



MALAWI
VULNERABILITY ASSESSMENT
COMMITTEE (MVAC)



Market Assessment Report 2013



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EXECUTIVE SUMMARY

This market assessment was commissioned by the Malawi Vulnerability Assessment Committee (MVAC) with funding from DFID and technical support from WFP and OXFAM GB. The main objective of assessing the feasibility of using an array of interventions ranging from market based to the more traditional food assistance during the 2013/14 consumption season. Previous Targeted Food and Cash Transfer Programs concentrated their assistance in the Southern and the Central region of Malawi. The critical aspect of this assessment is that it will include possibilities of interventions in the Northern region, where historically there has been surplus production, thus very limited or inexistent humanitarian response in recent years.

This research did not investigate the market in general, but focused on the maize market given the context and objectives of the interventions. Maize is also the main staple food in the affected areas.

The market assessment presents findings and recommendations by Traditional Authorities (TA), while the maize flow maps are presented by district.

The background to the findings on maize production is mostly influenced by production estimates from the Ministry of Agriculture and Food Security (MoAFS) 2012/13 indicating a national maize production of 3,639,866 MT which represents a slight increase of 0.44% from last season's final round estimate of 3,623,924 MT. Notably, the production output of current year was realized through irrigation while small scale farming output declined significantly, a situation that is determinant for the understanding of current maize market challenges in Malawi.

The Northern and Central regions, usually the main production areas, have been hardest hit by drought this year, which has resulted in poor harvest. The southern region, while registering surplus, will not be able to fill the national gap given the level of demand by populations residing in the region and its chronic levels of vulnerability to food insecurity.

In addition, as of end of August 2013 the National Food Reserve Agency (NFRA) has reported that stocks are significantly below the targeted levels, and due to lack of funds it is very unlikely that the gap could be filled before the start of the lean season.

In addition, ADMARC has planned a figure that is below the minimum requirement (planned 63,000 MT against the usual 75,000 MT). Evidences indicate that so far ADMARC has only procured 996 MT of maize for commercial purpose. Also the Grain Trader and Processor Association (GTPA), has reported that small traders have 5,000 MT of maize in their stock while

larger traders have 26,000 MT which have already been committed for brewery, poultry feed production and food processors.

Furthermore, the regional maize availability in Zimbabwe, Tanzania, Zambia and Mozambique have also decreased, due to prolonged dry spells and floods that have impacted the agricultural production, particularly cereals.

The combination of the abovementioned factors is likely to lead to an increase in market prices, hence making it more difficult for vulnerable groups to access maize. Levels of price increase for the 2013/14 season are expected to be not much lower or even at a similar level as the increases from the previous season, according to econometric estimates conducted for this assessment.

This assessment has looked at the availability of maize in the three regions, North, Central and South. The markets in the northern region do not have the capacity to respond to an increased demand, therefore only in-kind assistance has been recommended. In the central and southern region, depending on the markets, there may be some capacity to respond to an increased demand thus both in-kind and cash based interventions are recommended. However in the TAs where cash intervention has been recommended, a constant close monitoring of food prices and maize availability is required..

These research recommendations are based on assumptions of availability of key commodities (maize and other basic food items), ability of supply to respond to increased demand combined with the risk of added inflation due to cash transfers. It is also assumed that markets in areas of interventions should be competitive and integrated.

The research recommends that while all modalities of intervention could be tried on a pilot basis and exercised with caution, the opportunity for cash transfers is limited to the period when the prices are stable or increasing only moderately, food is plenty in the markets and the general inflation is under control; therefore this option should be limited to specific areas as identified on a case by case basis within this report. Similarly, vouchers may also be used if maize availability could be assured and traders would be able to respond adequately. On the other hand, while conditions are still favouring in kind food interventions, these should be used as opportunities to implement activities that would help small scale vulnerable farmers and food insecure populations, restore their productive capacity, their assets and generate income.

1. Background

Malawi ranks 170 out of 187 countries on the 2012 Human Development Index. More than half of the population lives on less than US\$1.25 per day¹ and a quarter of the population is considered ultra-poor². It is a small landlocked country with an estimated population of 14.8 million people, 85 percent of whom live in rural areas.

More than 80 percent of Malawians are smallholder farmers with a national average land holding size of 0.5 hectare per household³. The farming systems are principally rain fed and 75 percent maize based, making it highly susceptible to erratic weather patterns. Such conditions make Malawi's population highly vulnerable to the effects of economic shocks and natural disasters that lead to food insecurity; disproportionately affecting women and children.

A combination of late onset and erratic rains during crucial stages of the growing season has resulted in reduced maize crop yields in the traditional food insecure districts in the south as well as surplus areas of the centre and north. Furthermore, high prices of agriculture inputs last year led to people buying less fertilizers hence planting less acreage and selling green maize, all exacerbating the current situation.

Although the Ministry of Agriculture and Food Security (MoAFS) predicts a modest maize surplus in some areas, leading to an overall surplus at national level, the major challenge is the redistribution of the surplus to the deficit areas. In addition, there are issues around the calculations of the surplus, that strongly negate the likelihood of an overall surplus in 2013 including the following: i) yield estimations are historically optimistic, ii) industrial use estimation is obsolete (being based on 2004/2005 figures) and iii) post-harvest losses estimation is also unrealistically low at 12.9 percent while current estimates stand at an average of 30 percent.

The Malawi Vulnerability Assessment Committee (MVAC) annual assessment and analysis results for 2013 to 2014 consumption season indicated approximately 1.46 million people across twenty-one districts, are at risk of missing their food entitlements. The affected districts include the following: Karonga, Mzimba and Rumphi in the Northern Region; Dedza, Dowa, Kasungu, Mchinji, Ntchisi, Salima and Nkhotakota in the Central Region and Balaka, Blantyre, Chikhwawa, Machinga, Mangochi, Nsanje, Zomba, Phalombe, Chiradzulu, Mwanza and Neno in the Southern Region.

¹ United Nations Development Programme. 2013. Human Development Report 2013. The Rise of the South: Human Progress in Diverse World. New York.

² National Statistical Office (NSO), 2013. Malawi Population Data Sheet 2012, Zomba

³ NSO and ICF Macro. 2011. Malawi Demographic and Health Survey 2010. Zomba

The Northern and Central regions have been hardest hit by drought and poor production this year. Considering that these regions are usually the food basket of Malawi, the implications, despite the southern region's registered good production compared to last year, are severe.

Malawi is highly vulnerable to natural disasters such as prolonged dry spells, coupled with flash floods which destroy crops, causing depletion of livelihoods and lead to food insecurity and greater poverty. A Comprehensive Food Security and Vulnerability Analysis conducted by WFP globally in October 2012 found six key issues behind the food insecurity and malnutrition situation in Malawi. These are as follows:

- Widespread poverty
- Fragile macroeconomic stability
- Low levels of education
- Land pressure and low yields
- Nutritional dependence on maize
- Climatic shocks and natural disasters

The report further stated that nationally, almost half of the total population are food energy deficient. In five southern districts (Phalombe, Chikwawa, Nsanje, Machinga and Mulanje) more than 55% of households are energy deficient. In the central district of Lilongwe some 63% are lacking adequate food energy. As a consequence, one in four households, or 3.1 million people, revealed inadequate food consumption patterns. Almost half a million people (3.5%), or about 100,000 households, have poor consumption - mainly surviving on Maize, with sparse amounts for vegetable relish. More than half of southern households face annual seasonal deficits, which they site almost exclusively on drought. Furthermore, food shortages are seasonal, with the lean season from November to March, when households become market dependent making them more vulnerable to price fluctuations.

In addition to the CFSVA, an Emergency Food Security Assessment was carried out in June 2013 in 15 districts across the country⁴. The main findings show a high vulnerability among the households interviewed.

- A significant proportion of households (13 percent) in the targeted areas were having poor food consumption during the time of assessment. At regional level, the majority of the households with poor food consumption were from the southern region, and more than 20 percent of the households in Balaka, Nsanje and Chikwawa were having poor food consumption.

⁴ Karonga, Rumphi and Mzimba in the northern region, Kausngu, Dowa, Mchinji, Ntchisi, Salima, Dedza in the central region, Mangochi, Balaka, Machinga, Zomba, Chikwawa and Nsanje in the southern region.

- A large proportion of households (66 percent) were engaging in some form of coping strategies to access food. The most commonly employed coping strategy was reliance on less expensive food (77 percent) followed by reduction in number of meals consumed per day (55 percent) and limiting portion sizes at meal times (53 percent).
- Expenditure on food was more than 75 percent for 42 percent of the assessed households. The highest proportion of households spending more than 75 percent on food was found in the southern region. These households are likely to become more vulnerable to food insecurity as the consumption year progresses.
- A large proportion of the households (74 percent) in the 15 assessed districts are asset poor, with only 1 percent of the households being in the asset rich category. The main livelihood sources were agro-based engaging 50 percent of the households. Most of the household interviewed (84 percent) were engaging in maize production mainly for food consumption

After this study a market assessment was conducted jointly by MVAC, WFP and OXFAM in order to assess the feasibility of using an array of interventions ranging from market based to the more traditional food assistance during the 2013/14 consumption season. Previous Targeted Food and Cash Transfer Programs concentrated their assistance in the Southern and the Central region of Malawi. This assessment is critical since the 2013/14 MVAC Response will target the Northern region, a surplus zone of the country. Historical information on market conditions in the Northern region is limited as it has not warranted for any humanitarian response in recent years.

2. Methodology

The methodology used for the rapid assessment, was based on the 10 steps of the EMMA (Emergency Market Mapping and Analysis) methodology (see www.emma-toolkit.org for more details about the EMMA methodology). The assessment team was made up of 42 staff members from governmental agencies, NGO, UN, and enumerators hired especially for the field work.

A set of 5 different questionnaires were administered to informants. The biggest amount of information was collected from wholesalers. Additionally retailers, transporters, producers and other key informants were interviewed.

For the data collection, the team was divided in 3 "regional" teams. Each team covered one region (Southern, Central and Northern regions) and was composed of 1 team leader, 3 supervisors, 9 enumerators and 1 data entry.

Each market was visited by 1 supervisor and 3 enumerators, while the team leader conducted key informants' interviews mainly with district level authorities including the District Agricultural

Development Office (DADO), District Council (DC) and Agriculture Development and Marketing Corporation (ADMARC) office. The markets were visited in the morning, when the afternoons were dedicated to the debriefing and daily analysis. Recommendations were done for each market after the daily analysis. The team leader was responsible for checking the daily debriefing forms, seasonal calendars and market map before hand over to data entry.

A 4 days training was provided, for the team leaders and supervisors, and 1 day for the enumerators (Annex 1). The 4 day training focused mainly on modalities of intervention, market assessment methodology and concepts and field work plan (see annex 2). The tools were pretested and validated. At the end of the data collection phase, a 2 days analysis workshop was held after the field work in order to go in-depth in the analysis and to provide final recommendations.

It is important to note that this market assessment, having as its main objective to inform the stakeholders about the possible modalities of intervention, is not looking at the market in general, but rather focusing only one critical market. Considering the context and objectives of the interventions, as well as the main staple food in the affected area, the critical market selected was the maize market.

This market assessment was conducted after the food security assessments, and the areas to assess as well as the estimated population per Traditional Authority (TA) and Extension Planning Areas (EPAs) for district were already previously defined by the MVAC Report. The recommendations are given at TA level. However, the maize flow maps represent movement of maize from district to district and not for specific TAs.

The teams did not try to visit each and every market in the selected TA's but focused on the "key markets". The assessed markets were selected according to some specific criteria:

- a. where the population from the selected TA's purchase food items (maize in particular) weekly or monthly. This does not include smaller daily markets.
- b. markets where wholesalers are present at least once a week
- c. markets which are active all year-round
- d. markets where the supplied quantities and the number of actors are significant enough to meet the local demand

Identification and selection of the key markets was conducted in Lilongwe based on the team members' personal knowledge and contact with officials within the districts, as well as secondary information from previous market assessments. However, the lists of markets to be assessed were completed and validated at District level.

The objective was to as much as possible, visit the markets on a market day to ensure the assessment team to have the opportunity to meet the main actors of the markets.

For the field work, the following steps were followed:

- i. Meetings at district level (local authorities such as the Civil Protection Committee, Office of District Commissioner, Disaster Risk Management Officer and Crops Officer)
- ii. Meeting ADMARC and DADO district officials
- iii. Interview with market committee
- iv. Interview with (at least) 2 retailers
- v. Interview with 2 producer-traders (if any selling her/his product on the market)
- vi. At least 2 interviews per type of wholesaler / trader
- vii. Interview with 2 transporters
- viii. Daily data cleaning, entry, discussion and analysis

The assessment started with randomly selected retailers mainly focusing on prices, quantities traded and origin of marketed products over the seasons. The interviews with the wholesalers collected key information on quantities, seasonality of activity, sources, past prices and price forecasts and capacity to increase the volumes traded. The different types of wholesalers were identified through the retailers' interviews, and however, other wholesalers and market committees were based on the following criteria:

Big Wholesaler: Purchasing from producers and/or traders and selling to other smaller traders **specialized in one/two commodities**, using wholesale units (i.e. bags, trucks); with good storage capacity and can store during the post-harvest season, to sell later in the year.

Medium-size Wholesaler: Purchasing from traders and/or producers, selling to other traders and/or consumers, **specialized in many commodities**, using wholesale units (i.e. bags, trucks...); with storage capacities.

Small-size wholesaler: Purchasing from traders and/or producers, selling to other traders and to consumers, selling the whole unit or part of it (bags, kg) with no or minimal storage capacity.

Large or Small-size traders: Purchasing from producers or collectors, selling to other traders, using wholesale units (i.e. bags, trucks); with limited or no storage capacity and usually don't store maize for long periods.

Retailers: the retailers are purchasing small quantities (up to few bags at one time) and are selling only to consumers (or restaurants).

Producer-traders: they are producers and come to the market to sell their harvest to wholesalers, retailers or consumers.

The interviews were conducted following the developed questionnaire, interview guidelines, and check lists. The questions were a mix of close and open question as well as a mix of quantitative and qualitative information. The data were entered on a daily basis (within a daily debriefing form, wholesaler data base and through the production of market maps and update of seasonal calendars). The assessment covered 70 TAs in 17 districts in which a total of 92 markets were assessed.

2.1 Limitations of the study

This market assessment is not a statistical survey, however all the identified key markets were visited. As an assessment, there was no advance selection of the number of actors to be interviewed hence not considering statistical representativeness but ensuring that the information collected was "good enough" information.

3. Overview of the Maize Market in Southern Africa

SADC Regional Vulnerability Assessment and Analysis (RVAC) synthesis report presentation in Johannesburg during a Technical Dissemination meeting in July 2013 shows that prolonged dry spells have affected the cereal production in Malawi, Zimbabwe, Tanzania and Zambia. In addition, Malawi, Tanzania, Zambia and Mozambique have experienced floods that have impacted the agricultural production, particularly cereals.

In the southern part of Mozambique for example, 153,000 hectares of crops including maize have been lost due to the floods and dry spells experienced in January 2013. Additionally, between April 2012 and January 2013 approximately 60,000 MT of maize have been imported from South Africa, while about 30,000 MT have been imported from Zambia (FAO GIEWS country report, 2013).

Compared to last year (2012), cereal production in Zambia has decreased by 10% according to the SADC report, illustrated in table 1 below. When looking at Zambia's forecast of national maize production and consumption from the RVAC Technical Dissemination meeting in July 2013, the situation is even more severe. The expected surplus production in Zambia is only half of the previous season's surplus (2012/13) and below the 5-years average (down from 1,035,333 MT last year to 453,995 MT this year). Additionally, the population in need of food assistance is three times higher this year compared to last year in Zambia. As Zambia is the main source of non-GMO maize for the entire SADC region and east Africa, the recorded situation will likely reduce the export of maize to neighboring countries.

Also, Zimbabwe has suffered a decline in its cereal production by 15 percent during 2012/13 season compared to the previous year. In addition, this year's cereal production was 27 percent less compared to the 5-years average production. Zimbabwe will additionally witness an increased amount of population affected by food insecurity (2.2 million people) which is a 32 percent increase compared to last year. In order to assist these vulnerable people, maize imports will be required, especially from Zambia. Already 20,680 MT of maize have been purchased from Zambia and a total of 150,000 MT was pledged to Zimbabwe by Zambia.

Table 1. Performance of the 2012/13 agricultural season for cereal production (Source: SADC Vulnerability Assessment and Analysis Synthesis report)

Country	2008	2009	2010	2011	2012	5-Year Average (2008 – 2012)	2013	2013 prodn vs 5 - yr average	2013 vs 2012 harvest
Angola	738	1053	1178	1409	506	977	940	-4%	86%
Botswana	43	56	55	62	53	54	45	-16%	-15%
DRC	1473	1473	1474	1475	1474	1474	1476	0%	0%
Lesotho	72	72	172	103	58	95	106	11%	83%
Malawi	2989	3993	3610	4121	3838	3710	3894	5%	1%
Mauritius	2	2	2	2	2	2	2	0%	0%
Mozambique*	1486	1702	1709	1832	2176	1781	2218	25%	2%
Namibia	106	111	155	117	166	131	81	-38%	-51%
RSA	15550	14855	15094	13579	14794	14774	14104	-5%	-5%
Swaziland	62	71	75	84	76	74	82	11%	8%
Tanzania**	5587	5265	6940	6787	7558	6427	8314	29%	10%
Zambia	1640	2197	3096	3363	3197	2699	2890	7%	-10%
Zimbabwe	628	1557	1569	1656	1123	1307	953	-27%	-15%
SADC***	30376	32407	35129	34590	35021	33505	35105	5%	0.2%

In Mozambique, the production is estimated to be 2% higher compared to last year. However, when looking at the cereal balance sheet, Mozambique has a shortfall of 603 MT (SADC). Imports from Mozambique into Malawi are mostly informal, with limited and unreliable quantities of maize transported across the border.

4. Overview of the Maize Market in Malawi

The Ministry of Agriculture and Food Security (MoAFS) 2012/13 Third Round Agricultural Production Estimate Survey (APES) is indicating a national maize production of 3,639,866 MT. This represents a slight increase of 0.44% from last season's final round estimate of 3,623,924 MT. The production output of current year was realized through irrigation while small scale farming output declined significantly.

The final round crop estimates expected by the end of August 2013 do not foresee a production surplus, especially for the rain fed maize plantations. If this assumption remains correct, the food security situation could become even more critical than reported by MVAC meaning more people will be food insecure towards the lean season.

The Northern and Central regions have been hardest hit this year due to drought, resulting in poor harvest. Considering that these regions are usually the food basket of Malawi, there might be implications for the country, despite the southern region's registered good production compared to last year. The south is traditionally more chronically food insecure with problems of high population density which has led to the division of land into small plots where on average a poor household owns 0.2 acres of land. These small plots do not yield sufficient levels of production to sustain the livelihoods of the vulnerable people throughout the year.

The latest FEWSNET food security outlook reports for July to December 2013 that despite the presence of the national maize export ban, informal maize exports between April and June of this year were 39 percent higher than the five-year average during this period. Devaluation plays a role as it is economically sound for foreign traders to buy from a cheaper currency.

Nearly all of the maize exports (> 90 percent) during this period were recorded at the Malawi - Tanzania border points in the northern part of Malawi. In terms of imports, between April and June, Malawi imported only 10,000 MTs. Although, importations have picked up since, averaging at 1300MTs per day, however, with resourcing running low, this trend is expected to seize in September 2013 unless further funds are made available.

In addition, as of end of August 2013 the National Food Reserve Agency (NFRA) has reported that stocks are significantly below the targeted levels. So far, only 38,061MT were procured and due to lack of funds it is very unlikely that the gap could be filled before the start of the lean season that is expected to start earlier than usual, October/November 2013, due to cumulative vulnerabilities and household food gaps since last year. This will have a detrimental effect come the peak of the lean season between January-March 2014.

Table 2. NFRA Stock Balances as of 27 August 2013 (Source: NFRA)

Storage location	Storage capacity	Actual quantities as of Aug. 2013
Bangula	5,000 MT	0 MT
Limbe (Blantyre)	40,000 MT	2,290 MT
Luchenza	15,000 MT	156 MT
Mangochi	15,000 MT	466 MT
Lilongwe	180,000 MT	33,070 MT

Kazomba (Mzimba)	5,000 MT	2,079 MT
Mzuzu	15,000 MT	0 MT
Total	275,000 MT	38,061 MT

Considering that a minimum of 75,000 MT of maize is usually stocked in the Strategic Grain Reserves for emergency relief, of which this year only 63,000MT is planned for and the surplus is sold as subsidized maize through ADMARC stores to stabilize prices in the country, there is concern that this year, most of the people will rely on local markets to access maize due to the limited availability in ADMARC stores. In fact, ADMARC has so far 996 MT of maize for commercial purpose and NFRA committed 9000 MT to them; no funds were so far allocated to finalize this operation. This situation will lead to an increase in market prices, hence making it more difficult for vulnerable groups to access maize.

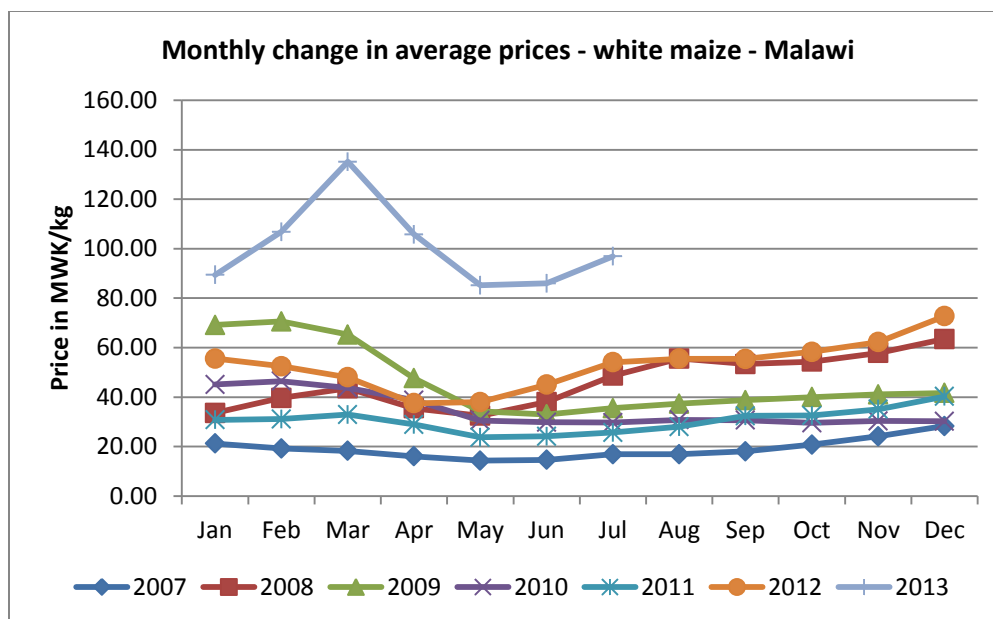
Additionally, the Grain Trader and Processor Association (GTPA), has reported that small trader have 5,000 MT of maize in their stock while larger trader have 26,000 MT which have already been committed for processing or sale for brewery and poultry feed production. This situation leads to a general unavailability of maize in the local market.

4.1 Market Prices Trends in Malawi

Figure 1 below shows Malawi maize price trends from May 2008 to July 2013 (MoAFS, 2013). It can be observed that in previous years, seasonal price increases in the lean season (Nov-Mar) were always followed by a price decrease after the lean season. In the month of July 2013, the average maize price had reached MWK 96.90 per kg compared to MWK 54.12 per kg during the same period last year, showing an increase of 79 percent (MoAFS, 2013). It is unusual that at harvest period, prices would remain at this high level.

Prices are not following normal seasonal trend, with a decrease in July and August, but have instead remained more or less stable in July and are slightly increasing again. Maize prices are well above both last years' prices and the last five year average.

Figure 1. Maize price trends in Malawi 2008 to 2013 (MK per kg)



Source: Ministry of Agriculture and Food Security (MoAFS).

Based on FEWSNET’s integrated analysis approach, abnormally high prices in the country are expected to continue throughout the outlook period of August to December 2013 and eventually reach the peak in January and February 2014. High food prices include high production costs associated with the current crop being transferred to consumers, limited supplies due to low production in localized areas, and a much higher demand. Low national grain stock holdings may also be contributing to higher than normal prices.

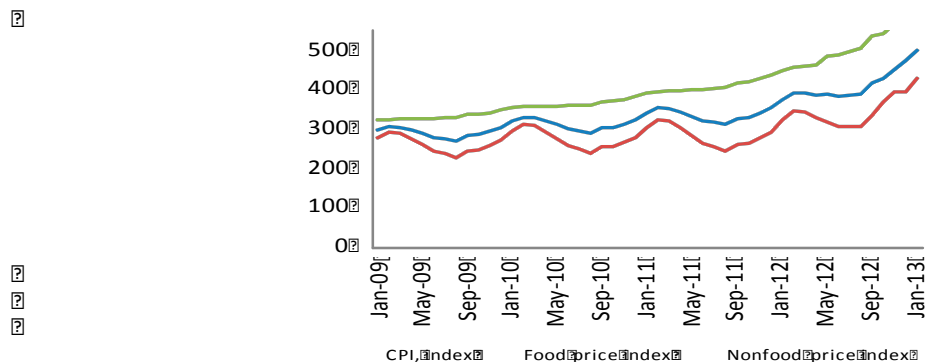
In addition, inflation rate is expected to stay high, above 25% for 2013. In late April 2013 the IMF expected the inflation rate to decrease down to half of levels reached in 2012 (>34%), arguing that the inflationary impact of the 2013 Kwacha devaluation has been overcome and the exchange rate stabilized. IMF assumptions expected that the inflation rate for June 2013 would be already roughly around 20%. However the expected decrease has not yet started. The official inflation rate for July 2013 according to the RBM was 25.2% (30.7% for non-food and 19.2% for food items).⁵ In June 2013, the country’s largest bank by assets, National Bank of Malawi (NBM) has warned that the combined effect of the tight monetary policy and weak fiscal performance is likely to maintain the high interest rate and inflationary environment for some time.⁶ It is as well expected that the food inflation rate will remain above general inflation rate throughout the entire year 2013. Traditionally food inflation trends and levels in Malawi are following general inflation trends. Throughout the last 4 years (since 2009) food price changes in the lean season

⁵ http://www.rbm.mw/inflation_rates_detailed.aspx

⁶ <http://www.nyasatimes.com/2013/06/18/national-bank-of-malawi-warns-of-continued-high-interest-and-inflation-rates/>

averaged seasonal price increases by 15 percentage points, independently of levels of GDP growth (Figure 2).

Figure 2 CPI Monthly Index (level), January 2009–January 2013 (Source: IMF, May 2013, page 5)



In order to have a more precise prediction of possible maize prices during the next lean season a univariate forecast time series regression was conducted, following the Holt-Winters seasonal smoothing approach. The forecast is based on historic maize price data for a period of 74 months, from May 2007 to June 2013. This forecast predicts that the expected maize price inflation of >25% holds econometrically.⁷ If maize price inflation continues through the period September 2013 to May 2014 at levels over 25% we can expect prices between MWK90 and MWK95 for December 2013, MWK110 and MWK115 for January, MWK140 to MWK145 in February 2014, a peak of MWK170 to MWK175 in March and a decrease only in April 2014 down again to levels between MWK130 and MWK135.

4.2 Malawi Maize Market by Region

Further, we have however different regional distributions of surplus and deficit within Malawi. Table 3 (WFP compiled) shows changes in trends by region, comparing 2011 and 2013 3rd round estimates. Interestingly, the biggest losses in the north are projected for farmers. The share of expected production decrease affecting smallholders is less than 1%. Hence we can expect that the northern region will still be self-sufficient in production but will have lower amounts available for shipping to the south (under the assumption that local markets will be served first, given transport costs and infrastructural constraints).

⁷ The regression is based on seasonal Price trends of a period of seven years. Hence it does not take into account only the unusual Price increase in the 2012/13 season. Even though seven year data trends still predict for the 2013/14 season similar Price increases as in 2013/13

In the central region, smallholders will carry almost the entire burden of production decrease. Combined with the expected reduced availability of maize to be shipped from northern region, the situation appears to be most critical in the centre.

For the southern region a production increase and surplus is expected, being produced almost entirely by smallholders.

Table 3. Regional changes in maize production 3rd round estimates 2011 and 2013 - MT

Regions	North	Centre	South	
Production	(Karonga and Mzuzu)	Kasungu, Salima, Lilongwe)	(Maching, Blantyre, Shire Valley)	National Total
Total production (including smallholders)	-105,329	-275,037	125,051	-255,315
Smallholder production	-910	253,596	127,078	-227,428
Share of change affecting smallholders (%)	0.9	92.20	101.6	89.1

Source: WFP based on 3rd round crop estimates

All these estimates are based on the assumption of a small nationwide production surplus, as projected by the MoAFS. Projections from other sources however do not expect a production surplus. If these assumptions hold, the situation could be even more critical than expected by MVAC.

As already explained based on third round estimates by the MoAFS, a maize surplus of 194, 339 MT is expected after fulfilling the national food requirement. However, when considering only the rain fed maize production (3.1 million MT) based on official figures, a maize deficit of 286,000 MT is expected this consumption year. Similarly, based on the unofficial DoCCMS estimates (2.6 million MT) a maize shortfall of 367,000 is expected.

Table 4: Comparison of projected maize production figures Source: MoAFS/DoCCMS/FEWS NET

	MoAFS (irrigated + rain-fed)	MoAFS (rain-fed only)	DoCCMS (CSWBM)
Gross Production	3,639,866 MT	3,087,867 MT	2,995,530 MT
Net Production	3,172,353 MT	2,689,532 MT	2,609,107 MT
Opening Stocks	2,030 MT	2,030 MT	2,030 MT
National Requirement	2,978,014 MT	2,978,014 MT	2,978,014 MT
Surplus/Deficit	+194,339 MT	-286,452 MT	-366,877 MT

4.3 Seasonal calendar

The use of seasonal livelihood activity calendar is one of the key instruments for deciding on the right timing of interventions. This stems from the fact that it would be desirable - and it is a "sine qua non" condition - that any intervention should integrate or at least take into consideration the household livelihood focus to avoid wasteful divergences, minimize conflict of interest or disruptions and above all to be able to get the maximum participation and full ownership of the communities and household, therefore maximizing the chances for success.

However, in the case of market analysis the seasonal calendar helps us identify timings for increased food demand on the market, the lean season, times of increased or reduced competitiveness, periods of road disruptions, when prices usually tend to increase. The combination of the table below (Seasonal Calendar) and the price trend analysis demonstrate clearly that food prices go up and remain higher during the period starting July till end of February.

This is more so in deficit areas where prices have reached record high levels, therefore, the overall recommendation would be that for deficit areas cash modality of delivery should be avoided during the lean season.

5. Findings for each District and Traditional Authority

Most of the findings of this assessment tried to answer different key analytical questions:

Does the maize market system have the capacity to respond to an increased demand of maize grain in order to cover the needs of the affected populations and in which conditions?

According to the finding of this assessment most of the markets in the Southern region have the capacity to respond to an increased demand, from 25% to up to 100% superior to the normal supply during the lean season. Parts of the normal and potential supplies come from Mozambique, directly or through the Central Region (e.g.Dedza). For the Central Region, the markets are able to respond to an increase demand for Mchinji, Ntchisi, Dowa and part of Salima and Dedza districts. For Kasungu, only few of them can respond to an increased demand during the whole lean period, because of the low harvest this year in the area and the fact that they use to supply other districts and some traders may send the produced quantities to other districts in the country.

However, for Kasungu, it can be assumed that if they are possibilities for importation, the markets would have the capacity to respond to an increased demand since traders are present there and have the financial capacity to respond to an increased demand, but for this year the quantities harvested are low and even if it may be enough to cover the local demand it may not be possible to respond to an increase demand, most of all from January until the next harvesting period. Maize coming from Mchinji after the irrigated maize harvest could increase the availability on the market, but we cannot rely on it to affirm that by that time the market will be able to respond to an increased demand.

For the Northern region, the markets have no capacity to respond to an increase demand, most of all from January until the 2014 harvest. In Karonga and part of Rumphu and Mzimba districts, the markets have no capacity to respond to increase demand this year.

For some of the markets in Mzimba, as in Kasungu, they would have the capacity to respond to an increased demand from October to December but not for the following months, for the same reasons than the markets in Kasungu district.

When asked "what are the major constraints for the market system to respond to an increased demand?"

Northern region:

Main constraints for a typical year

- Infrastructure – poor roads especially during the rainy season.

- Limited storage capacity for trader
- Limited access to loans/financial capital

Main changes/constraints/bottlenecks observed and / or forecasted for this year:

- Scarcity of maize due to bad harvest in the Northern region as well as in Tanzania and Central region
- Farmers keeping their production for consumption
- Many farmers have changed from maize production to tobacco production, reducing potential for maize production
- Number of traders in the markets have decreased due to bad harvest and low availability of maize
- Price of maize has increased
- Traders stockpiling – don't know the volumes or when they will start selling (speculation)
- ADMARC not buying in many of the rural markets, and has currently a very small stock
- Tanzania also hit by drought – might have lower quantities of maize to export to Malawi compared to last year
- Traditional sources of maize to the North within Malawi have had a poor harvest. Might not be able to provide enough maize to the North
- Have to rely more on Zambia and districts farther away – longer distances and higher transportation costs expected

Central Region:

Main constraints for a typical year

- For the zone 2 (lakeside), production is usually low due to poor soils and rainfall.
- Markets are not well integrated with other producing areas due to transport costs (for zone 2)
- Few established wholesalers with storage capacity in zone 2.

Main changes/constraints/bottlenecks observed and / or forecasted for this year:

- The main change observed is the lower harvest than a typical year for some areas, resulting in lower quantities flowing at market level (from producer to traders and wholesaler for this post-harvest season)
- Prices are likely to go up due to the lower availability of maize this year in comparison to a typical year
- Farmers are holding their production for later sell and/or own consumption
- Local bans and sensitization on a local level through the village heads leading to households holding maize.
- Food distribution last year has impacted on the number of players in the maize market (reduced)
- The general poor maize harvest will increase demand of maize in the zone.
- Potential ban from Zambia authorities to import maize into Malawi, limiting further availability of maize
- Less production might also have an effect on maize supply to the southern region and higher flows of maize from surplus areas to deficit areas within the same region
- Surplus areas are likely to be in deficit this year. The zone not being used to import from other areas the deficit might exert pressure on the prices due to the cost of importation

Southern region

Main constraints and bottlenecks for a typical year

- Transport (availability of vehicles in rural areas)
- Poor road network in some part of the region (Nsanje, Chikwawa, Zomba, Machinga, Balaka and eastern Mangochi)
- Lack of capital to supply big quantities
- Lack of licence for maize trading and importation, limiting capacity to import major quantities
- Relatively high market integration, but instable over time
- Poor market linkages in certain TAs
- Only one market supplying one TA in certain districts
- Unstable flow of maize from Mozambique

Main changes/constraints/bottlenecks observed and / or forecasted for this year:

- Farmers are keeping maize for themselves (hoarding)
- Some traders starting buying maize from far places linking to increased prices of maize
- Less actors on the market
- Increase in prices

When asked "do the target populations have physically access to market where maize is available?"

The target population was not identified per village, but per TA and EPA. The market catchment area for the assessed market was defined and is detailed in the analysis data base. The key markets identified are covering the affected area of the TA's and there are not major constraints to access to the markets for the affected population in dry season.

During the rainy season, road conditions do not always allow the access to market, most of all for Northern Region (Rumphi and Mzimba) and for the Southern region (Ndamela and Mlolo TA's in Nsanje district, TA Mlumbe in Zomba, TA's Chikwewo, Chamba and Ngokwe for Machinga district). For these TA's in-kind distribution is recommended with pre-positioning of food before December.

5.1 Constrains and Implication to the response capacity

The NFRA contracted one main trader and ADMARC for the purchasing of maize in order to fill the Strategic Grain Reserve, and had to open the contract to over 30 additional traders since they were not able to access to the requested quantities. It is not recommended to increase pressure on the national market, by purchasing locally because:

- a. It will be a challenge to find on time the expected quantities
- b. More pressure on the market will contribute to durable increase of prices until the 2013/2104 maize season harvest (prices are already rising on a weekly not to say daily basis) and scarcity of maize on the market, and will affect the all population within the country

For the cash transfer modality, the capacity of the actors (phone companies, financial institutions and security companies (higher risk) for cash transfer still needs to be assessed taking in account the results of the evaluation of the 2012/2012 cash based intervention, most of all for mobile-money.

The main risks for cash transfers are:

- ii. The risk of national money depreciation, this risk can be controlled by keeping budget in foreign currency (Usd, Gbp, Euros) and convert it into MK only at the moment of cash transfer,
- iii. The risk due to seasonal increase of maize prices in the market, this evolution can be forecasted considering different possible scenarios (see point 5.c.)
- iv. Maize availability within the country and from neighbouring countries

Table of criteria for cash transfer (Convergence of evidence leading to selection of different transfer options i.e. cash, voucher, food, etc.)

The main criteria used for the selection of the most appropriate modality of intervention are:

- v. Key commodities (Maize and other basic food items) are available in markets
- vi. Supply is able to responds to increased demand
- vii. Risk of inflation due to cash transfer (increased demand) is low
- viii. Markets are integrated (good communication with other national and regional markets, good capacity to transfer goods from one market to another in case of increased demand)
- ix. Markets are competitive (prices are competitive with other markets and there is not one or several actors able to influence the prices on the market)

Once a market fulfilled all these criteria's, we compared the expected weekly requirement in case of cash based intervention, to intervention of the normal capacity of the market and to the capacity of the wholesaler to provide additional quantities this year.

It was also considered the presence of financial institutions or phone coverage, mainly for operation purpose. However, the absence of these services is not an exclusive indicator since security conditions in most of the countries do allow cash transfer through Security Company and phone companies are still limited and not very cost-effective for cash transfer.

5.2 Response recommendation for each TA's

Tabulated below are recommended response options for each Traditional Authority (TA) that the survey teams visited. These recommendations were made after thorough analysis of potential capacity of the markets as well as connectivity. MVAC strongly recommends to continuously monitor the performance markets in TA Mlumbe and TA Mwambo in Zomba; TA Nankumba in Mangochi and TA Nsamala in Balaka. These Traditional Authorities were deemed suitable for cash/market based interventions but

could face challenges related to infrastructure and movement of maize supplies later in the course of the consumption period.

Northern Region					
Response option	TA	District	Risks	Assumptions	Indicators to monitor
In-kind	Mwirang'ombe, Wasambo, Kyungu	Karonga	selling and sharing of food aid, political interference	Constant flow of food commodities	capacity of actors to access to required quantities
	Mwamlowe, Chikulamayembe Katumbi	Rumphi		Constant flow of food commodities, passable roads, storage	
	M'mbelwa, Jaravikuba Khosolo Gwaza J, Mabulabo, Mpherembe, Mzikubola, Mtwalo, Kapingo Sibande, Chindi	Mzimba		Constant flow of food commodities, passable roads, storage	

Central Region				
Response option	TA	District	Risk and assumption	Indicators to monitor
Cash	Njombwa	Kasungu	Network (technology) of the financial institutions may fail	Prices; inflation; maize availability; availability of financial institutions; uses to which the cash is put.
	Mkanda	Mchinji		
	Kaphuka	Dedza		
	Pemba	Salima	Many persons within the target populations do not manage phone technology	
	Kalonga	Salima	Capacity of the	

			financial institutions will meet the requirement	
In-kind	Tambala Kachindamoto Kasumbu Chakaza Chiwere	Dedza	Road condition Maize is available for the whole intervention period.	Redeeming rate of the vouchers Maize availability
	Kasakula, Chikho, Kalumo, Chilooko	Ntchisi		Maize prices on the market
	Chiwere, Dzoole, Mkukula, Chakhaza	Dowa		
	Kaluluma, SC Chilowamatambe, SC Lukwa, Kaomba, Mwase, Kawamba, SC Njombwa, Santhe, SC Simlemba, Kapelura, Wimbe, Chulu , SC M'nyanja	Kasungu		
	Ndindi, Khombedza, Kambalame	Salima		
	Ganya	Ntcheu		
	Mwansambo	Nkhotakota		

Southern Region					
Response Option	TA	District	Risk and Assumption	Timing Issues	Indicators to Monitor
In Kind	Ndamela, Mlolo	Nsanje	<ul style="list-style-type: none"> • Roads will be impassable • Storage facilities are available for prepositioning of maize. • Maize may be politicised • Maize will be available for distribution by December 2013 	<ul style="list-style-type: none"> • Road is impassable from December and there is need to preposition the food before December 	Road network Capacity of actors to supply the adequate quantities
	Mlumbe Chikowi Mwambo	Zomba			
	Chikweo, chamba, Ngokwe,	Machinga			
	Chowe, Jalasi,	Mangochi			

	Chimwala				
	Chapanang a	Chikhwawa			
Cash	Nsanje, Tengani, Mbenje	Nsanje	• Stable flow of Maize from Mozambique during the lean period	No	Prices, Cross border trading, flow of maize from
	Ngabu, Lundu	Chikhwawa	• Stable flow of Maize during the lean period.		
	Somba, Makata, Kapeni	Blantyre			
	Sitola, Kawinga, Mposa	Machinga			
	Mponda, Nankumba	Mangochi			
	Kalembo, Nsamala	Balaka			
Commodity Voucher	Machinjiri	Blantyre	<ul style="list-style-type: none"> • Wholesalers will be able to supplement the retailers • Stable flow of Maize during the lean period. • Willingness of traders to accept voucher 	No	Quality of maize supplied by traders

It is important to note that some teams recommended mix cash and food because maize was available only during the first months of the lean season, but not after December or January. In the case of the proposed mixed modalities (cash and in-kind) it is important to emphasize that it is not recommended to alternate the period of cash and food but to deliver at the same time food and cash.

Delivering cash in a first step because maize is available will increase the risk of increasing the duration of the food shortage by putting more pressure on the maize market when maize is available and link to an earliest food shortage and inflation on the market. Since the market assessment focused on maize only and that among the cash distributed last year 62% was used for maize (out of a total of 78% for food items), for most of the markets, in-kind can be used for maize and cash for the remaining costs estimated to meet the food gap and have a balance diet.

Despite the main finding of this report, when the regional and national context is taken into account, it is difficult to determine whether all markets identified for cash based intervention will be able to handle a large scale cash intervention this year.

The assumptions that there will be a stable flow of maize during the lean season, and from neighboring countries, especially Mozambique, are very optimistic. When analyzing the maize availability in Malawi and in the neighboring countries, it is unlikely that the markets will be able to meet an increased demand during the lean season. The assumptions that there will be a stable flow of maize from Mozambique and from other parts of the country do not hold, and some TAs that have been recommended for a cash intervention should be revised and changed to in-kind assistance (figure). In the Southern region some TAs such as Mwambo (Zomba), Nankumba (Machinga) and Nsamala (Balaka), have to be given special attention if cash is being implemented in these areas. In addition to uncertainties linked to maize availability during the lean season, there are also concerns related to relatively low market integration, accessibility problems in certain areas during the rainy season, and fewer markets serving large population in these TAs.

For the Northern and the Southern region mainly, vouchers could be easily used with big traders (Mulli brother, Agroa under Farmer's world, export trading companies) as they have a large network of warehouses and selling points.

Advantages and Disadvantages for the proposed response modalities:

Option	Advantages	Disadvantages
1. Food Aid In-kind	<ul style="list-style-type: none"> • Stabilize prices on the market • Ensure supply of maize to meet increased demand • Ensure availability of food at HH level, low security risk 	<ul style="list-style-type: none"> • traders will be affected in their activity • Maize have to be preposition before the start of the rainy season • Storage issues • Not cost-effective
2. Commodity Voucher	<ul style="list-style-type: none"> • Stimulate the local economy • Stimulate local production • Flexibility for beneficiaries to make their own choices • Maintain dignity of citizens • Provides security to beneficiaries from being targeted • Cost effectiveness • Lower risk of inflation due to the intervention 	<ul style="list-style-type: none"> • Additional costs for printing vouchers and negotiation • Heavy logistics in terms of arrangement. • More cost-effective than food distribution

Mix of food and cash*	<ul style="list-style-type: none"> • Cash- more flexibility to buy alternative food. • Stimulation of markets. • With a mix intervention - limit some of the effects of a pure cash intervention (Price increases, inflation etc) 	Cash- risk of theft. Inter HH disputes. Not sure about the maize availability in the districts/country.
3. Cash-transfer	<ul style="list-style-type: none"> • Stimulate the local economy • Flexibility for beneficiaries to make their own choices • Maintain dignity of citizens • Cost effectiveness 	<ul style="list-style-type: none"> • Risk of inflation • Possibility of using funds for other than intended purpose by beneficiaries

6. Main Conclusions

- This assessment has looked at the availability of maize in the three regions, North, Central and South. The markets in the northern region do not have the capacity to respond to an increased demand, therefore only in-kind assistance has been recommended. In the central and southern region, depending on the markets, there may be some capacity to respond to an increased demand thus both in-kind and cash based interventions are recommended. However in the TAs where cash intervention has been recommended, a constant close monitoring of food prices and maize availability is required..
- The research recommendations are based on assumptions of availability of key commodities (maize and other basic food items), ability of supply to respond to increased demand combined with the risk of added inflation due to cash transfers. It is also assumed that markets in areas of interventions should be competitive and integrated.
- The research recommends that while all modalities of intervention could be tried on a pilot basis and exercised with caution, the opportunity for cash transfers is limited to the period when the prices are stable or increasing only moderately, food is plenty in the markets and the general inflation is under control; therefore this option should be limited to specific areas as identified on a case by case basis within this report. Similarly, vouchers may also be used if maize availability could be assured and traders would be able to respond adequately. On the other hand, while conditions are still favouring in kind food interventions, these should be used as opportunities to implement activities that would help small scale vulnerable farmers and food insecure populations, restore their productive capacity, their assets and generate income.

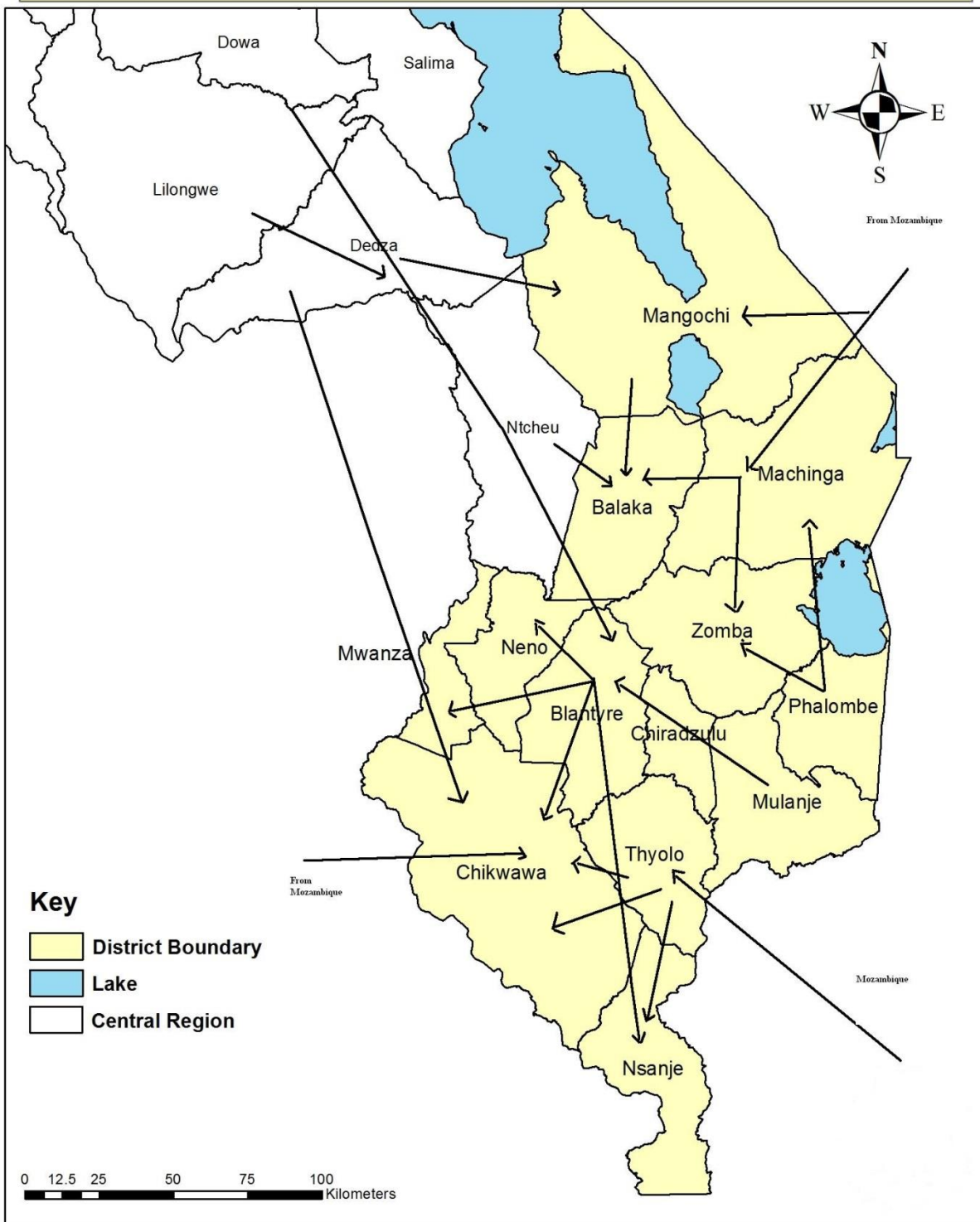
7. Recommendations

- ❖ The survey recommends importation of maize for food distribution although the country has a surplus of 194,000MT
- ❖ The response to partner with private sector for maize supply and movement in country.
- ❖ ADMARC involvement is encouraged in maize market and maize distribution through its well established network of markets
- ❖ We advocate for maize market regulation and for importation of large quantities for selling at ADMARC level and limit the risk of speculation
- ❖ Monitoring is required for the coming months for prices and availability follow up and forecast especially in areas that have been recommended for cash based interventions
- ❖ There being number players in the mode of distributing cash; MVAC recommends that implementors of cash transfers need to negotiate best deals in order to keep costs of delivery very minimal.

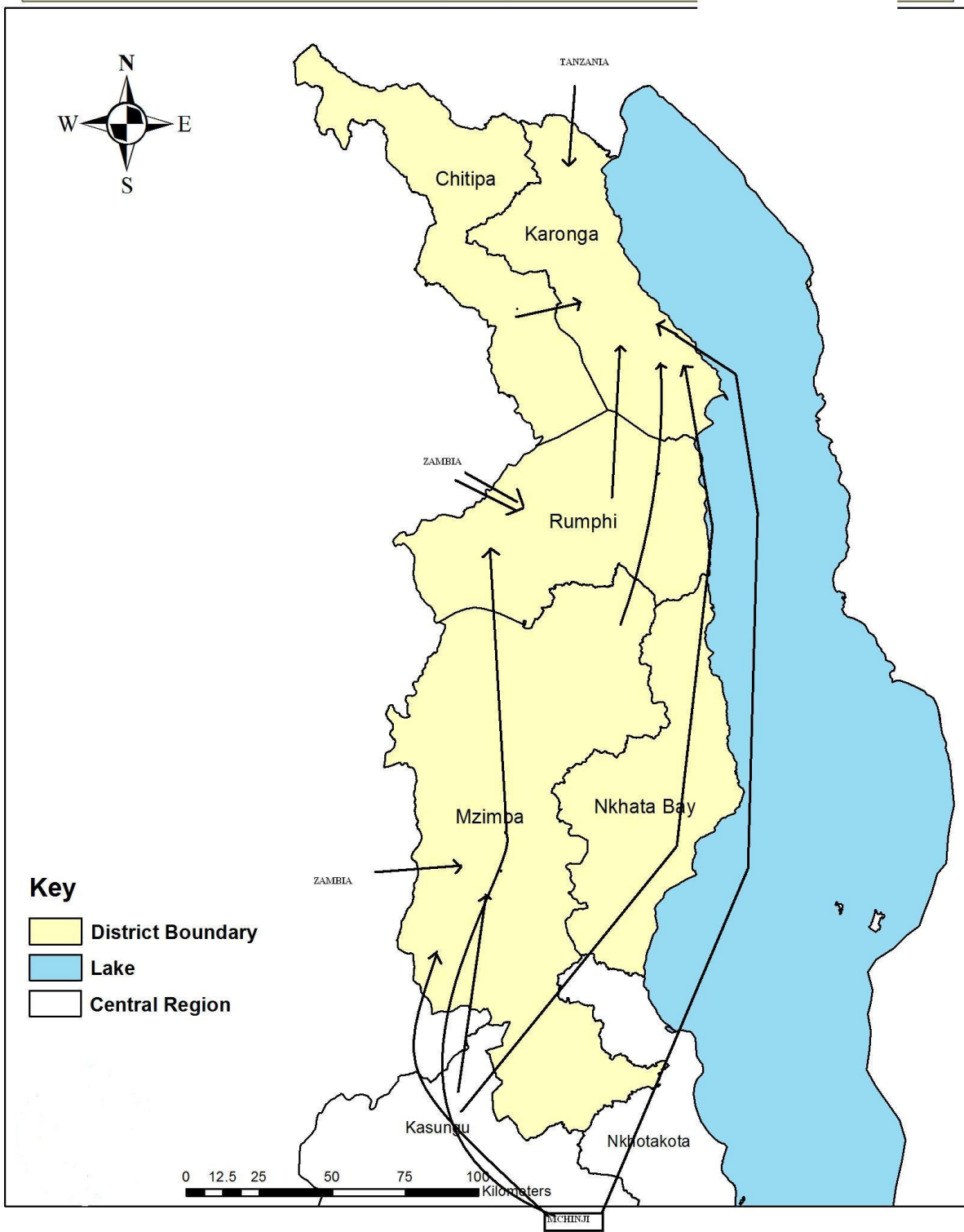
Appendices

Maize Flow Maps for Southern ; Central and Northern Regions

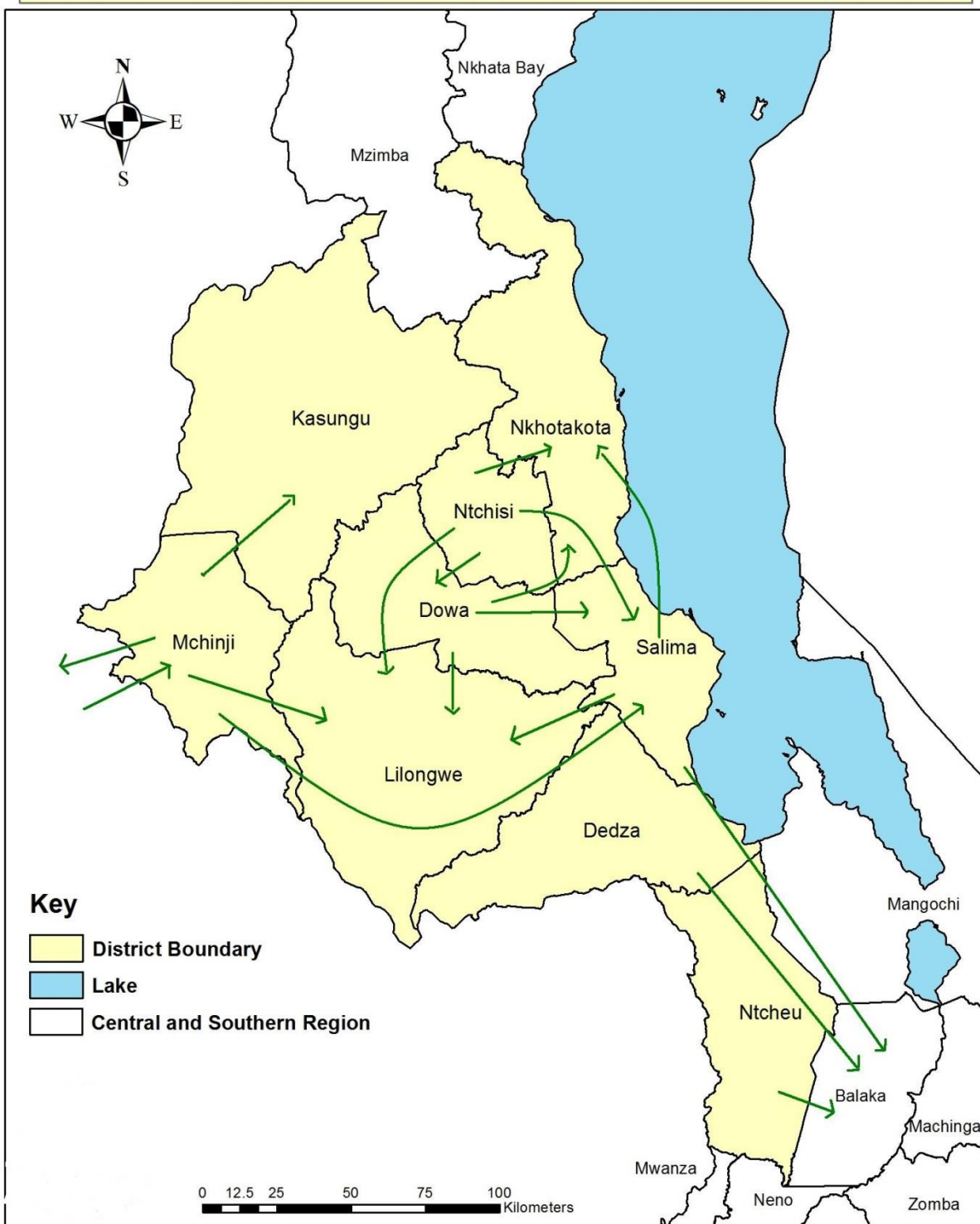
Malawi Southern Region



Malawi Northern Region LEAN PERIOD



Malawi central Region



Annex 2 : Questionnaires

MVAC Markes Assessment 2013			Wholesalers Questionnaire		
Section 1 - Interview and questionnaire information					
1.1		Date:	_ _ / _ _ / 201 _		
			day	month	year
1.2	1.21	Enumerator Name		1.2.2	Enumerator code: _ _
1.3	1.3.1	Village name:		1.3.2	Village code: _ _ _ _
1.4	1.4.1	District name:		1.4.2	District code: _ _
1.5	1.5.1	Market name:		156.2	Market code: _ _
1.7		Y-coordinate (latitude):		To be completed by Team Leader:	
		N _ _ _ , _ _ _ _ _ _ _ _		1.9	Date: _ _ _ / _ _ _ / 201 _ _ Day Month Year
1.8		X-coordinate (longitude):		1.10	Team Leader Name:
		E _ _ _ , _ _ _ _ _ _ _ _			

Please read the following consent form:

My name is..... I am part of a team from MVAC from the Ministry of Economic Planning. We are conducting a survey on maize markets I would like to ask you some questions about markets, which will take about xxxx minutes.

Any information that you provide will be confidential and will not be disclosed to other people. Your participation is voluntary and you can choose not to answer any or all of the questions if you wish; however we hope you will participate since your views are important.

Do you have any questions?

May I begin the interview now?"

Section 2 - General characteristics of the trader

2.1	Which is the trading activity you are involved in?	_	1 Big Wholesaler Purchasing from producers or trader and selling to other, smaller traders specialized in one/two commodities , using wholesale units (i.e. bags, trucks); selling the whole unit and not part of it 2 Medium-size Wholesaler Purchasing from traders, selling to other traders, specialized in many commodities , using wholesale units (i.e. bags, trucks...); selling the whole unit and not part of it 3 Small-size wholesaler Purchasing from traders, selling to other traders and to consumers, selling the whole unit or part of it (bags, kg...) 4 Small-size traders Purchasing from producers or collectors, selling to other traders, using wholesale units (i.e. bags, trucks...); selling the whole unit and not part of it 77 Other (specify) : _____ 99 No answer
2.2	Are you selling maize all year around or is it a seasonal activity?	_	1 Yes

			2 No
			99 No answer
2.3	Is there a traders' union that you are a member of?	1	1 No traders' union/association exists Yes, there is a traders' union/association but I am not a member 2 Yes, there is a traders' union/association and I am a member 3 No answer 99 No answer
2.4	How many wholesalers of a similar size to you, work in this market?	1	Fill in Number
2.5	Was this the same as last year?	1	1 Yes 2 No 99 No answer

Note for the enumerator: please indicate exactly the commodity ordering (1st, 2nd, and 3rd). In case no 2nd and/or 3rd commodity exists, fill in 2.13.2 and/or 2.13.3 with 88. Please, do not leave blank spaces.

2.6	Can you please indicate the three most important food commodities you normally trade?	2.6.1 - 1st	1	1 Maize 2 Pulses 3 Tubers 4 Dairy products 5 Fruits 6 Vegetables 7 Meat/Eggs 8 Fish 9 Fats 10 Livestock 11 Other cash crops 99 No answer
		2.6.2 - 2nd	1	
		2.6.3 - 3rd	1	

Section 3 - Volumes and constraints

Note for the enumerator: ask section 3 questions referring to maize

3.1	Please, provide an estimate of the average number of clients to whom you sold maize last week.	1	1 Less than or equal to 10 2 Between 11-50 3 Between 51-100 4 More than 100 99 No answer
-----	--	---	---

3.2	Please, provide an estimate of the average quantities of maize sold per week	<input type="text"/>	Currently	_____ Unit	
		<input type="text"/>	Usually in October	_____ Unit	
		<input type="text"/>	Usually in December	_____ Unit	
		<input type="text"/>	Usually in February	_____ Unit	
3.3	Please, indicate if the current weekly sales of maize increased, decreased, or remained the same compared to the same period (e.g. one year ago)	<input type="text"/>	1 Increased by more than 50% 2 Increased by 21%-50% 3 Increased by 6%-20% 4 No change (between -5%, +5%) 5 Decreased by 6%-20% 6 Decreased by 21%-50% 7 Decreased by more than 50% 99 No answer		
Note for the enumerator: if "No change" (see answer 4 in question 3.3) is selected, write 88 both in 3.4.1 and 3.4.2, and skip to 3.5.					
3.4	Please, provide the two most important reasons for this change (see 3.3) and rank by importance	3.4.1 - 1st	<input type="text"/>	1 Better harvest 2 More demand from consumers from other districts/abroad 3 More demand from consumers in the district 4 More supply from other districts/abroad 5 Higher profit margins 6 More capital available for trade 7 Worse harvest 8 Less demand from consumers from other districts/abroad 9 Less demand from consumers in the district 10 Less supply from other districts/abroad 11 Lower profit margins 12 Less capital available for trade 77 Other (specify): _____	
		3.4.2 - 2nd	<input type="text"/>		
3.5	3.5.1 - Currently	In case there was an increased demand for maize in this market, would you be able to increase your supply by:	25%	<input type="text"/>	1 Yes 2 No
			50%	<input type="text"/>	1 Yes 2 No
			100%	<input type="text"/>	1 Yes 2 No
	3.5.2 - In October	In case there was an increased demand for maize in this market, would you be able to increase your supply by:	25%	<input type="text"/>	1 Yes 2 No

		50%	<input type="checkbox"/>	1 Yes 2 No
		100%	<input type="checkbox"/>	1 Yes 2 No
3.5.3 - In December	In case there was an increased demand for maize in this market, would you be able to increase your supply by:	25%	<input type="checkbox"/>	1 Yes 2 No
		50%	<input type="checkbox"/>	1 Yes 2 No
		100%	<input type="checkbox"/>	1 Yes 2 No
3.5.4 - In February	In case there was an increased demand for maize in this market, would you be able to increase your supply by:	25%	<input type="checkbox"/>	1 Yes 2 No
		50%	<input type="checkbox"/>	1 Yes 2 No
		100%	<input type="checkbox"/>	1 Yes 2 No
3.6	According to your opinion, would the selling price for maize decrease, increase or remain constant if demand on this market would be 25% higher in the coming six months ?	3.6.1	<input type="checkbox"/>	1 No change 2 Decrease 3 Increase 99 No answer
	Please explain why do you think so?	3.6.2		
	Note for the enumerator: if 3 ('increase') was answered in 3.6.1, do ask the question, otherwise write 88 and skip to 3.7. Please, do not leave blank spaces.			
	>>> If '3' in 3.6.1, i.e., if you expected an upward pressure on prices Do you think the price increase will be temporary (until supply has increased) or sustained (for the period of the demand increase)?	3.6.3	<input type="checkbox"/>	1 Temporarily 2 Sustained 88 Not applicable 99 No answer
3.7	What are the three most important constraints preventing you to supply a bigger amount of maize?	3.7.1 - 1st	<input type="checkbox"/>	1 Lack of own capital 2 Lack of foreign exchange 3 Lack of credit / credit is too expensive 4 Low or varying quantity of produce (supply) Low or irregular quality of produce (supply), including 5 trading restrictions 6 Lack of means of transport

		3.7.2 - 2nd		_	7	Poor road infrastructure / Transport cost too high
		3.7.3 - 3rd		_	8	Poor transportation services
				_	10	Lack of storage facilities
				_	11	Lack of physical space
				_	12	Low profit margin (low sales price / high purchase price)
				_	13	Lack of demand
				_	14	Too much in-kind food aid
				_	15	Private competitors would not allow me to grow so much
				_	16	Public competitors would not allow me to grow so much
				_	17	Government would not allow me / taxes too high
				_	18	Other (specify): _____
				_	99	No answer

Section 4 - Flows - buying and selling

Note for the enumerator: please indicate exactly the order (1st, and 2nd). In case no 2nd exists, fill in 3.5.2 with 88. Please, do not leave blank spaces.

4.1	4.1.1 HARVEST SEASON	In the typical harvest season , who are your two most important sources for BUYING maize ?	4.1.1.1 - 1st		_	1	Farmers
			4.1.1.1 - 2nd		_	2	Collectors / Intermediary
		In a typical harvest season , please specify the market(s)/district(s)/country (if imported) of these sources for maize.	4.1.1.2 - 1st (see 4.1.1.1)		a) _____	3	Wholesalers
			4.1.1.2 - 2nd (see 4.1.1.1)		a) _____	4	Factories
	In a typical harvest season , is the number of sources for maize (in terms of factories/farmers or traders) limited?	4.1.1.3		_		5	Other (specify): _____
						88	no second source of buying
						99	No answer
	4.1.2 POST HARVEST	In the typical post harvest season , who are your two most important sources for BUYING maize ?	4.1.2.1 - 1st		_	6	b) _ c) _ d) _
					_	7	b) _ c) _ d) _
					_		District
				_		Country code	
				_		Region code	
				_	1	Yes, only one	
				_	2	Yes, between 1-5	
				_	3	No, between 6-10	
				_	4	No, more than 10	
				_	99	No answer	

SEASON		4.1.2.1 - 2nd	I_	4 Factories Other (specify): 5 _____ 88 no second source of buying 99 No answer
	In a typical post harvest season , please specify the market(s)/district(s)/country (if imported) of these sources for maize?	4.1.2.2 - 1st (see 4.1.2.1)	a) _____	b) I_ c) I_ d) I_
		4.1.2.2 - 2nd (see 4.1.2.1)	a) _____	b) I_ c) I_ d) I_
			Market name	District code Region Country code
In a typical post harvest season , is the number of sources for maize (in terms of factories/farmers or traders) limited?	4.1.2.3	I_	1 Yes, only one 2 Yes, between 1-5 3 No, between 6-10 4 No, more than 10 99 No answer	
4.1.3 LEAN SEASON	In the typical lean season , who are your two most important sources for BUYING maize?	4.1.3.1 - 1st	I_	1 Farmers 2 Collectors / Intermediary 3 Wholesalers 4 Factories Other (specify): 5 _____ 88 no second source of buying 99 No answer
		4.1.3.1 - 2nd	I_	
	In a typical lean season , please specify the market(s)/district(s)/country (if imported) of these sources of maize.	4.1.3.2 - 1st (see 4.1.3.1)	a) _____	b) I_ c) I_ d) I_
		3.5.3.2 - 2nd (see 4.1.3.1)	a) _____	b) I_ c) I_ d) I_
		Market name	District code Region Country code	
In a typical post lean season , is the number of sources for maize (in terms of factories/farmers or traders) limited?	4.1.3.3	I_	1 Yes, only one 2 Yes, between 1-5 3 No, between 6-10 4 No, more than 10 99 No answer	
4.2	At what price are you/ have you been purchasing a 50 kg bag of maize from your supplier?	I_	In October 2012	
		I_	In December 2012	
		I_	In February 2013	
		I_	In April 2013	

			1	Today	
4.3	What are the transport costs for a 50 kg bag of maize from the sources to the markets?		1	Harvest season	
			1	Post harvest season	
			1	Lean season	
4.4	Is transport easily available all year around or are they period when it is difficult to find transporters?		1	Yes	
			2	No	
			99	No answer	
4.5	What additional costs do you have for loading, unloading, packaging etc. (please provide a lump sum) per 50 kg bag of maize?		1	Harvest season	
			1	Post harvest season	
			1	Lean season	
4.6	Is your current principal source for BUYING maize different compared to the same period of one year ago?	4.6.1	1	Yes	
			2	No	
			99	No answer	
	Note for the enumerator: if "No" in 4.6.1 is selected, write 88 and skip. Please, do not leave blank spaces.				
	>>> If yes, please, provide the reason for this change of the principal buying source.	4.6.2	1	Better harvest than last year	
			2	Worse harvest than last year	
			3	More institutional procurement (e.g. SGR)	
			4	Less insitutional procurement (e.g. SGR)	
			5	More effective demand from other districts/abroad	
			6	Less effective demand from other districts/abroad	
			7	More supply coming form other districts/abroad	
			8	Less supply coming form other districts/abroad	
			9	More demand from consumers	
			10	Less demand from consumers	
			11	Higher profit margins	

				12 Lower profit margins 13 Less capital/credit available for trade 14 More capital/credit available for trade 88 Not applicable 99 No answer	
4.7	Do you think the most important source of the selected commodity will change during the coming six months, compared to last year (see 4.1.1)	4.7.1	□	1 No 2 Yes, to factories within the district 3 Yes, to factories within the region/governorate 4 Yes, to factories outside the region/governorate 5 Yes, to farmers within the district 6 Yes, to farmers within the region/governorate 7 Yes, to farmers outside the region/governorate 8 Yes, to traders within the district 9 Yes, to traders within the region/governorate 10 Yes, to traders outside the region/governorate 11 Yes, to traders in other countries 12 Yes, to other (specify): _____ _____ 88 Do not know 99 No answer	and why?
	Why do you expect that your most important source for maize will change?	4.7.2			
	What would be your alternative supplier of maize?	4.7.3			

4.8

To whom are you currently (today) SELLING maize (who is your most important client)?	4.8.1 - 1st			1 Traders within the district Traders outside the districe but within the region (North, Center, South)
	4.8.1 - 2nd			2 Traders from any region / district within Malawi 3 Traders in other countries 4 Final consumer 5 Other (specify): 6 _____ 88 Not applicable 99 No answer
To whom have you been SELLING maize in April this year (who was your most important client)?	4.8.2 - 1st			1 Traders within the district Traders outside the districe but within the region (North, Center, South)
	4.8.2 - 2nd			2 Traders from any region / district within Malawi 3 Traders in other countries 4 Final consumer 5 Other (specify): 6 _____ 88 Not applicable 99 No answer
To whom do yo usually SELL maize in October (who do you expect to be your most important client)?	4.8.3 - 1st			1 Traders within the district Traders outside the districe but within the region (North, Center, South)
	4.8.3 - 2nd			2 Traders from any region / district within Malawi 3 Traders in other countries 4 Final consumer 5 Other (specify): 6 _____ 88 Not applicable 99 No answer
To whom do yo usually SELL maize in December (who do you expect to be your most important client)?	4.8.4 - 1st			1 Traders within the district Traders outside the districe but within the region (North, Center, South)
	4.8.4 - 2nd			2 Traders from any region / district within Malawi 3 Traders in other countries 4 Final consumer 5 Other (specify): 6 _____ 88 Not applicable 99 No answer
To whom do yo usually SELL maize in February (who do you expect to be your most important client)?	4.8.5 - 1st			1 Traders within the district Traders outside the districe but within the region (North, Center, South) 2 Traders from any region / district within Malawi 3

							4 Traders in other countries
		4.8.5 - 2nd					5 Final consumer Other (specify):
							6 _____
							88 Not applicable
							99 No answer
4.9	Do you think that the buyers will the same this year or will there be a change?						1 Yes 2 No 99 No answer
4.10	Can you please provide information on selling prices for maize						1 Yes 2 No
	<i>Unit measure</i>	<i>in April 2013</i>		<i>Today</i>	<i>expected price for October 2013</i>	<i>expected price for December 2013</i>	<i>expected price for February 2014</i>
	SELLING TO SMALLER TRADERS	SELLING TO SMALLER TRADERS					
	50 kg bag						
	SELLING TO RETAILERS	SELLING TO RETAILERS					
	50 kg bag						
	SELLING TO THE FINAL CONSUMER	SELLING TO THE FINAL CONSUMER					
	1 kg						
	50 kg bab						
4.11	How is prices determined? What are the actors and/or factor influencing the price?						
Section 5. Logistics - stocking strategy							
5.1	Do you own your own stock?						1 Yes 2 No 99 No answer
5.2	What is your maximum storage capacity?				_____		Unit
5.3	If not, what is the weekly cost for the storage of a 50kg bags				MK per week		
5.4	For how long do you keep maize usually between purchase and sale?					weeks	
5.5	Have you ever experienced poor stock levels or stock						1 No

	out?		2 3 4 5 99	Yes, every week Yes, twice per month Yes, once per month Yes, less than once per month No answer
5.6	Why?	1 2 3 4 5 6 7 99	1 2 3 4 5 6 7 99	Poor availability of the product Logistic issue (remoteness) Poor storage capacity Lack of capital Bureaucracy Increased demand Other (specify): _____ _____ No answer
5.7	How long do you have to wait to take delivery after placing a new order for maize to you suppliers?	1 2 3 4 5 6 7 99	1 2 3 4 5 6 7 99	days

Section 6 Credit strategy and financial capacity or constraints

6.1	Do you have access to credit?	1 2 3 99	1 2 3 99	Yes, bank account Yes, post office account No No answer
6.2	Do you purchase stock on credit?	1 2 99	1 2 99	Yes No No answer
6.3	<i>If 7.2 is "no", skip to 6.5</i> >>> Who do you obtain stock credit from at the moment?	1 2 3 4 5 6 99	1 2 3 4 5 6 99	Bank Micro Finance Company Government Individual Supplier Other (specify): _____ _____ No answer
6.4	What are the credit terms for stock purchased on credit: Interest rate and average repayment period?	6.4.1	1 2 3 4 5 6 99	interest rate

		6.4.2		_ _ _		days			
6.5	Do you provide credit to some of your customers			_		1		Yes	
						2		No	
						99		No answer	
6.6	Do you pay tax or other payments to be able to run your business?			_		1		Yes	
						2		No	
						99		No answer	
6.7	Are there any government policies which affect your business? If yes, explain?								
6.8	Overall, what do you see as the main constraints affecting your business?								

MVAC Market assessment Transporters Questionnaire.

Enumerator's name : Name of the market:

Name of the TA: Date:

Infrastructure and Services		
Where do you transport Maize from and to? (take it as the reference for the following questions)		
Who are your usual customers for maize transportation?		
Does this change according to season? Why, how and When?		
How many trucks could you dedicate to the transport of maize to this market?	Type 1: capacity in MT/truck and number:	Type 2: capacity in MT/truck and number:
What would be your maximum capacity for delivery of maize? (in MT / week)		
Are there periods when your trucks are not available for maize transportation?	Period of unavailability:	
What are the road conditions and accessibility to this market? Please focus on accessibility: normally accessible, difficult	Now in July:	

(meaning will take more time but accessible): inaccessible	In October:	
	In December:	
	In February:	
How much do you charge to transport one 50kg bag of maize? (specify from where to where)	2013 Dry Season:	2012/2013 Rainy Season:
	2014 Dry Season:	2013/2014 Rainy Season:
Are there more or less customers this year compared to last year for transportation of maize? Why?		
How many transporters of a similar size to you, work in this market? Was this the same as last year?		

If changes, explain why	
What are the problems / constraints you are facing to carry out your activity? (access to fuel, spare parts, bribe...)	

MVAC Market Assessment Retailers Questionnaire

Enumerator's name : Name of the market:

Name of the TA: Date:

Market Chain	
Are you selling maize all year around or only during one period?	
If only during few months, please specify the period and what is the reason for that?	
From whom do you purchase your maize from? (now)	
Where is this maize coming from? (in which district/country is it produced?)	
Is it the same source as last year at the same period (July 2012)	
If it is not the same source, why did it change?	
Does this source change according to season in a normal year? How and When?	
At what time of year do you buy the most important quantities Maize? Why?	
At what time of year do you sell the most quantities of maize? Why?	

How much Maize do you sell in one week?	2012 July:	Today :
	2013 October:	2014 January:
How much did /do / will you buy a 50kg bag of maize?	2012 July:	Today:
	2013 October:	2014 January:
How much did /do / will you sell 1kg of Maize?	2013 July:	Today :
	2013 October:	2014 January:
What are the factors that determine the price? Who decide for it?		
Who are your main customers (retailers, HH etc)? Where are they from?		
Do you give maize to your customers on credit? If yes, to whom?		
Do you ever use barter in exchange for maize? If yes, what do people barter and when?		
How long does it take for you to re-stock and how do you organize this?		
What has been the trend in demand for Maize? Are there more or less customers this year compared to last year?		
If demand for Maize doubled, would you be able to supply double the amount? Where would you find these additional quantities?		
If not, explain what would be the limiting		

factors?	
How many retailers of a similar size to you, work in this market? Was this the same as last year? Explain.	
What are the problems / constraints you are facing to carry out your activity? (Access to credit, access to market...)	

MVAC Market Assessment Producers Questionnaire:

Enumerator's name : Name of the market:

Name of the TA: Date:

Market Chain		
How much maize did you produce this year (2013)?		
How much maize did you produce last year (2012)? Explain if there is a difference.		
What do you do with the maize you produced after harvest? (give % adding up to 100)	Barter	Eat
	Sell	Store
At what period of the year do you sell most of your maize? Why?		
How much do you get for selling one 50kg bag of Maize?	July 2012	
	July 2013	

<p>How much Maize do you sell in one week?</p>		
<p>How much did /do / will you sell a 50kg bag of maize?</p>	<p>2012 July:</p>	<p>Today :</p>
	<p>2013 October:</p>	<p>2014 January:</p>
<p>How much did /do / will you sell 1kg of Maize?</p>	<p>2012 July:</p>	<p>Today:</p>
	<p>2013 October:</p>	<p>2014 January:</p>
<p>What are the factors that determine the price?</p> <p>Who decide for it?</p>		
<p>Who are your main customers (small traders, retailers, HH etc)?</p> <p>Where are they from?</p>		
<p>What has been the trend in demand for Maize? Are there more or less customers this year compared to last year?</p> <p>Explain</p>		
<p>How many producers of a similar size to you, work in this market?</p> <p>Was this the same as last year? Explain.</p>		
<p>What are the problems / constraints you are facing to carry out your commercial activity?</p>		

(access to market, tax, transport...)	
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Interview guides for key informants

District level (authorities and FS committee DADO / District council, market person, crops officer...):

- a. Main markets covering affected TA's (markets where people from the affected TA's use to get their maize from, may be outside the assessed district) and days they take place.
(To check that the information we already have is correct)
- b. Confirmation of "characteristics" of markets and validation of the list of market to be visited
(By characteristic we mean the size of the market and their importance in term of food supply for the local population)
- c. Rules and regulations for market functioning and trading
(E.g. license required, rules for traders to access to formal and informal market)
- d. Main constraints affecting market functioning
(Transport for commodities &/or people, road conditions, storage conditions, physical access for consumer from targeted districts...)
- e. Number of traders involved in maize trading for each market
(This information may be available from the market person, but will have to be cross-checked at market level)
- f. Maize prices follow up if any
- g. Review of seasonal calendar and market map:
It includes:
 - i. *Prices dynamic over the year, for a normal year and the forecast from now until April 2014*
 - ii. *Dynamic of the availability of maize over the year, for a normal year and the forecast from now until April 2014*
 - iii. *Inflow and outflow of maize intra and inter districts (where the maize sold locally is coming from, and where the maize produce or transiting within the district is transported to), over the year, for a normal year and the forecast from now until April 2014*
 - iv. *... (see market map and seasonal calendar)*
(This information will also be cross-checked at market and traders level)
- h. Cross-border trading issues (to be asked informally)
(It has to be mentioned only in market located at borders. Refers to all information around local importation and exportation; limitation due to transport, control, exchange rate, dynamic of the prices in the country or in the neighboring country...)

• TA's level (FS committee):

- a. Confirmation of markets from where people have access to maize

- b. Validation and/or amendment of seasonal calendar and market maps for a “normal” year and for this coming year (July 2013/2014)

It includes:

- i. *Prices dynamic over the year, for a normal year and the forecast from now until April 2014*
- ii. *Dynamic of the availability of maize over the year, for a normal year and the forecast from now until April 2014*
- iii. *Inflow and outflow of maize intra and inter TA's (where the maize sold locally is coming from, and where the maize produce or transiting within the TA's is transported to), over the year, for a normal year and the forecast from now until April 2014*
- iv. *... (see market map and seasonal calendar)*

(This information will also be cross-checked at market and traders level)

• **For each market:**

- a. Number of traders and their characteristics
(Wholesalers, retailers, producers....)
The wholesalers are the one dealing with quantities bigger than few bags, and most of all selling products to trades (e.g. retailers)
The retailers are the smaller sellers, dealing with only few bags and selling directly to the consumers
(These information will be completed and cross checked when being in the market, through visual observation and interviewed to the wholesalers and retailers)
- b. Area covered by the market
(name of the villages from where the people come to this market in order to buy maize)
- c. flow of maize
(Estimated quantities of maize flowing into and from the market, where is this maize coming from and where is it going to – please always consider seasonality and comparison with a “normal year”)
- d. Presence of financial institutions (including Airtel agent)
(Number and brands)
- e. Phone network coverage
(Is there phone network coverage in the market and in the villages from where people come to this market, see point b above - from which company – ask and/or check with you own phone)