maize stocks at the start of the new consumption year (April 2001).

Box 1. Estimating Malawi's food production deficit, 2001

"Maize contributes about 67% to total food consumption in terms of calories; with an estimated population of 10,791,000, this translates into a national demand for 1,682,801 MT of maize. This, plus estimated seed and Strategic Grain Reserve requirement of 40,000 MT and 60,000 MT, respectively, brings the total maize requirement to 1,780,478 MT. Net maize production (after allowing for 15 percent post-harvest losses) is estimated at 1,456,104 MT. Adding the official opening of maize stocks at 51,399 MT brings the total maize availability to 1,507,503 MT. Compared with the maize requirement, this amount leaves a maize deficit of 272,975 MT"

Source: FEWS NET, **Malawi – Monthly Food Security Update**, Lilongwe, 18 July 2001, page 6.

The flood-triggered maize production shock was compounded by reduced application of agricultural inputs, especially chemical fertilisers, for several reasons: late delivery and reduced coverage of the 'Starter Pack' (now renamed the 'Targeted Input Program'), the introduction of a 50% interest rate on APIP's input loans, and continued escalations in fertiliser prices (to over MK1,000 per 50kg bag).⁵ However, it is simplistic to attribute the famine to cutbacks in the Targeted Input Programme (see [Box 2](#) below). The production shock was caused by bad weather, and inputs such as fertilisers offer little protection against climatic fluctuations that cause waterlogging of fields. However, research is needed on whether waterlogged fields where fertilisers had been applied managed to achieve better harvests in 2001 than those where fertilisers were not applied.

² Amartya Sen, **Poverty and Famines**, Oxford, Clarendon Press, 1981.

³ Jacqueline Frize, **Food Security Situation Analysis: Malawi**, Oxford, Oxfam GB, February 2002, page 1.

⁴ According to FEWS NET's 'Monthly Food Security Update', July 2001: "Malawi will experience a 437,775 MT food surplus this year due to high root crop production". Cassava alone was estimated at 3,362,401 MT, up by 20% from 2,794,617 MT in 1999/2000. Since the early 1990s, cassava production had (allegedly) increased almost 1000%, from 344,341 MT in 1992/93, due in increases in both area planted and yields.

⁵ FEWS NET, **Malawi – Monthly Food Security Update**, Lilongwe, July 2001. "The Targeted Input Program, previously known as Starter Pack, faced some delays in input distribution such that in many areas farmers had already planted when they got the inputs. In addition, the number of beneficiaries was reduced by almost half." FEWS NET notes that similar delays in input distribution also affected the EU-funded Agricultural Productivity Investment Program [APIP]. (See also the TIP evaluations.)

“The Starter Pack is not that significant on production. Positive evaluations do not isolate the impact of rainfall variability. The two years of universal Starter Packs were also two good rainfall years, leading to exaggerated perceptions of the contribution of the Starter Pack programme to the national harvest.”

**Box 2. Fallacies about the Malawi famine ~ No. 1
Cutbacks in the Starter Pack Programme caused the famine**

Some people are linking the current food crisis to shifts in the free inputs distribution programme. When the Starter Pack programme began, coverage was universal and Malawi enjoyed two years of surplus production. In 1998/1999 the Starter Pack was distributed to all 2.8 million smallholder households, but in 2000, under pressure from donors, the programme was renamed the Targeted Input Programme (TIP) and distributed to 1.5 million households. In 2001, TIP coverage was further reduced to 1 million households, and this restricted distribution has been associated with declining production and now large deficits. “In the first two years, the program contributed to increased agricultural production, resulting in the country experiencing maize surpluses. Last year the program did not do well due to delays in the distribution of inputs, which are partly blamed for the 32 percent drop in maize production.”⁶

On 8 May 2002, President Bakili Muluzi blamed cutbacks in the Starter Pack programme for contributing to the food crisis. He argued that the Starter Pack years were associated with surplus maize production. “But problems started when the donors said we should cut the number of recipients for the Starter Pack from 2.3 million to one million in the Targeted Input Programme.”⁷ President Muluzi described targeting the Starter Pack as “discriminatory”, and he announced that the universal Starter Pack would be reintroduced for the 2002/03 farming season.

▪ **Information constraints**

Information constraints contributed to the famine in several ways. Crucial information was either “plain wrong”, concealed, ignored, or mismanaged. These information constraints delayed both commercial and public distribution responses to the food shortage, and contributed to the process that saw the food shortage deteriorating into a famine. It was only after civil society and the media disseminated information about the severity of the food crisis that stakeholders were prompted into action.

▪ Erroneous information ~ Food production data

Misleading food production estimates for the 2000/01 agricultural season resulted in unfounded complacency about the national food availability situation, and contributed to slow response by both public and private actors.

The first problem was that maize production estimates were revised downwards three times during the 2000/01 season. First-round estimates (February 2001) predicted a 15% drop on the record harvest of 2.5 million MT in 1999/2000. Second-round estimates (April 2001) increased this expected decline to 24%, because of flooding during February and March. Final-round estimates (June 2001) revised this even further, to 32% down from 1999/2000. The problem that this constant reassessment created was a misguided belief, as late as April 2001, that the maize harvest would be adequate for national consumption needs.

The second problem arose because, even after the harvest was in, overestimates of production of other foodcrops created an erroneous belief that Malawi was self-sufficient in staple foods for the coming year. Although the maize gap was well known by June 2001, the magnitude of the overall food gap was not, mainly because of methodological

⁶ FEWS NET, **Malawi – Monthly Food Security Update**, Lilongwe, October 2001, page 2.

⁷ AllAfrica.com, 9 May 2002, ‘US Government Provides Food Aid’, <http://allafrica.com.stories>.

problems in estimating production of roots and tubers (cassava, sweet potatoes, Irish potatoes). Estimated root and tuber crop production in 2001 exceeded maize production, amounting to 4kg/person/day. This optimistic over-estimate delayed predictions of a food emergency, even though shortages of maize and other food crops began to appear in the market and prices began spiralling out of control. The donors also refused to recognise the severity of the crisis, arguing that people must have cassava and sweet potato to eat even if maize was scarce – they blamed the mindset of Malawians, as summarised in the expression: *“If you haven’t eaten ‘nsima’ [maize porridge] today, you haven’t eaten.”* Similarly, the Government’s late declaration of a ‘state of disaster, in late February 2002, may have been partly due to misleading information about national food availability.

It is certainly true that decades of skewed Ministry of Agriculture policies aimed at promoting white maize production have distorted foodcrop production and consumption patterns in Malawi, and have exacerbated Malawi’s vulnerability to chronic food deficits. But attempts by the government and donors to blame “inflexible eating habits” of the Malawian population for the nutritional stress that emerged late in 2001 are misguided and reflect failures of information (see [Box 3](#)), not stupidity by individuals obstinately choosing to starve rather than eat cassava. In fact, starving Malawians resorted to consuming pumpkin leaves, banana stems, even discarded sugar cane thrown on the street, reflecting the harsh reality that no food was available to them at all.

Box 3. Fallacies about the Malawi famine ~ No. 2
Inflexible ‘maize preferences’ of Malawians caused the famine

“Many people prefer maize over other food crops such as cassava, sweet potatoes, and rice, that have done well and would provide a better nutritional balance. This preference is attributed to efforts since independence that promoted growing maize throughout the country, even in unsuitable areas. As a result maize is grown and consumed everywhere. This long-time policy is proving to be a mistake; Malawi is now facing a ‘structural’ maize deficit resulting from people’s preference for maize. Although the government has successfully implemented a crop production diversification program, the next step is to promote dietary diversification, including cassava, yams, bananas, and potatoes” (FEWS NET, August 2001).

“Malawians have a strong consumption preference for maize and the majority regards other foods as simple snacks. There is therefore usually an outcry when maize is in short supply despite the availability of these other crops, as is the case this year” (FEWS NET, October 2001).

“Even though Malawi has a national food surplus in 2001/02, it has a large maize shortage. This shortage is significant because Malawians strongly prefer to consume maize as their main staple” (FEWS NET, January 2002).

In March 2002, FEWS NET finally acknowledged that its previous assertions about the level of food availability in Malawi may have been over-optimistic, being biased by exaggerated production estimates for root and tuber crops. “There is debate over high production figures of cassava, including sweet potatoes, with some suggestion that these figures are over-estimated”.⁸ FEWS NET attributed this over-estimate to the Ministry of Agriculture’s practice of estimating the amount of cassava in the ground, rather than the amount ready for harvesting in a given year.

Another optimistic estimate for roots and tubers production has been made for 2002/03, *“even though this optimistic estimate led to starvation last year”*.⁹ However, the Ministry of Agriculture and Irrigation has acknowledged methodological limitations in estimating

⁸ FEWS NET, **Malawi – Monthly Food Security Update**, Lilongwe, March 2002, page 4. The intention here is not to blame FEWS NET for providing misleading information to policy-makers; FEWS NET was simply collating and reporting and interpreting information provided by others.

⁹ Throughout this paper, statements in italics are transcribed quotations from interviews conducted by the research team in Lilongwe in May 2002.

roots and tubers, and SIDA is sponsoring a 'qualitative food security assessment' to verify (or correct) this figure.

▪ Concealed information ~ Strategic Grain Reserve sales

Another crucial piece of missing information during 2001 was the size of the Strategic Grain Reserve (SGR), which was not known because of lack of transparency in SGR management. Following the IMF's advice to the NFRA to reduce and replenish the grain stock, the SGR "was being secretly emptied", such that there was no maize left in the grain reserve when donors and policy-makers finally recognised the scale of the food problem in late 2001. (This issue is explored in more detail in the following section.)

▪ Ignored information ~ NGO and civil society data

Information about the impending food crisis was available as early as late 2001, but the credibility of this information was questioned and the signals were ignored. During August and September, a validation by Save the Children (UK) of their RiskMapping for three food economy zones noted 180% maize price rises in Salima and Kasungu. In October 2001, Save the Children published a report on a 'household economy assessment' in Mchinji District, which revealed alarming indicators of stress: maize prices had risen by 340% (up from MK4.40 in January to MK19.90 in October), maize production had fallen by 40% compared to 1998/99.¹⁰ The poorest households (over 40%) were already out of food, even in this historically breadbasket area. Save the Children began an emergency preparedness programme, and in early November they made a presentation to donors, government, and NGO partners, giving the prognosis that Malawi was running into a food crisis situation. However, Save the Children were accused of exaggerating the problem, and their recommendation for an emergency response intervention in Mchinji (60% of population) and Salima (65% of population) was rejected. The government and donors were extremely sceptical, arguing that according to their crop production statistics there was no major food problem.

Save the Children persisted, however, conducting nutrition surveys together with the Ministry of Health in two districts in December 2001, and again in early March 2002. The December survey found global malnutrition rates of 9.3% in Salima and 11.8% in Mchinji. The survey in March found much higher global malnutrition of 19.0% in Salima, and a slight increase in Mchinji, up to 12.5%.¹¹ When these figures were presented to donors, this evidence of rapid and severe deterioration in nutritional status, especially in Salima District, prompted the donors into immediate, albeit belated, action – not surprisingly, since a global malnutrition rate of 15% is generally regarded as signifying an emergency. A meeting with the United Nations Working Group in mid-March resulted in an immediate assessment and WFP launching an Emergency Operation (EMOP) for Southern Africa.

Among civil society organisations, the Malawi Economic Justice Network (MEJN) was instrumental in mobilising activist groups, campaigning in the media, and pressurising the government to declare a famine, ever since it became apparent in late 2001 that Malawi was heading towards disaster.¹² Religious groups affiliated to MEJN – such as the Catholic Commission for Justice and Peace – collected statistics on famine mortality, which were presented to the government and disseminated to the local and international

¹⁰ Gary Sawdon, **A Final Report on the Findings of a Household Economy Assessment and Training in Mchinji District, Malawi**, Save the Children (UK), Lilongwe, October 2001.

¹¹ Hassan Taifour, **Nutrition Survey Report: Salima and Mchinji Districts, Malawi**, Save the Children (UK), Lilongwe, March 2002. Global malnutrition is defined as <-2 Z-score weight-for-height and/or presence of bilateral pitting oedema among children aged 6-59 months old.

¹² The Malawi Economic Justice Network is an umbrella grouping of 45 civil society organisations (CSOs) and non-governmental organisations (NGOs) that have an interest in 'economic governance' issues in Malawi. According to MEJN's Mission Statement: "We stand for poverty reduction through equitable distribution of economic opportunities, resources and income."

press. Despite their close contacts with affected communities, the data provided by the MEJN and these religious organisations was dismissed as lacking credibility. Moreover, the international media did not react to warnings of impending tragedy until the crisis had actually arrived (see [Box 4](#)).

Box 4. Fallacies about the Malawi famine ~ No. 3: The media acted as an 'Early Warning System', mobilising government and donors to prevent famine deaths

In February and March 2002, the international media – the BBC, CNN and others – started broadcasting lurid reports from Malawi, a country that generally receives negligible attention from the world's media. (Examples from BBC News: 'Famine stalks Southern Africa', 19 February; 'Malawi declares famine emergency', 27 February; 'Spectre of starvation in Malawi', 6 March; 'Southern Africa threatened by famine', 7 March.) The world's press also picked up on these stories, reporting on the deteriorating food situation in Malawi and the southern African region as a whole. (Examples from 25-26 April alone: 'Malawi faces critical food shortage', Washington Post; 'Funds needed urgently to stave off southern Africa disaster', The Guardian; 'Southern Africa food disaster only months away – WFP', The Namibian; 'Famine disaster threat to 6m in southern Africa', The Telegraph; 'Drought, AIDS and poverty starving Africa', The Independent.)

Media coverage focused on two features of the food crisis: evidence of severe malnutrition and deaths in flood-affected rural communities, and sensationalist stories of hungry people being killed or mutilated by their neighbours for stealing food, complete with images from district hospitals of traumatised survivors of these assaults.

Hunger Breeds Desperation in Malawi ~ Boston Globe, 28 April 2002

It was the most expensive corn James Black had ever eaten. When workers on a neighbouring farm accused him of stealing three cobs in early March, they attacked the tobacco worker. First they bound him, then they beat him bloody, and finally, they sliced both his ears with a razor. Before abandoning Black, they stuffed one ear in his pocket. Asked to explain such brutality, Black said simply: "It is the hunger."

Since the 1980s, academics have argued that a 'free and campaigning press' acts as a 'famine early warning system', alerting national governments and international donors to impending food crises and thereby ensuring that resources are mobilised to prevent a potential disaster sliding into a mass mortality tragedy. The case of Malawi in 2002 reveals the limitations of this argument. The media is a *late* indicator of distress, not an early warning. Journalists and television crews arrived in Malawi like observers at a car crash, to report on the tragedy, not to prevent it.

Since January 2002, the MEJN has organised several public meetings on the food crisis. On 21-22 February 2002, the MEJN organised a meeting of civil society organisations in Blantyre, which was sponsored by ActionAid Malawi. A highly publicised outcome of this meeting was a press statement, released by the participating civil society organisations, which noted: "*that hunger has reached crisis levels in Malawi*", and calling for urgent action to address the crisis by the government and international donor community:

"The government should acknowledge that there is hunger in Malawi; make holding of maize a crime; subsidise the price of maize in Malawi; government and civil society should provide food supplies to the vulnerable groups".¹³

So information about the food shortage was publicised in good time for effective relief interventions to have been launched. However, since this information came not through credible 'official' sources, but rather through traditional leaders, church groups and other civil society organisations, the government and donors failed to act on these signals until it was too late. President Muluzi finally declared a State of Disaster – though not a 'famine' – on 27 February 2002.

¹³ Malawi Economic Justice Network [MEJN], **Press Statement on the Food Situation by the Civil Society Organisations**, Blantyre, 22 February 2002.

▪ Mismanaged information ~ Inappropriate price signals

In early 2001, ADMARC announced that it would no longer sell maize as a commercial crop, so it would only purchase maize at very low prices (MK2-2.50/kg). Unfortunately, this statement created disincentives for farmers, who switched out of maize into other food crops and more lucrative crops. This may have compounded the food shortage later in the year, and forced ADMARC to import maize at much higher prices.

The Government of Malawi sent out signals that were manipulated by traders. When the government announced that it had a “responsibility” to import maize, it did not consider the implications of sending out this signal. *“When the government decided to import 150,000 MT of grain from South Africa, that was the right decision, also to sell it at landed cost. But insofar as the government was competing with the private sector, announcing that price was disastrous.”* Private traders naturally look for opportunities to make a profit. ADMARC only has about 10% market share, but its influence is far greater because of its historical role. In September 2001, traders were stockpiling maize and waiting to hear at what price imported maize would be sold by ADMARC. When ADMARC announced its selling price – at MK17, more than double its previous price of MK7 for local purchases – this caused a dramatic impact on the market. Traders immediately followed suit, by raising their prices to ADMARC’s level or above. Instead of a gradual evolution of maize prices, there was a ‘price spike’ and grain simply became unaffordable for the poor.

Comment: See FEWS NET, 8 October 2001, page 3 on this issue.

▪ **Strategic Grain Reserve mismanagement**

The National Food Reserve Agency (NFRA) has a mandate to maintain adequate buffer stocks of grain, to protect Malawians against fluctuations in food production, availability and prices.¹⁴ The NFRA’s motto is: **“ADEQUATE RESERVES FOR MALAWI”**. Yet during 2001 the NFRA sold almost all of the Strategic Grain Reserve, and some months later, people were dying of hunger and hunger-related diseases. How could this have happened?

The NFRA was established as an independent trust in July 1999. Previously the Strategic Grain Reserve (SGR) was managed by ADMARC, the agricultural marketing parastatal. But the IMF, EU and other donors decided that national grain reserves should be run independently and on a cost-recovery basis, and this motivated the creation of the NFRA – though these expectations later proved to be unrealistic. Crucially, the NFRA was not capitalised. In 1999, Malawi enjoyed a bumper harvest; so the NFRA took loans from commercial and government banks and purchased 167,000 MT of maize from ADMARC, which bought this maize locally and sold it to the NFRA. According to one donor official: *“The decision for a commercial loan to be taken to capitalise the NFRA – that was a crazy decision.”*

For the three years before 2001, official maize stocks (held by ADMARC or the NFRA) had exceeded 100,000 MT in July, after the post-harvest buying season. In 1999 and 2000, the SGR was stocked at near full storage capacity of 180,000 MT. In July 2000, for instance, the SGR stood at 174,406 MT. This level of stock raised donor concerns about fiscal costs and sustainability. The NFRA had borrowed MK600 million to purchase maize at an interest rate of 56% p.a., which had grown by June 2000 to a debt of approximately MK1 billion. Pressure grew from the Government of Malawi and donors to repay the loan.

The IMF also argued that holding 175,000 MT in the grain reserve was too expensive, and that the NFRA should not hold “excess stocks”. The World Bank agreed with the IMF that NFRA operations risked distorting the market, and that a smaller SGR would be preferable. The IMF advised the NFRA to sell some of the SGR to service its debt, and to replenish its remaining stock. However, another bumper harvest in 2000 depressed maize prices and made it impossible to sell except at heavy losses. By September 2000

¹⁴ See: (1) John Lynton-Evans, **Malawi: Issues Related to the Operationalisation of the National Food Reserve Agency**, Eversley (UK), MTL Consult, February 2000; (2) ADE, **Malawi: Inception Technical Assistance to the National Food Reserve Agency**, Louvain (Belgium), August 2000.

the grain reserve stood at 131,000 MT. The NFRA urgently needed to sell some of this stock: (1) to repay its debt; (2) because storing maize is expensive; (3) the NFRA was not capitalised and had salaries to pay, (4) this maize was old and storage losses were high. (The government was supposed to upgrade SGR storage facilities, but has yet to do so.)

By early 2001, the maize in the SGR was almost two years old and badly needed to be replenished. The IMF therefore advised the NFRA to export this grain rather than 'dump' it on local markets, which would depress prices further and undermine producer and trader incentives. Accordingly, 5,000 MT of SGR maize was sold to Mozambique and 30,000 MT was sold to Kenya in April-May 2001. This controversial decision was subsequently blamed as a major contributory factor to the food crisis (see [Box 5](#)).

"When the decision was taken to export NFRA maize to Kenya and Mozambique, this was the correct decision based on information available at the time. An average harvest was forecast, the maize stock was old, and someone was willing to buy it."

Box 5. Fallacies about the Malawi famine ~ No. 4: The IMF caused the famine by forcing the Government of Malawi to export the Strategic Grain Reserve

Did the International Monetary Fund (IMF) force the Government of Malawi to sell the Strategic Grain Reserve (SGR) to Kenya, as many civil society activists claim? The argument is that the NFRA had run up very large debts, which the IMF insisted must be repaid by selling grain stocks, which would also reduce the SGR's storage and operating costs. Moreover, the IMF 'advised' the government to export the grain rather than sell it on local markets, which would depress prices and undermine incentives to food producers and traders. According to one civil society activist: *"The real cause of the crisis was not floods – every year there are pockets of flooding and drought in Malawi, but people cope. A major factor was that grain was exported."*

The IMF emphatically denies this accusation. *"The IMF did not tell the government to sell the grain reserve, and that was not the cause of the food crisis."* The IMF does admit that the policy advice it gave to government in 2001 was based on *"wrong information"* about crop production. *"We strongly advised the government to reduce the level of the grain reserve to between 30,000 and 60,000 tonnes, on cost-effectiveness grounds, but not to sell it all off."* Sales of SGR stock should have been replenished through local purchases after the 2001 harvest – which was forecast to be adequate. *"The advice would have been correct if the information was correct."*

Whatever the truth of the matter, the IMF displayed remarkable insensitivity and ideological narrow-mindedness in the Concluding Statement of its Mission in May 2002, which resolved to withhold disbursement of US\$47 million to Malawi. While acknowledging the need for "urgent action to prevent starvation", the IMF statement failed to mention that hundreds of starvation deaths had already occurred just 2-3 months previously, and it implied that ADMARC and NFRA activities to minimise famine mortality were unjustified and 'unproductive':

"the parastatal sector will continue to pose risks to the successful implementation of the 2002/03 budget. Government interventions in the food and other agricultural markets ultimately led to the National Food Reserve Agency (NFRA) and the Agricultural Development and Marketing Corporation (ADMARC) taking heavy recourse to budgetary financing, crowding out more productive spending."¹⁵

ADMARC and the NFRA decided not to buy maize in the 2000/01 season, following the bumper harvest of 2000, because this would incur costly storage costs which were seen as unnecessary, given that market supplies of food were abundant. The result was a steady rundown of the SGR as maize was sold and not replaced, from a highpoint of 175,000 MT in July-August 2000, to effectively zero stocks exactly one year later. Most of the SGR maize was sold in the first half of 2001.

¹⁵ International Monetary Fund, **Malawi – 2002 Article IV Consultation: Concluding Statement of the IMF Mission**, IMF, Washington DC, 14 May 2002.

The NFRA used ADMARC to do most of its purchasing, and ADMARC stored this grain *in situ* at its regional warehouses, rather than centralising it in the NFRA's silos and later having to transport it back to local areas in response to need. But much grain got spoiled in storage, and ADMARC failed to separate its own grain from NFRA stock, so the NFRA received inferior stock when it reclaimed its maize. Some maize held by ADMARC was even sold to private traders and others, without the NFRA's knowledge or authorisation.

Did local politicians profiteer from the sale of the SGR maize, either directly or indirectly? The Catholic Commission for Justice and Peace released a list of names of purchasers of SGR maize, which included a number of prominent people. In November 2001, the Government of Malawi raised the price of maize from MK350/50kg bag (or MK7/kg) to MK850/bag (MK17/kg). This enabled many wealthy and influential people who had bought maize from the SGR earlier in the year to sell it back to ADMARC at the higher price, earning large profits. These well-connected people knew about the coming food price hike, so they bought grain from the SGR and withdrew these stocks from the market, driving prices up and creating an artificial shortage. Some observers argue that the food production shortfall in Malawi was less in 2001/02 than in 1991/92, but the consequences were much worse, partly because of this artificial shortage.

▪ **Import bottlenecks**

After the final-round crop production estimates in June 2001 projected a maize deficit of 273,000 MT, the Government of Malawi announced that it would cover some of the shortfall by buying and reselling 220,000 MT of maize. The plan was that 70,000 MT would be bought locally, and 150,000 MT would be imported. But the local purchase programme did not work: ADMARC entered the market late and found few sellers at its initial purchase price of MK3/kg, or even when it raised its price to MK6/kg, then M12/kg (see [Box 6](#)). After ADMARC had managed to purchase only 50,000 MT locally, the import programme was expanded.

Box 6. Fallacies about the Malawi famine ~ No. 5: ADMARC could have prevented the famine by intervening in the grain market to stabilise food supplies and prices

In past years, ADMARC interventions in the market served to stabilise food supplies and prices. Many people believe that this was a major factor during the drought of 1991/92, when despite a more severe production shock than in 2001, ADMARC retained adequate supplies of grain in its markets at affordable prices. In 2001/02, ADMARC failed to provide similar protection to food insecure Malawians, despite a plan to purchase 120,000 MT of maize locally for resale. FEWS NET's 'Monthly Food Security Update' for November 2001 explained why ADMARC failed in its efforts to protect household food security through market interventions.

- "ADMARC failed to buy 120,000 MT of maize from the farmers as planned this year due to:
- The 32% drop in maize production from the previous year's level and the 15% drop from average production, resulting in a shortage of maize in the country (despite abundant root and tuber crops);
 - ADMARC's late entry into the maize market after private traders had already bought the lower quantities of maize that farmers had to sell;
 - ADMARC's low producer price, not quite half of what the private traders were offering;
 - ADMARC's decision to adjust its buying price was taken very late.

Meanwhile, ADMARC is relying on buying the government imported maize, which it buys at MK15/kg for onward sale to consumers at MK17/kg. This price may be too high and uncompetitive."

The Cabinet Committee on the Economy directed the National Food Reserve Agency (NFRA) to import maize. In August 2001 the NFRA borrowed \$33m at 4% interest from ABSA, a South African bank, and ordered 150,000 MT of white maize from South Africa. The Government of Malawi acted as guarantor for this loan. However, instead of buying

150,000 MT, the NFRA eventually purchased 134,000 MT of maize at an average price of US\$245/MT, because of delays in the import programme, price rises and adverse exchange rate movements. Prices started at US\$220 but rose as high as US\$265/MT, as other food deficit countries in the region (like Zambia and Zimbabwe) also turned to South Africa to import maize.

All the maize purchased from South Africa should have been delivered between October and December, at a rate of 50,000 MT/month, which proved to be over-optimistic. If this maize had arrived by December 2001 the famine might have been averted, but because of logistical problems there were fatal delays. In fact, these imports arrived at an average rate of 15,000 MT/month, so that by April 2002 only 94,000 MT had arrived in Malawi.¹⁶ As of Monday 6 May, 111,000 MT had actually arrived in the country, and the import programme remains uncompleted at the time of writing. The maize import programme was hampered by logistical constraints, as the floods that caused the food production shock also disrupted the food import and distribution programmes. The floods washed away roads, bridges, culverts and railway lines, both in Mozambique and inside Malawi,¹⁷ creating transport problems on routes into Malawi by road, rail and sea.

- *Road:* There were problems in diverting trucks and drivers that were already engaged in other activities (at first they were bringing fertilisers into Malawi at planting time, then in December they were importing goods for Christmas). Maize, fertilisers and other commodities were coming into Malawi on the same trucks and the same routes, leading to congestion on the roads. Also, secondary and tertiary feeder roads inside Malawi were often rendered impassable by flooding.
- *Rail:* There was a train derailment at Beit Bridge, on the South Africa-Zimbabwe border, which disrupted rail traffic from South Africa for several weeks. Floods also damaged the railway line along the 'Nacala corridor' from Mozambique to Malawi.
- *Sea:* The ports of Nacala and Beira, in Mozambique, faced capacity constraints. Cranes collapsed following a fire at Nacala port, further delaying shipments of grain destined for Malawi.

Slow imports led to supply shortages and rationing of ADMARC maize sales to 10-25kg per person. *"There is no possibility of storing this grain. As soon as it arrives, it is sold out."* The landed cost of imported maize was MK14.50, and ADMARC sold it on at MK17.40, a break-even price including handling costs. The free market price reached MK35/kg. Food price rises were triggered by: (1) full liberalisation of maize marketing; (2) selling off the grain reserve, which left the country with no fallback. By February 2002 the price of importing maize had doubled. *"When you have a 30% food gap and a free market, prices will increase significantly. The government cannot control prices."*

In most years, retail maize prices in Malawi are lowest after harvest in June/July, and rise by around 50%-100% over the next six months, peaking during the lean period between December and February. In 2001, however, retail (and ADMARC) prices more than trebled in some places, a case in point being Lizulu market, where prices rose by 340%, from MK8.80/kg in June to MK25.10/kg in December.

In an effort to protect household food security, the government attempted to increase the role of public distribution channels relative to the private sector. Firstly, a pan-territorial price of MK17/kg was imposed on maize purchased (for MK15/kg) from the NFRA. The problem was that this pan-territorial price 'disincentivised' traders from supplying remote

¹⁶ UK NGO Group on Southern Africa, **Southern Africa Food Crisis**, London, 8 May 2002.

¹⁷ Most of the public import and distribution of maize concentrated on southern Malawi and urban centres. Northern districts met their food needs through commercial imports from surplus maize-producing regions of southern Tanzania, but little of this imported food reached southern Malawi because of logistical constraints, poverty and market failures.

rural areas, where transport costs were much higher. The government also accused traders of “unfair business practices” – profiteering by buying NFRA maize at MK15/kg and reselling it for much more than MK17/kg. In December 2001, the Cabinet Committee on the Economy banned private traders from purchasing maize altogether from the NFRA, and made ADMARC the sole purchaser of NFRA maize. However, traders subverted this ban by paying consumers to buy maize from ADMARC for them, which they stockpiled and subsequently resold at much higher prices. Finally – against the wishes of several donors – the government subsidised ADMARC to open hundreds of rural markets, to ensure that food supplies reached vulnerable communities at MK17/kg.

In February-March 2002, recognising the severity of the food crisis and the lengthy delays in import deliveries, the NFRA started sourcing maize from Tanzania. Up to 30,000 MT of maize would be purchased, to supplement the order from South Africa of 150,000 MT. Tanzanian suppliers are closer to Malawi, transport links are better, and traders were already importing maize informally from Tanzania to meet the needs of Malawi’s Northern Region.

However, the bulk of imported maize remained mainly in Malawi’s urban centres, instead of going out to the rural communities where hunger was most severe. Reasons for this ‘urban bias’ included:

- higher purchasing power and bigger markets in urban areas than in smaller, poor rural communities, which made the latter unattractive to commercial traders;
- the NFRA’s imposition of a price ceiling of MK17/kg on its imported maize, which discouraged traders who accessed this maize from transporting it far from towns;
- logistical difficulties (bad secondary and tertiary roads, washed away bridges).

Consumers therefore faced two problems in accessing food: an initial production shock – lack of food at the national level – then limited penetration of imports to rural areas, and high and rising prices that put maize beyond the reach of the poor. Malawians searching for food had two unsatisfactory options to explore: either ADMARC markets where prices were relatively low but supplies were limited and erratic and purchases were rationed, or commercial markets where supplies were better but prices were unaffordably high.

The coexistence of a subsidised public distribution channel alongside a free market in the staple grain created opportunities for ‘rent-seeking’ that enterprising individuals exploited, either subverting or blatantly cheating the government’s attempt to provide food to its citizens at affordable prices. For example, it is alleged that when ADMARC restricted consumers to 10-25kg of maize per purchase, private traders simply hired several local people to queue and buy maize for them, thereby accumulating tons of maize which they stockpiled and resold at high prices.

It is also alleged that privately contracted transporters found ways to cheat the system. ADMARC was selling maize at MK850/bag. If truckers failed to deliver all the bags they had loaded from ADMARC depots, they were fined by ADMARC for the full price of each missing bag. However, the fact that maize prices were double or more the ADMARC price provided an obvious incentive to exploit this price differential. Many truckers simply offloaded and sold some bags at, say, MK1,500 and paid ADMARC MK850, pocketing the difference. So ADMARC’s efforts to stabilise prices were undermined – much of the maize supplied by ADMARC was sold on the open market at demand-determined prices.

The fact that Malawi is landlocked makes it especially vulnerable to bottlenecks in trade routes into the country. It also raises the price of importing commodities such as staple food. These factors must be taken into serious consideration when planning for national food security in Malawi. For instance, the high cost of maintaining a large buffer stock of grain needs to be balanced against the high cost and complexity of importing grain – and the human cost of failure – when food supplies are urgently needed.

▪ **Slow donor response**

The Minister of Agriculture and Irrigation called a meeting of Malawi's donor partners in August of 2001 to announce that a large food deficit was looming, and to mobilise donor assistance. But the donors were not well disposed to reports of food shortages. They were sceptical about reports of food crisis in rural areas, and as a result their intervention came too late to prevent starvation deaths in early 2002. Why?

The official ('technical') explanation is that donors were slow to react to the food crisis, either because they were unaware of the severity of the crisis until it was too late, or because they did not believe the limited and misleading information that was available to them. They were complacent because of the exaggerated roots and tubers production estimates, the fact that they were unaware of the sale of all the Strategic Grain Reserve, and because the import programme should have covered most of Malawi's food gap. The donors knew that a food gap existed, but they became paralysed by the search for more robust data.¹⁸

The unofficial ('political') explanation is that the donors were reluctant to intervene in the food crisis because relations with the Government of Malawi had soured during 2001 over a number of governance issues – one of these being the running down of the SGR – to such an extent that the IMF withheld balance of payments support, DFID, the EU and USAID suspended development assistance, and Denmark closed its development programmes and withdrew from Malawi entirely.

The origins of the deteriorating relationship between the Government of Malawi and its donor partners go back to July 2000, when the parliamentary Public Accounts Committee published a highly critical report on corruption and fraud within the government. Donors also complained publicly about economic mismanagement and 'bad governance'. In October 2000, for instance, the British High Commissioner rebuked the Government of Malawi and threatened to withdraw aid unless corruption was tackled (see [Box 7](#)). At the time, Malawi was the third largest recipient of British aid, after India and Bangladesh, and the largest per capita programme. In November 2001 several major donors – including the UK (DFID), EU, Denmark and the US (USAID) – suspended their aid programmes to Malawi, alleging corruption (some involving donor funds), economic mismanagement, and political violence by government supporters against its opponents. As the BBC noted: "The suspensions could not come at a worse time for Malawi. The government needs to import thousands of tonnes of maize to offset the worsening food crisis."¹⁹

Box 7. The Government of Malawi and the donor community

"The UK High Commissioner to Malawi has warned the country's ministers that Britain will not support corrupt governments. Mr George Finlayson said Britain would not subsidise economic mismanagement nor would it give backing to leaders who were unwilling to take tough decisions. Mr Finlayson's remarks, made in the capital Lilongwe, come after a series of corruption allegations against members of President Bakili Muluzi's administration. The comments did not go down well with the Malawian government".

Source: BBC, 12 October 2000, 'Malawi graft: UK talks tough', <http://news.bbc.co.uk/world/africa>.

Reflecting on the late response of donors to the food crisis, one senior donor official in Lilongwe conceded: "*My frank assessment is that this had a political dimension to it.*" Some donors focused on economic management issues – this culminated in the IMF withholding balance of payments support – while others raised governance concerns.

¹⁸ For example, the donors commissioned a researcher to estimate the severity of the food crisis, but because of a contractual dispute the assignment was never completed.

¹⁹ BBC, 19 November 2001, 'Malawi donors suspend aid', <http://news.bbc.co.uk/world/africa>.

The donors split around the issue of the SGR sales. When it emerged that the grain reserve was empty and the government then claimed there was a food crisis, despite claims that politically connected people had profiteered by buying this grain cheaply and reselling it, some donors were reluctant to provide assistance. Grant-making agencies demanded an explanation from the government about how the SGR had been emptied, before they agreed to mobilise food aid (*"We're not going to do anything until you tell us where the grain reserve has gone"*), but no explanation was forthcoming. These donors argued that. If the maize had been sold to local people who were hoarding it to make speculative profits, then the food crisis was illusory and the maize should be released onto the market. USAID claimed that the export of grain from the SGR left them with their hands tied: *"If a government exports food, the United States has prohibitions on bringing in emergency food in the same year."* (The SGR maize had already been exported.)

Only after the media started reporting starvation deaths in Malawi did the donors reverse their hardline stance and offer food aid unconditionally. *"The donors dwelt for too long on the issue of what happened to the SGR, and not enough on saving lives. No amount of explanation was going to bring that maize back into the SGR. Why kick a man when he is down?"* The donors never alerted their headquarters to the problem until the issue developed a momentum of its own, and then donor interventions helped prevent an even larger tragedy. *"The general response to the disaster appeal has been slow, yet some relief and development agencies feel that the appeal comes too late as harvesting of the maize crop will start soon."*²⁰

Although the donors eventually provided food aid, and have committed themselves to substantial pledges of emergency assistance for the 2002/03 agricultural year, relations did not improve during or after the food crisis of 2001/02. In mid-May, the IMF announced that it was delaying disbursement of US\$47 million in loans to Malawi, primarily because the Government of Malawi had overspent its budget by US\$45 million (1.9% of GDP). *"Lack of good governance has resulted in a misallocation of resources, increased the cost of doing business, created a general distrust in public sector activities, and weakened civil service morale. There is a need to recognise that corruption and weak governance in tandem with bad policies make financial aid ineffective, even counter-productive."*²¹ At the same time, the IMF blamed government policies for creating famine conditions in Malawi earlier in the year: *"Government interventions in the past may have contributed to the current crisis by eroding initiatives for producing food. Therefore, appropriate delivery mechanisms are critical so as to not depress food production in the coming years."*

Underlying Vulnerability

Floods caused food shortage, but the food shortage would not have turned into a famine if Malawians were not seriously vulnerable. In 1991/92, for instance, a severe drought reduced food production to only 800,000 MT – less than half the bad harvest of 2001 – but did not produce anything like as dramatic impacts. Why? This section of the paper argues that vulnerability to food shortages in Malawi has increased in a number of dimensions during the 1990s, leaving affected people less resilient than before.

The preceding analysis has focused on food availability, but famines are always a problem of disrupted access to food as much as restricted availability. FEWS NET made this argument forcibly: *"This year's food problem is much more a problem of accessibility than it is of availability. Most local markets and some ADMARC markets have sufficient*

²⁰ FEWS NET, **Malawi – Monthly Food Security Update**, March 2002, page 6.

²¹ International Monetary Fund, **Malawi – 2002 Article IV Consultation: Concluding Statement of the IMF Mission**, IMF, Washington DC, 14 May 2002.

maize from various sources”.²² This is at best misleading, at worst factually incorrect. Availability and access are interrelated: low availability of maize in the market pushed prices up and reduced access. If prices had not risen to the extent they did, they would have remained affordable. Nonetheless, chronic poverty, falling livestock/grain terms of trade, and lack of off-farm employment opportunities all contributed to the problems faced by poor Malawians in accessing what food supplies were available in local markets.

▪ **Agricultural vulnerability**

Soil fertility in Malawi declined during the 1990s, reducing yields at the same time as escalating fertiliser prices, shrinking farm sizes because of population growth, the spread of HIV/AIDS and its decimating impact on household labour power, all undermined household efforts to achieve food production self-sufficiency.

“Malawi is in a perpetual state of food emergency. Most farmers don’t produce food for more than four months. We are living on the edge, all the time. Addressing the transitory food crisis does not address the underlying problem, which is the low productivity of agriculture.”

The key to agricultural production in Malawi is access to inputs. A lasting consequence of the 1991/92 drought was the collapse of the Smallholder Agricultural Credit Association (SACA) and permanent exclusion of SACA defaulters from alternative suppliers of input credit, such as the Malawi Rural Finance Corporation (MRFC). Also, unlike SACA, which was subsidised, MRFC interest rates are prohibitively high for the poor, at 45-50%.

The area planted to maize in Malawi is about 1.3-1.5 million hectares. At current yields of $\pm 1,000\text{kg/ha}$, and with national consumption needs at 1.7m MT (and rising) this results in chronic food deficits. When there is a good input distribution system the harvest exceeds 2m MT. Local maize used to yield 2 MT/ha, but is now down to 0.7-0.8 MT/ha, because of declining soil fertility – which can only be reversed through the application of chemical fertilisers or organic manure (but livestock in Malawi is strictly limited).

In this context, the Starter Pack aimed to boost production and reduce household food deficits, by restoring access to agricultural inputs. However, here Malawi is suffering from being in transition from public subsidies to private markets. Limited commercial imports of fertiliser, with traders uncertain about whether there would be a universal Starter Pack or not, followed by a scaled down Starter Pack last year, contributed to fertiliser shortages, high prices and low fertiliser uptake.

The underlying problem is declining agricultural productivity, especially soil fertility, which means the farmers need more fertiliser to achieve the same harvest, but fertilisers are becoming more expensive and the Starter Pack is now targeted. The terms of trade are constantly turning against agriculture and in favour of manufactured inputs. There are attempts to promote animal manure and compost, but this has been a message for a long time and is not yet being implemented on a large scale. Animal manure is in short supply because of low livestock holdings, but extension services are needed to spread messages about compost. There are even debates about whether to continue focusing on maize and not promoting other crops. Historically, extension services focused on maize, and still the Starter Pack, SGR and winter cropping programme are dominated by white maize. To reverse this pattern of white maize dominance will take time and cultural as well as institutional change.

▪ **Livelihood vulnerability**

During the 1990s, poverty in Malawi increased, pushing Malawians closer to the edge of survival than ever before, leaving them unable to cope with even a moderate production

²² FEWS NET, **Malawi – Monthly Food Security Update**, January 2002, page 4.

shock. About 65% of the population live below the poverty line of US\$2/day. Rural unemployment is very high, rural wage rates are very low, and agricultural production generates relatively little income.

In the 2000/01 season, farm produce prices were severely depressed, which reduced farmers' purchasing power and left them unable to purchase fertilisers and seeds. This was compounded by bad weather. Farmers were paid MK2.50-MK3 for maize when they sold it last year, and were having to buy it back at MK36 or more earlier this year. *"Even if people don't produce enough food they have to sell some to meet their cash needs, expecting to buy food later in the year. But last year when they went to the market the price was so high that they could not afford to buy it, and in some areas there was no maize in the market at all."*

Farmers need to be paid better prices for maize, or they will switch out of maize and exacerbate chronic food shortages. *"In the past ADMARC was providing income in rural areas by purchasing produce from the farmers, but ADMARC does not do this any more. That is why most of the deaths we heard about occurred in the rural areas. it is a question of economic hardship."*

▪ **Social vulnerability**

In previous difficult years, including during the 1991/92 drought, better-off community members supported their struggling neighbours with cash or food gifts or loans, providing *ganyu* employment, and so on. Since the transition to democracy in 1994, however, an excessively repressive 'rule of law' has been replaced with an anarchic 'mob justice'. Instead of supporting each other, neighbours are turning on each other. The severity of the food crisis, together with the freedom that accompanied democratisation, have apparently contributed to a breakdown of community solidarity. *"Before, everyone was for each other. Now everyone is for himself, and only God is for everyone."*

▪ **Demographic vulnerability**

The prevalence of HIV/AIDS in Malawi is estimated at 20% of the national population.²³ In 1999, 800,000 Malawians out of a population of 10.6 million were estimated as living with HIV/AIDS, and AIDS had reduced life expectancy at birth from 51 years to 36.6 years – the lowest life expectancy in southern Africa, and one of the lowest in the world.²⁴

Mortality due to AIDS affects the working age population disproportionately, peaking among women in the 30-34 year-old cohort and among men in the 40-44 year-old cohort. For this reason, AIDS has created large numbers of new categories of 'demographically vulnerable' groups: households lacking adult labour, elderly-headed households and child-headed households, street children in urban areas. The decline of social capital in poor communities has exacerbated the vulnerability of these households, who can no longer rely on their relatives and neighbours for support as in the past.

CARE International in Malawi has recently published a study on the impacts of HIV/AIDS in the Central Region.²⁵ Almost all affected households reported decreased agricultural productivity, due (directly) to loss of productive labour and (indirectly) to withdrawal of family labour from farming activities, in order to provide care for ill household members. Chronic illness also raises the need for cash income for medicines and, later, funerals,

²³ In 2001, HIV/AIDS prevalence stood at 24.1% in Malawi's Southern Region, 17.5% in Central Region and 15.9% in Northern Region (National AIDS Commission, **Sentinel Surveillance Report**, Lilongwe, 2001).

²⁴ Marcus Haacker, 'The Economic Consequences of HIV/AIDS in Southern Africa', **IMF Working Paper No. 02/38**, International Monetary Fund, Washington DC, April 2002, page 4.

²⁵ Meera Kaul Shah, Nick Osborne, Thoko Mbilizi and George Vili, **Impact of HIV/AIDS on Agricultural Productivity and Rural Livelihoods in the Central Region of Malawi**, CARE International in Malawi, Lilongwe, January 2002.

and this pressure motivates people to neglect their fields in the search for cash, most of which is spent rather than invested. The longer the duration of the illness the more household resources are depleted, leaving the family intensely vulnerable to livelihood shocks even after the infected person dies.

Consequences

It is conventional in famine analysis to concentrate on the most extreme outcome – ‘excess’ mortality – as a measure of the severity of the food crisis. Accurate estimates of famine deaths in Malawi in early 2002 are not available, but the available evidence is reported below. The famine also had a number of other significant consequences, however, including deteriorating malnutrition rates and heightened susceptibility to disease – particularly cholera, which killed hundreds of Malawians at the same time and undoubtedly spread faster through the malnourished segments of the population. Finally, the desperation induced by the famine induced people to resort to a range of increasingly unpleasant and damaging ‘coping strategies’. Some of these are documented below.

▪ **Mortality**

There are no official estimates of excess mortality due to the famine. However, the figure of 300-500 deaths is widely accepted as a lower estimate.²⁶ Lists of names of the dead collected by civil society groups suggest that a figure in the range of 1,000-3,000 deaths may be the most accurate ‘guesstimate’.²⁷ The highest estimate, made by one NGO, is 10,000-15,000 deaths, a rough calculation based on hospital and clinic records, but this figure is not accepted by most observers. In mortality terms, even the lower estimates make the famine of 2002 the worst in Malawi’s recorded history. The Nyasaland famine of 1949, for instance, resulted in an estimated 200 deaths.²⁸

Box 8. BBC reports on famine mortality in Malawi, February-March 2002

“A statement from Malawi’s Catholic priests shared the dire outlook of the FAO. “What we are experiencing is real human disaster, a famine – it is killing many people especially in the rural areas,” they said. One priest reported that his parish officiated at least seven funeral rites in one day for people who had died of hunger.” [1]

“In the southern town of Balaka, police say at least one person is starving to death each day. Reports from rural areas say people are dying almost daily after eating tubers or leaves. Old people are simply starving to death.” [2]

“In Malawi’s commercial capital Blantyre people are starving to death in hospital. By the time they get there, many are too far gone.” [3]

“No-one has calculated the scale of what is happening here. But what we found in one village was frightening. Only a handful of people live there. Three have died in the last week. Church groups say in this small area, death rates are running at a staggering 6%. If that’s true nationwide, thousands could have starved already.” [3]

Sources: BBC News Online (<http://news.bbc.co.uk/world/africa>): [1] ‘Famine stalks Southern Africa’, 19 February 2002; [2] ‘Malawi declares famine emergency’, 27 February 2002; [3] ‘Spectre of starvation in Malawi’, 6 March 2002.

²⁶ “Over 300 people have starved to death in Malawi’s central and northern regions in the months of January and February 2002 alone, according to a statement issued by the Malawi Economic Justice Network (MEJN)” (Taifour, 2002:2).

²⁷ See the list compiled by Father Cupens for the Catholic Commission for Justice and Peace.

²⁸ Megan Vaughan, **The Story of an African Famine: Gender and famine in twentieth-century Malawi**, Cambridge, Cambridge University Press, 1987, page 162.

Mortality peaked in February-March 2002, and was concentrated among three typical 'vulnerable groups': the very young, the elderly, and the already ill. Unusually, however, it appears that healthy adults also succumbed. "There are reports of adults becoming marasmic and, in extreme cases, even dying".²⁹ In parts of Malawi the famine was known as "the swelling", because malnourished adults suffered oedema that caused their lower legs to swell up shortly before they died.

Curiously, all the government ministries and donor agencies that would normally take responsibility for collecting and disseminating this kind of information – the Ministry of Health, UNICEF, WHO, WFP, the Famine Early Warning System – have chosen to stay silent about the scale of mortality in this famine, perhaps because these deaths might be seen as a failure of these institutions to prevent the famine. Typical of this reticence is FEWS NET's 'Monthly Food Security Update' for March 2002: "There have been widespread reports in the press about people dying because of hunger but statistics about this are not readily available." In late April 2002, the World Health Organisation led a 'Health Assessment Mission' in Malawi, with a mandate "to bring evidence, particularly regarding mortality and morbidity as basis for appreciating the gravity of humanitarian situation".³⁰ Disappointingly, the mission's (draft) report focuses on capacity constraints in health information systems, and has only one 'statistic' to contribute: "average mortality in health facilities was 0.02% while in the community was 3.42%".

▪ **Health and nutrition**

As with mortality estimates, there are no 'official' statistics on malnutrition rates during the famine, only vague statements: "The food shortage has increased cases of malnutrition, especially among children. Some adults are also equally affected."³¹ As noted above, Save the Children UK commissioned nutrition surveys in two districts – Salima and Mchinji – in December 2001 and in February 2002, which found an alarming deterioration in global malnutrition rates for Salima, from 9.3% to 19.0% in just two months.

A food security assessment conducted jointly by WFP, EU and FEWS in January 2002 found that 10-25% of households in 35 food insecure Extension Planning Areas (EPAs) required relief assistance.³² However, this assessment was not based on nutrition surveillance data.

An assessment conducted by Save the Children UK in Mchinji District in February 2002 found the following examples of the effects of the food crisis on people's health.³³

- Cases of oedema (swelling of face and feet) in both adults and children;
- Wasting even in older children and adults;
- People are spending as much as 4 days without a meal;
- Hunger-related deaths are occurring;
- Cases of food poisoning, sometimes fatal, from eating unconventional roots;
- Widespread abdominal illnesses due to eating maize cobs, sawdust, boiled mangoes and boiled bananas on a daily basis;
- Sick people are not recovering due to lack of food;
- Cases of anaemia widespread;
- Malaria cases are more severe as patients are weak from months of hunger;
- AIDS-related illness patients deteriorating rapidly;

²⁹ FEWS NET, **Malawi – Monthly Food Security Update**, March 2002.

³⁰ World Health Organisation (WHO) Malawi, **Draft Report of the Health Assessment Mission**, Lilongwe, WHO, 23 May 2002.

³¹ FEWS NET, **Malawi – Monthly Food Security Update**, March 2002, page 6.

³² Jacqueline Frize, **Food Security Situation Analysis: Malawi**, Oxford, Oxfam GB, February 2002, page 3.

³³ Adapted from: Olex Mwati Kamowa, **Living In The Abyss: Hunger In Mchinji**, Lilongwe, Save the Children (UK), February 2002.

- Members of child headed households and those headed by the elderly are starving more than the others.

- **Coping strategies**

Rationing food consumption is one of the immediate responses that poor households adopt when faced with a livelihood shock, in order to protect their assets for the longer term. Malawians who are not self-sufficient in good rainfall years are already consuming less food than they need, because they are market-dependent. Rationing consumption, including smaller portions and fewer meals per day, makes limited household food supplies last longer.³⁴ When production is adequate people eat three times a day, when they are working (*ganyu*) to buy food they eat twice a day, when they have no work and are selling livestock or borrowing to buy food they eat only one meal per day. This is one of the vicious cycles that follows a food crisis: market dependence will compromise people's nutrition status and undermine their capacity to work and farm in the next farming season. Another vicious cycle is premature consumption of green maize that reduces the next harvest.

Because the 2001/02 agricultural year was so harsh, dietary adaptation went far beyond 'normal' seasonal rationing (see [Box 9](#)). People lived on boiled vegetables alone in the worst months. In February, people started consuming and selling unripe 'green' maize. This premature harvesting, later estimated at 8% of the maize crop, met immediate consumption needs but undermined the future food security of those households that were forced to resort to this erosive 'coping' behaviour. By March pumpkins were available, but even pumpkin yields were lower than average because people had consumed the pumpkin leaves earlier, which stunted pumpkin growth.

By October 2001 people with livestock started selling them to buy food, but the terms of trade started falling: maize prices rose due to excess demand, livestock prices fell due to excess supply. Goats which sold for MK600-1,000 in November fetched MK300-600 in January, and MK150-500 in February (see [Table](#) below). Chickens were bartered for a plate of maize or maize bran.

Livestock Prices, Mchinji District, 2001-2002

Type of Livestock	Price in February 2001	Price in February 2002
Chickens	MK 90 - 150	MK 25 - 70
Goats	MK 500 - 1,000	MK 150 - 500
Pigs	MK 900 - 1,800	MK 300 - 1,000
Cattle	MK 6,000 - 15,000	MK 1,500 - 4,000

Source: Olex Mwati Kamowa, **Living In The Abyss: Hunger In Mchinji**, Lilongwe, Save the Children (UK), February 2002.

When rural people could not access food at affordable prices in their communities, many moved to nearby towns, and survived by begging or gleaning in grinding mills. "There has been a noticeable influx of people, mostly women and children, to urban centres seeking casual labour or begging for something to eat."³⁵ People were by now willing to do anything. "Parents are reported to be selling their children to avoid the responsibility of having to feed them. In one case, a mother in central Malawi reportedly offered to sell her five children to raise money for food, her sixth child having died of malnutrition."³⁶

³⁴ This 'coping strategy' is routinely adopted in food deficit households in Malawi during the annual lean season (see Stephen Devereux, "*Making Less Last Longer*": Informal safety nets in Malawi", **IDS Discussion Paper 373**, Brighton: Institute of Development Studies.

³⁵ FEWS NET, **Malawi – Monthly Food Security Update**, March 2002, page 7.

³⁶ BBC, 27 February 2002, 'Malawi declares famine emergency', <http://news.bbc.co.uk/world/africa>.

Box 9. Famine 'coping strategies' observed in Mchinji District
<p><u>Dietary change</u></p> <ul style="list-style-type: none"> ▪ Premature harvesting of green maize, cassava, wild yams, mangoes and bananas ▪ Consumption of free seed (pesticide-treated) given out under the Targeted Input Programme and Emergency Relief seed given by Save the Children UK ▪ Rationing consumption and going without food for several days at a time ▪ Eating boiled vegetables or boiled bananas or sugarcane as main meal ▪ Eating maize bran (<i>madeya</i>) bought from vendors ▪ Eating green maize (although mostly depleted by theft) from <i>dimba</i> gardens ▪ Eating abnormal 'foods' in desperation, including: <i>mpira</i> tree roots (which is like soft wood), wild mushrooms, pumpkin leaves, banana roots, maize stalks, even grass ▪ Changes in diet to make food last longer, including: adding sawdust to flour, grinding maize cobs to make flour, drying and grinding banana root into food
<p><u>Livelihood impacts</u></p> <ul style="list-style-type: none"> ▪ Drop in cultivated area of some major crops such as maize, groundnuts and burley tobacco compared to same time last year, due to seed shortage ▪ Suspension of farming activities – fields left unweeded – by food insecure households, because people are too weak to work or they are looking for food ▪ Those who were previously well to do have degenerated into poverty, leaving everyone in the community at the same level of poverty
<p><u>Sources of income for food</u></p> <ul style="list-style-type: none"> ▪ Doing casual work for maize, maize flour, maize bran, mangoes, cassava, sugarcanes, green maize or cash ▪ Selling household items such as chairs, mats even clothes to buy food ▪ Selling livestock at give-away prices ▪ Selling tobacco leaf to vendors at very cheap prices ▪ Begging from relatives ▪ Migration to Zambia to work for meagre wages or small quantities of food
<p><u>Education impacts</u></p> <ul style="list-style-type: none"> ▪ Increasing absenteeism by pupils because children are too hungry to attend school or are helping their parents look for food ▪ Lack of attentiveness in pupils because most of them are hungry and sick ▪ Too much sickness among pupils due to eating unconventional foods ▪ 25% drop-out rate in one area due to hunger ▪ School order broken, i.e. children don't do homework and may come and go as they wish and teachers cannot stop them as this is due to hunger and sickness
<p><u>Anti-social behaviour</u></p> <ul style="list-style-type: none"> ▪ Widespread theft of <i>dimba</i> green maize and upland crops, livestock, and household items ▪ People hacking each other when fighting for green maize in gardens in cases of hunger induced thefts ▪ Risky behaviours as exchange of sex for food and cash is on the increase ▪ Estates stopped giving the maize or any other food rations to tenants and the tenants are starving just like any other village ▪ Breakdown in social structures looking after the disadvantaged, such as the elderly and orphans ▪ Some parents, especially of orphans or in remarried families, are abandoning children ▪ Dogs have gone wild and are attacking livestock because they are not being fed
<p>Source: Adapted from: Olex Mwati Kamowa, Living In The Abyss: Hunger In Mchinji, Lilongwe, Save the Children (UK), February 2002.</p>

When all else failed some people resorted in desperation to stealing food from their neighbours, including unripe maize from fields and *dimba* gardens. This provoked a violently aggressive response: people who were caught stealing were beaten up, hacked

with machetes, some had their hands, fingers or ears amputated. People who were caught stealing food were even killed. In one village ten young men were allegedly killed for stealing maize. It is no exaggeration to say that the famine seems to have resulted in a social breakdown in many rural communities of Malawi. Informal safety nets have collapsed. *“Everyone is for himself and God is for us all.”* This behaviour is extremely unusual for Malawians, and suggests either that the famine created extraordinary social pressures that conventional social bonds could not meet, or that the famine accelerated a process of profound sociocultural change that was already underway.

Box 10. A Vulnerable Group ~ Tenant Households on Tobacco Estates

“One group that has been severely affected by the maize shortage is the tenant households group who work on the tobacco estates. Most of these estates are located in the Central Region; they attract tenants mostly from the Southern Region where land pressure is a problem. These tenant households have no relatives nearby and do not benefit from the extended family social systems that operate within the society. These people usually depend on the estate owners for food. Because of the maize shortage, there are reports that some estate owners are chasing their tenants away since they can no longer provide them with food. Some of these tenant households have camped at the country’s main political party offices in Kasungu and are asking the Ministry of Labour and other government offices to transport them back to their original homes.”

Source: FEWS NET, ‘Malawi – Monthly Food Security Update’, 27 March 2002, page 6.

Box 11. A Vulnerable Household in Dedza

In the village in Dedza in the Central Region of Malawi lives a family comprising an elderly couple, their son and daughter-in-law and their two children, and three orphaned grandchildren. The family is struggling to feed itself. Kalaga, the head of the family, explains that his family has been eating green unripe maize, as they had nothing else to eat. The compound has a small plot with sweet potatoes, which has seen them through much of the current hunger period. They have also been eating some green leaves and unripe papayas, to supplement their diet. The family has also sold all their animals to provide food for everybody. Kalaga explains: “We had chickens, 30 chickens; we had to sell them one by one to buy maize. The chickens fetched between 15-30 Kwacha, much less than people would normally pay for a chicken. When times got bad we even sold our clothes; I sold my coat for 15 Kwacha and a pair of trousers for the same amount.”

Source: Concern Malawi, ‘Case Study: Teresian Sisters, Alinafe’, Lilongwe, March-April 2002.

Lessons

Comment: See FEWS NET, 9 March 2002, page 5 on this issue.

Two sets of factors intersected in producing the 2002 famine: vulnerable livelihoods and weak institutions. *Livelihood vulnerability* can only be addressed by socioeconomic development, in particular by pursuing policies that, directly or indirectly, raise the incomes of poor households, and diversify or stabilise their food sources to reduce food security risks. Direct measures include employment creation programmes and enhancing access to agricultural inputs (an example which achieves both objectives is inputs-for-work). Indirect measures include education to improve prospects for young Malawians to leave their dependence on rainfed agriculture behind and find non-farm employment. *Institutional vulnerability* can best be addressed by institution-building (where institutions are broadly defined) and strengthening government capacity to design and implement sound, pro-poor policies.

These are longer-term measures. The immediate priority facing Malawi is to prevent a similar catastrophe in the coming agricultural year, which again is predicted to be a deficit year. The discussion below focuses on three key policy areas: management of the Strategic Grain Reserve, the future of the Starter Pack programme, and the right to food.

▪ **Strategic Grain Reserve**

The appropriate functions and stocking level of the Strategic Grain Reserve (SGR) must be negotiated and agreed between the Government of Malawi and its donor partners. If the SGR is to fulfil food security functions, it must be adequately capitalised. If necessary, its operations must be subsidised. The SGR must be managed in a transparent manner and be subjected to regular independent audit.

What is the appropriate level of the SGR to meet national food security objectives at reasonable cost? Most opinions vary between 60,000 MT and 180,000 MT, or enough grain to meet 3 to 9 months of national grain consumption needs at 20,000 MT/month. However, some government officials would like the SGR to be much larger, as high as 250,000 MT. Conversely, despite last year's import bottlenecks, some donors are still arguing for holding higher financial reserves and cutting down the physical grain reserve, even as low as 30,000 MT. Others argue that 60,000 MT would be appropriate – this would feed Malawi for three months at 20,000 MT/month, which should be enough time to import additional food if needed.

“The NFRA wants to borrow millions of dollars to buy all the 600,000 MT shortfall now, store it and release it as needed – this is crazy. Efficient contracting and subcontracting to local producers (contract farming) and traders, purchasing 2-3 months needs at a time, would save lots of money. The NFRA is an insurance policy. It should be relatively small – holding say 60,000 MT and some cash reserves to import maize in a timely fashion (before prices go up, before the rail lines get clogged) as needed.”

In reply, government officials point to last year's experience, where the fact that Malawi is landlocked made it impossible to access food quickly, and price rises plus transport delays exposed the country's acute vulnerability to price and supply fluctuations in external markets. For some, this makes a powerful case for holding substantial physical reserves at all times.

“Buying and selling grain may be more efficient than holding large stocks, but Malawi is not Kenya or Tanzania – we do not have ports like Mombasa or Dar-es-Salaam. We cannot import food from South Asia and within 3 weeks it arrives in the country. With the Strategic Grain Reserve we can feed people within a week.”

Because of the management problems experienced with the SGR last year, donors are arguing that NFRA should be audited now. The EU is supporting building management capacity in NFRA, and has pledged 30,000 MT in maize and 30,000 MT in foreign exchange equivalent, to capitalise the NFRA. Under this proposal, a stock of 60,000 MT will be maintained, but it should be recycled every year.

Should the NFRA be restricted to relief and emergency activities only, or should it play a more interventionist food security role as a buffer stock, stabilising prices through strategic grain purchase and sales (buying up surpluses after harvest and releasing stocks in the lean season, when market supplies are scarce and prices are high)? As a relief reserve, NFRA has limited effect. If NFRA is to intervene in the market it will need to be subsidised. NFRA is supposed to cover its costs, but is acting as a new ADMARC and having to compete with the private sector. The Government of Malawi should meet operating costs, if food security is the objective. The NFRA currently lacks the technical capacity to do this kind of sophisticated market intervention, which achieves food security objectives without distorting the market significantly. The difference between this idea and ADMARC activities in the early 1990s is that ADMARC was operating in a context of subsidised maize prices, but now the price banding has gone and NFRA would be buying and selling at market-determined prices, though in such a way that it would help to smooth seasonal price fluctuations.

A similar debate concerns the future role of ADMARC, which is due to be fully privatised by the end of 2002, but which many people now think should remain as a 'food security agency'. NEC, for example, argues for retaining the 'social function' of ADMARC, even if this requires subsidising. To supply food to isolated areas this year, ADMARC has been subsidised to open new, temporary markets. The World Bank has commissioned a study to investigate the future of these markets.

Some donors talk about ADMARC as a "dinosaur" that has been "reincarnated" thanks to the recent food crisis. *"My fear is that the government will respond to this crisis by reversing some of the good decisions they've taken in the past few years, bring back subsidies and ADMARC will be even bigger and nastier than before, and producers' incentives will be undermined again. The government is broke. This government can't afford subsidies."*

Before market liberalisation in 1995 it was easy to track maize supplies, control prices and so on. ADMARC kept records and reporting was clear. But these instruments have now disappeared, and with it control over maize supplies and prices. Since liberalisation everything has disintegrated – ADMARC is being commercialised and is no longer buying maize, NFRA is becoming another ADMARC but is inadequately financed – and there are no instruments for achieving food security goals. Nobody knows now how much maize is in the country, where it is being stored, and so on. Public and private sector interventions contradict each other. There is total confusion in the maize market between the roles and responsibilities of different actors – Government of Malawi, ADMARC, NFRA, SGR, private traders. Price interventions are difficult in a liberalised environment. ADMARC used to run a large deficit, because the Strategic Grain Reserve is expensive to maintain. *"Food security is a loss-making business!"*

▪ **Agricultural inputs**

Access to fertiliser and seeds is a major determinant of the extent of household food insecurity and influences the national harvest, even in good years. Two programmes currently provide smallholders in Malawi with access to agricultural inputs: the Targeted Input Programme (TIP) and the Agricultural Productivity Investment Programme (APIP).

It is vital to continue supporting access to input for smallholders in Malawi. Production must be emphasised: it costs 3-4 times as much to import maize as to produce it. In this context, it is worrying that many farmers who defaulted on their APIP input loans because

of the flooding last year are now technically ineligible for further APIP loans this year.³⁷ Because of food shortages and high maize prices this year, most farm households will have very little cash to purchase inputs in the coming season, and will harvest lower yields unless they receive assistance in the form of subsidised or free input distribution.

The Starter Pack was targeted to one million households last year, and was delivered late, but this year it is expected to expand up to 2.5-3 million households. Starter Packs are also being used to support winter cropping. Another idea is to implement inputs-for-work programmes in order to boost agricultural production. In budgetary terms – the ‘fiscal drain’ – the Starter Pack must be looked at globally, against other expenditures and in terms of impacts. The Starter Pack doesn’t crowd out the private sector – the government purchases fertiliser from the private sector. Surplus maize production keeps inflation down, provides livestock feed, stimulates private sector investment in trading maize, chicken farms, and so on. But is the Starter Pack or Targeted Input Programme sustainable? Does it guarantee access to essential inputs for all poor smallholders, or is it too random, targeted and uncertain to substitute for improved access through the market?

The danger is that input subsidies might not work because their benefits are enjoyed mainly by better-off farmers and commercial estates – many Starter Packs are sold by smallholders to the estates, for instance. Subsidised fertiliser or credit also won’t protect the poor in bad weather years – it could even leave them worse off. This is what happened in the 1991/92 drought, when thousands of farmers could not repay their SACA loans and have been excluded from MRFC and other credit ever since. The future of input support programmes in Malawi needs to be seriously reconsidered.

▪ **Planning for 2002/03**

One positive by-product of the food crisis in early 2002 was that the Government of Malawi and the donor community are now mobilised and better prepared to intervene early in the coming ‘hungry season’, which will start earlier than last year and may be more severe. “The overall situation could evolve into a large-scale food emergency by September or October when many subsistence households run short of food – and measures for coping with hunger.”³⁸ *“We need to plan ahead. Last year we were overwhelmed. We expected imported food to arrive in three months, and still some of it has not yet arrived.”*

The Vice-President launched two appeals to the donor community for food aid, in January and February. The Chinese, DFID, the EU and USAID have responded, and the Japanese, GTZ and others are gearing up to deliver food and financial assistance. The Vice-President has also set up a ‘Task Force on the Food Crisis’ in February 2002, chaired by the Ministry of Agriculture, with donors and NGOs also represented. Five Working Groups were set up under the Task Force.

The second-round production forecasts for 2001/02, released in February 2002, predicted a 5% decline in the maize harvest from an already low harvest in 2001. This would result in a national maize deficit of 650,000 MT, without even taking into account premature consumption of green maize. “Considering the food security problems that the country has experienced since last year in terms of availability and access, both at household and national level, the implications of the expected drop in production are

³⁷ FEWS NET noted in October 2001 that “the number of [APIP] beneficiaries will be reduced due to the high default rate last year. Those who defaulted are not entitled to new loans. Smallholder input uptake, therefore, may not be as good as in previous years, with possibly negative consequences for crop yields.”

³⁸ FEWS NET, **Malawi – Monthly Food Security Update**, March 2002, page 6. The report notes that: “In contrast to the 2001/2002 consumption period when food availability and access started being critical around November/December, this year food access problems may start earlier, around August/September. Normally the hungry period doesn’t peak until around January/February.”

ominous.”³⁹ The Table below shows the impact of last year’s production decline on household food availability, which prompted the premature consumption of green maize.

Table 1. Farming households with no own-produced food, 2001 and 2002

District	Feb. 2001	Feb 2002
Blantyre ADD	46%	81%
Lilongwe ADD	29%	74%
Karonga ADD	4%	43%
Kasungu ADD	16%	75%
Machinga ADD	24%	78%
Mzuzu ADD	16%	49%
Salima ADD	14%	82%
Shire Valley ADD	38%	71%
Average	23%	69%

Source: Compiled from Ministry of Agriculture and Irrigation, **Agricultural Production Estimates, First Round 2001/2002**, Agricultural Development Divisions (ADD), February 2002

The NFRA plans to purchase 240,000 MT of maize in the 2002 post-harvest season, both locally and through imports. Of this, 60,000 MT would be used to restock the Strategic Grain Reserve (currently empty), while 180,000 MT would be sold to bridge some of the food gap and dampen market price rises later in the year. “ADMARC intends to be more proactive in buying maize by getting into the market earlier than last year and by opening buying points in strategic locations.”⁴⁰ The problem facing ADMARC is that surplus maize will be even scarcer this year than last year, and private traders might well offer farmers higher prices than ADMARC can afford. Besides, there is little logic or merit in encouraging production deficit households to sell some of their harvest at low prices to ADMARC, which will resell this maize back to the same farmers at higher prices later in the year. Even more worrying is the fact that, as of the end of May, ADMARC had not yet started market operations, and traders are already purchasing maize from local farmers. Have the lessons of last year’s failure not yet been learned?

▪ **The Right to Food**

The Malawi Economic Justice Network (MEJN) is arguing that civil society must be involved in any future policy decisions that impact directly on household food security, and they are having some success. MEJN argues that the right to life is the most fundamental right of all, but that right cannot be enjoyed without the right to food, yet while the right to life gets a lot of attention, the right to food does not. The right to food means making adequate food available and affordable to all Malawians at all times. The government’s food security policy must aim at promoting food production and ensuring adequate supplies of food in the market at affordable prices. Promoting food production means ensuring inputs are available, which might mean subsidising fertilisers.

Accountability for protecting or violations of the right to food should rest with the national government. Donors are important partners in ensuring food security for Malawians, but ultimate accountability rests with the government. *“The government, despite being a signatory to many international conventions that enshrine the right to food, needs to give*

³⁹ FEWS NET, **Malawi – Monthly Food Security Update**, April 2002, page 2.

⁴⁰ FEWS NET, **Malawi – Monthly Food Security Update**, April 2002, page 7.

its full commitment to ensuring that right. The problem is that children, who are the first victims of hunger, cannot speak.” Civil society organisations believe that the government did not want to admit the food crisis was happening earlier this year because it wants to be seen as a performing government, not a failing government.

A sensitisation campaign is needed to inform people about the right to food and their right to hold politicians accountable if the right to food is violated. Basic needs are also basic rights – food, education, health – so people need to be empowered to demand these things from politicians. But this is very sensitive, because ‘economic rights’ are very expensive on the state, and Malawi is a poor state. Also, thirty years of indoctrination never to challenge authority will take time to overcome. It is necessary to instil critical thinking, and the best place to start is with the young. It is also important to reverse the ‘dependency culture’ in Malawi. *“Communities need empowerment, in the sense of mobilising themselves to help themselves.”*

▪ **Next steps**

1. Public Consultation

A public debate is urgently needed on a number of unresolved food security issues that arise out of the tragic famine in Malawi earlier this year. These issues include:

- ADMARC: What is the role of ADMARC in famine prevention?
- Inputs: Should agricultural inputs be distributed for free (Starter Packs), through employment projects (inputs-for-work) or subsidised (fertiliser subsidies)?
- Grain Reserve: How large should the national Strategic Grain Reserve be, and how should it be financed and managed?
- Policies: How does famine prevention fit into other policy initiatives, such as the PRSP, the revised Food Policy, and the National Safety Net Programme?

2. Famine Impact Survey

Since only anecdotal evidence and small-scale surveys were undertaken during the food crisis period, a retrospective survey should be conducted across all the famine-affected areas to establish its impact on individuals, households and communities. The objectives of the survey to include:

- Mortality: How many people died, by age and sex cohort, and when? (A methodology for this has been developed by the Centre for Disease Control in Atlanta, USA.)
- Livelihood impacts: How were local production, employment, food supplies and market prices (for food, livestock and other assets) affected by the food crisis?
- Coping strategies: What economic, demographic and social strategies did people adopt to survive the food crisis?
- Social impacts: What happened to community norms of social solidarity and support networks during the famine, and how can these systems be rebuilt?
- Policies: What policy interventions could be introduced or strengthened to reduce the vulnerability of local people to future food crises according to the people themselves?

There are two sources of urgency for the public consultation and the research agenda:

- (1) FEWS predicts “a more serious food access problem in 2002/03 than in 2001/02 if appropriate steps to avoid the situation are not taken”, so critical policy decisions need to be taken soon;
- (2) CDC’s mortality estimation methodology is based on recall during the six months preceding the survey – memories will fade if the research is not conducted soon.

Annex 1. The Malawi Famine of 2002: A Chronology⁴¹

2001	
January	<ul style="list-style-type: none"> ▪ Due to the good harvest of 1999/2000, household granaries were not yet empty and market prices were low (MK4-8/kg): ADMARC was selling maize at MK5/kg. ▪ National (ADMARC & NFRA) maize stocks stood at 120,655 MT. ADMARC maize sales were 12 MT/month, so these stocks would last another 10 months.
February	<ul style="list-style-type: none"> ▪ Floods in parts of Malawi and dry spells in other districts were predicted to cause a 15% drop in maize production over 1999/2000. ▪ National maize stocks down to 85,640 MT. ADMARC maize sales averaged 3,500 MT/week, so these stocks would last for 6 months, until August/September.
March	<ul style="list-style-type: none"> ▪ Flooding in 13 of Malawi's 27 districts (62,000 households) caused first-round production estimates to be further revised downward. ▪ Government of Malawi appealed for MK536m (US\$6.7m) as flood assistance. ▪ National maize stocks now stood at 64,727 MT, enough to last another 5 months, until July/August.
April	<ul style="list-style-type: none"> ▪ Floodwaters started receding. WFP launched a US\$3.2m Emergency Operation (EMOP) to assist 208,000 people in 13 flood-affected districts. ▪ Second-round crop production estimates predicted a 24% drop in the national maize harvest, from 2.5m MT in 1999/2000 to 1.9m MT in 2000/01.
May	<ul style="list-style-type: none"> ▪ Harvesting caused maize prices to fall: traders were buying at MK3-5/kg; ADMARC was selling at MK5/kg. ▪ National maize stocks only 40,133 MT, compared to 185,030 MT in May 2000. This running down of grain reserves was due to ADMARC not buying maize in 2000/01.
June	<ul style="list-style-type: none"> ▪ Final-round crop production estimates concluded that the national maize harvest had fallen by 32% over the record harvest of 1999/2000, to 1,713,064 MT. ▪ "Nonetheless, Malawi will experience a 437,775 MT food surplus this year due to high root crop production" (FEWS NET Monthly Food Security Update, June 2001). ▪ National maize stocks were by now down to a dangerously low 35,174 MT. ADMARC announced that it would purchase 120,000 MT of maize locally, and the NFRA would purchase 60,000 MT locally, to replenish the Strategic Grain Reserve.
July	<ul style="list-style-type: none"> ▪ Traders were stockpiling maize. According to FEWS NET: "Most traders expect maize to be in short supply, in view of the sizeable production decline this year, which will enable them to sell at higher prices later in the season." ▪ National maize stocks had now run down to 14,411 MT. ADMARC tried to buy maize locally at MK6/kg, but with little success.
August	<ul style="list-style-type: none"> ▪ Official national maize stocks were effectively exhausted, with only 1,698 MT left. The Government announced its intention to import 150,000 MT from South Africa. ▪ ADMARC doubled its local buying price for maize, from MK6/kg to MK12/kg. ▪ Malawian traders started buying maize in Mozambique and selling it in the Southern Region and parts of Central Region.

⁴¹ Sources used in compiling this time-line include: interviews with Government, donors and NGO officials in Lilongwe, May 2002 (see Annex 2), and the **Monthly Food Security Updates** produced for Malawi by FEWS NET for the period January 2001 to April 2002.

September	<ul style="list-style-type: none"> ▪ Official maize stocks remained negligible, at 2,528 MT, mainly because of difficulties faced by ADMARC in buying maize either locally or through imports. ▪ The government announced that the NFRA would import 220,000 MT from South Africa, Tanzania and Uganda to bridge the maize deficit of 275,000 MT. ▪ ADMARC raised its selling price for maize by 350%, from MK5/kg to MK17/kg, reflecting a shift from locally purchased supplies to much more expensive imports. ▪ The government announced its intention to distribute 60,000 MT of free maize to food insecure households in badly affected Extension Planning Areas (EPAs).
October	<ul style="list-style-type: none"> ▪ Official maize stocks remained extremely low, at 2,684 MT. The first imported maize arrived from South Africa, but only 2,544 MT out of 220,000 MT contracted. ▪ Save the Children (UK) reported alarming indicators of stress in Mchinji District: maize prices up 340% since January, maize production down 40% compared to 1999/2000. Another NGO, World Vision International, announced that the “worsening food crisis” could leave up to a quarter of Malawian children severely malnourished. ▪ Market prices of maize averaged MK12-15/kg in the Northern Region – where traders were importing maize from southern Tanzania – MK13-20/kg in the Central Region, and MK16-20/kg in the worst affected Southern Region. ▪ A food security assessment conducted by WFP, EU and FEWS found that 10-25% of households in 35 food insecure Extension Planning Areas required relief assistance.
November	<ul style="list-style-type: none"> ▪ Official maize stocks had barely improved, at 3,815 MT. A total of 18,500 MT of maize ordered from South Africa had arrived by mid-November. ▪ ADMARC was buying the imported maize at MK15/kg and reselling it at MK17/kg. ▪ Livestock prices began to fall as people started selling their animals to buy food. ▪ Harvesting of winter maize and other winter crops was helping to alleviate household food insecurity in some areas, such as the lower Shire Valley. ▪ Several major donors, including the European Union, Denmark, the United Kingdom (DFID) and the United States (USAID) suspended aid to Malawi: Denmark and the EU following evidence of corruption involving its funds, DFID complaining about political violence, USAID in protest at the suspension of Malawi’s privatisation programme.
December	<ul style="list-style-type: none"> ▪ ADMARC maize stocks remained low, at 5,686 MT. NFRA imports from South Africa had reached 27,000 MT. Projected total imports were revised down to 150,000 MT, partly because depreciation of the Malawi Kwacha (by 8% between October and December, from MK62/US\$ to MK67/US\$) raised the costs of imports. ▪ ADMARC sales of maize were too limited to affect market prices. In most parts of the country, the retail maize price was higher than ADMARC’s ‘official’ price of MK17/kg – in some markets, as high as MK28/kg. ▪ A nutrition survey conducted by Save the Children (UK) found global malnutrition rates of 9.3% in Salima District and 11.8% in Mchinji District. ▪ New season rains started late, and began with a false start as dry conditions following the first rains forced many farmers to replant. Distribution of free inputs to one million households under the Targeted Input Programme was completed. Due to depreciation of the Malawi Kwacha, fertiliser prices remained high, at MK900-MK1,500/50kg bag.
2002	
January	<ul style="list-style-type: none"> ▪ Only 40,000 MT of maize imports from South Africa had arrived in-country, leaving 110,000 MT still to be delivered. Import bottlenecks were reported on train and road routes through Zimbabwe and at Nacala port in Mozambique. Private traders were banned by the government from buying this maize from the NFRA, which sold it all to ADMARC at MK15/kg, for resale at MK17/kg.

- Following a presidential decree, ADMARC opened more rural markets to improve distribution to vulnerable communities. ADMARC prices were now relatively low, and high demand resulted in long queues and rationing to 25kg/person/day. ADMARC's limited supplies made little impact on stabilising or bringing down market prices. due to heavy demand, ADMARC was no longer holding stocks of grain.
- FEWS NET reported that "most households have depleted their food stocks and have to depend on the market for food. However, maize prices are rapidly becoming too expensive". Some markets had "experienced huge price increases" of 340% since the harvest in June, with prices averaging MK20-30/kg and reaching MK37/kg at Namwera.
- Coping strategies were reported from rural areas that indicated increasing nutritional stress, such as consumption of maize bran mixed with dried cassava. Livestock prices continued falling as goats and chickens were sold or bartered for maize.

February

- 6 February: First-round crop production estimates were favourable, predicting a 16% increase over last year's poor maize harvest to 1,989,505 MT, sufficient for national consumption needs. However: "Premature harvesting of green maize for consumption and sale due to the tight food security situation may compromise future national and household food security" (FEWS NET, February 2002).
- 15 February: Only 41% of the maize ordered by NFRA from South Africa – 62,000 MT out of 150,000 MT – had arrived in Malawi, due mainly to congested transport routes. FEWS NET warned – too late – that: "The government needs to take urgent action to improve the inflow of the imported maize and its local distribution to all the various ADMARC markets. ... there is widespread suffering and deprivation as a result of the shortage of food (maize) in the country."
- Vice-President Malewezi conceded publicly that Malawi was facing a food crisis, and appealed to donors, private companies and NGOs for urgent assistance.
- 19 February: Catholic priests in Malawi pressed the government to declare a national emergency because of lack of food. "What we are experiencing is real human disaster, a famine – it is killing many people". The priests also urged the government to subsidise the price of imported maize, but this appeal was rejected as too expensive.
- 22 February: Civil society organisations released a press statement noting that "hunger has reached crisis levels in Malawi", and calling for urgent action by government and international donors.
- 27 February: President Muluzi announced that a food crisis was affecting 70% of the population, and declared a "State of Disaster". The BBC reported deaths from famine.
- Retail maize prices continued to rise, exceeding MK30/kg in over half the markets monitored nationwide, and peaking at MK43.85/kg at Nkhotakota market. Prices were highest in the Southern and Central Regions, but generally lower in the north where demand pressure was less and largely met by commercial imports from Tanzania.
- The Malawi Kwacha continued to depreciate, from MK68/US\$ in January to MK73/US\$ in February, further raising the cost of importing commodities, including food.
- NFRA was selling all its maize to ADMARC as soon as imports arrived, and holding zero stocks. Quotas for ADMARC maize were cut from 25kg to 20kg or 10kg per day. Though banned from purchasing from NFRA or ADMARC, traders hired local people to buy maize which the trader resold at prices double or more than ADMARC's MK17/kg.

March

- 3 March: A nutrition survey by Save the Children UK found global malnutrition rates of 19.0% in Salima District and 12.5% in Mchinji District.
 - 15 March: Malawi had received 83,000 MT of 150,000 MT planned maize imports. The NFRA was now sourcing maize from Tanzania (30,000 MT ordered) as well as South Africa. All imports were sold immediately through ADMARC, which held zero stocks.
 - Retail maize prices persisted at extremely high levels (up to MK43/kg) while ADMARC
-

	<p>sold its limited supplies at MK17/kg in quotas of 10kg-25kg per person per day. In Northern Region, commercially imported maize from Tanzania depressed prices to MK19-MK23/kg, confirming that logistical bottlenecks and high transport costs within Malawi contributed to the exceptionally high prices in Southern and Central Regions.</p> <ul style="list-style-type: none">▪ The World Food Programme (WFP) launched an Emergency Operation to provide food aid to 300,000 people.▪ <u>22 March</u>: Vice President Malewezi appealed for food assistance from the donor community.▪ <u>27 March</u>: Government established a Task Force on the Food Shortage Situation, chaired by the Ministry of Agriculture.▪ <u>31 March</u>: According to SADC's Regional Early Warning Unit, Malawi "is facing an acute food shortage and food aid from the donor community is urgently required".▪ Farmers continued to harvest green maize. "In addition, there have been widespread cases of green maize theft from the field, especially in the Southern and Central Regions, prompting desperate farmers to severely beat, and in some cases even kill, those who get caught" (FEWS NET, 'Monthly Food Security Update', March 2002).
April	<hr/> <ul style="list-style-type: none">▪ Retail prices of maize started to fall, as early maturing crops provided an alternative source of food to the market, and imports of new season foodcrops started arriving from Mozambique and Tanzania. Mozambican maize was selling in border markets at MK10-MK15/kg, though prices elsewhere remained as high as MK34-MK40/kg.▪ <u>5 April</u>: Second-round maize production forecasts were revised downward from the first-round estimate of 2 million MT to 1.6 million MT, 5% below the 2001 production of 1.7m MT. This would result in a national maize deficit of 650,000 MT. The reason for this downward adjustment was a 3-week dry spell from late February to mid-March.▪ <u>6 April</u>: The Malawi Kwacha continued depreciating, now to MK76/US\$, with negative implications for both the government's capacity to import maize, and the ability of the poor – many having already sold their assets to buy food – to pay these higher prices.▪ <u>7 April</u>: Only 92,000 MT of 150,000 MT of maize – 61% of the import programme – had arrived in Malawi from South Africa and Tanzania.▪ <u>15 April</u>: FEWS NET warned that: "The country may face a more serious food access problem in 2002/03 than in 2001/02".
May	<hr/> <ul style="list-style-type: none">▪ <u>9 May</u>: The United States pledged 11,330 MT of emergency food aid to Malawi.▪ <u>13 May</u>: The FAO/WFP Crop assessment Mission concluded that the maize deficit this year would be around 600,000 MT. The World Food Programme [WFP] estimated that 2.1 million Malawians would need food assistance by September 2002, and 53% of the population by December.▪ <u>14 May</u>: The IMF agreed that "Malawi's current food situation is serious", and that: "Urgent action is needed to prevent starvation". At the same time, the IMF suspended US\$47 million in loans to Malawi, because of government budgetary overspending as well as "corruption and weak governance".▪ <u>22 May</u>: The European Union pledged 95,000 MT of emergency food aid to Malawi.

Annex 2. People Consulted in Lilongwe, May 2002

Organisation	Name	Title
Government of Malawi		
Department of Disaster Preparedness, Relief and Rehabilitation [DDPRR]	Mr B.W. Gidala	Coordinator
	James Chiusiwa	Chief Relief Officer
Ministry of Agriculture and Irrigation	Dr E. Malindi	Permanent Secretary
	Mr Z.D. Chikhosi	Controller of Planning Services
Malawi Agricultural Sector Investment Programme [MASIP]	Ian Kumwenda	National Coordinator
National Economic Council [NEC]	Dr Milton Kutengule	Director, Development Division
	Cliffe Chiumba	Deputy Director, Development Division
Agencies		
Famine Early Warning System Network	Sam Chimwaza	FEWS NET Representative
National Food Reserve Agency [NFRA]	Henry Gaga	General Manager
NGOs & CSOs		
ActionAid Malawi	Sakou Jobe	Country Director
	Edson Musopole	Africa Policy Coordinator
CARE	Nick Osborne	Country Director
Catholic Commission for Justice & Peace	Father L. Cupens	Roman Catholic Priest
Concern Universal	Prince Kapondamgaga	Research Officer
Concern Worldwide	Paul Harvey	Project Officer
Malawi Economic Justice Network	Mr M. Bamusi	Deputy Director
Malawi Human Rights Resource Centre	Charles Mkandawire	Director
National Democratic Institute	Jim Goodman	Project Officer
Save the Children UK	Lizzie Nkosi	Country Director
	Gary Sawdon	Food Security Adviser
Donors		
Department for International Development, UK [DFID]	Dr Harry Potter	Natural Resources Advisor
	Andrea Cook	Social Development Adviser
	Margaret Gaynor	Safety Nets Officer
	Sheelagh Stewart	Senior Governance Adviser
European Union [EU]	Maurizio Borzini	EC Food Security Unit
International Monetary Fund [IMF]	Girma Begashaw	Resident Representative
	Alfred Kammer	Deputy Division Chief, Southern African Division

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	Johan Mathisen	Economist
United Nations Development Programme [UNDP]	John Wayem	Economic Advisor
	Julius Holt	Food Security Consultant to UNDP
United States Agency for International Development [USAID]	Dwight Alan Smith	Program Development & Analysis Officer
World Bank	Stanley Hiwa	Agricultural Economist
World Food Programme	Gerard van Dijk	Country Director
	Dr Nicholas Haan	Regional Programme Advisor, Vulnerability Analysis & Mapping
	Kerren Hedlund	Emergencies Officer
Academics		
University of Malawi	Dr Charles Mataya	Director, Agricultural Policy Research Unit [APRU], Bunda College
	Franklin Simtowe	Research Fellow, APRU
Private Sector		
Agricultural Commodities Traders Association [ACTA]	Mr Sadyalounda	Grain Trader, Head of ACTA