Household purchasing power improves as maize prices fall

Key points:

- Negative coping levels are falling, except among worst-off households.
- Household purchasing power has improved as maize prices continue to decline.
- Beans have become more expensive.
- New malnutrition admissions are rising as the lean season reaches its peak.

Situation Update

Humanitarian assistance peaked in January 2017 when 6.7 million people received in-kind food and cash-based transfers as per the 2016 Food Insecurity Response Plan. All commodities were provided at full ration except for Super Cereal, which was provided at 75 percent because of resource constraints.

Early crop production forecasts look promising, and based on a recent report from the Department of Climate Change Meteorological Services, above-average rainfall is expected for most of the country for the rest of the growing season.

Head of household

- 39% Female
- 61% Male

Mean age of respondents

- 28

Number of Interviews:

- 2,000

Wall Type:

- 18% Mud
- 45% Baked Brick
- 22% Unbaked Brick
- 14% Cement
Negative coping levels remain stable across the country

The national median reduced Coping Strategies Index (rCSI) was stable at 21 in January after dropping from 25 in November (Figure 1). The proportion of households using at least one coping strategy remained at 95 percent.

In January, 78 percent of households borrowed food, while 74 percent restricted adult consumption so children could eat. The most commonly used coping strategy is relying on cheaper or less preferred food, which is employed by over 92 percent of households (Figure 2). Median rCSI improved significantly for the district aggregation of Mulanje, Chiradzulu, Thyolo, Zomba and Phalombe; this is thanks to ongoing humanitarian assistance and green consumption, since these areas had an early start to the cropping season (Map 1). Lilongwe and the aggregation of Blantyre, Mwanza, Neno and Balaka continued to record lower coping levels than the other district aggregations, again thanks to ongoing humanitarian assistance and green consumption. The highest coping levels were observed in the aggregations of Dedza-Ntcheu, Machinga-Mangochi and Chikwawa-Nsanje. All these districts were receiving humanitarian assistance but green consumption had not begun.
Negative coping falls except among those worst off

Wall types are used as a proxy indicator to determine a household’s socio-economic status. Better-off households (those with cement and baked brick walls) continued to resort less to negative coping strategies compared to worse-off households (those with mud walls) (Figure 3).

Households led by women continue to engage in more negative coping strategies than those led by men. However, there was slight reduction in the proportion of households headed by women consuming less expensive food (92 percent in January compared to 94 percent in December). By contrast, there was a slight rise in the households headed by men who restricted adult consumption to allow children to eat (71 percent in January compared to 67 percent in December) (Figure 4).

Figure 3. Median rCSI by wall type

![Graph showing median rCSI by wall type]

Source: mVAM, January 2017

Figure 4. Use of coping strategies by sex of household head

![Graph showing use of coping strategies by sex of household head]

Source: mVAM, January 2017
Nominal maize prices fell by 7 percent to MWK219/kg from December. The decrease is a result of low demand on local markets triggered by the ongoing humanitarian response. Private traders also have large stocks, and new supplies are anticipated from green harvests. ADMARC markets remain open, but consumers prefer buying from private traders whose prices are lower than the ADMARC price of MWK250/kg. Across the 69 monitored markets, maize prices ranged between MWK170/kg and MWK250/kg. Current maize prices are almost the same as this time last year, but they are 44 percent higher than the three-year average price (Figure 5).

In January, beans continued to be more expensive in the south than in central and northern regions. Average prices increased by 6 percent from December to reach MWK954/kg; pigeon peas cost MWK499/kg (up 10 percent) and cowpeas cost MWK559/kg (up 3 percent) (Figure 6).
The January average national manual labour wage was MWK608, up 5 percent compared to December. Purchasing power (measured in kilograms of maize that can be purchased with wages from a day of labour) improved across the country, except in Chitipa. The improvement in purchasing power is thanks to low maize prices and an increased demand for manual labour for weeding and applying fertilizer.

Figure 7: Purchasing power by district (kg of maize per day’s labour)
Rise in new malnutrition admissions during peak of lean season

In January, nutrition monitoring continued in 70 sentinel sites in areas affected by El Niño-induced food insecurity. The monthly mass screening exercise for children under 5 was carried out by the Ministry of Health with support from UNICEF in 44 percent of the sentinel sites. Mass screening is being conducted in 14 districts supported by UNICEF; the other 15 districts are still awaiting World Bank funding.

Figure 8 shows the trend in new admissions among different treatment types. Between December 2016 and January 2017, there was a continued increase in new admissions of children under community management of acute malnutrition (CMAM) and of adolescents and adults under Nutrition Care Support and Treatment (NCST). New admissions of children suffering severe acute malnutrition (SAM) rose by 32.8 percent and those with moderate acute malnutrition (MAM) increased 51.6 percent. MAM new admissions for adolescents on antiretroviral therapy (ART) or tuberculosis (TB) treatment increased by 48.6 percent and SAM cases on ART/TB increased by 56.4 percent. As per trends in previous years, January to March is the peak new admissions period for CMAM and NCST programmes as this is the peak lean season for household food security. As a result, new admissions are expected to rise across all programme components but at varying rates.

In January 2017, treatment of SAM adolescent and adult patients under NCST started in all facilities implementing NCST. Every two weeks, these patients are given 42 sachets of ready-to-use therapeutic food and 4.5 kg of Super Cereal.

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Figure 8: Trends in new admissions, January 2016 to January 2017

1 41 sentinel sites between January 2016 and June 2016; 70 sites between July 2016 and January 2017.
In the words of the respondents

Figure 9: Word cloud

‘Food situation is improving with the current rains. Hopefully things will get better’ - Male respondent, Blantyre

‘We will starve if WFP stops to give us some food in March’ - Male respondent, Chikwawa

‘Many families are receiving food donation from WFP, so hunger has eased a little’ - Male respondent, Chitala, Salima

‘Here we have plenty of maize. As of now some people are harvesting from their dimbas (wetland) and tins are sold at MWK3500 for new maize and the old one is sold at MWK4000’ - Female respondent, Mzuzu

Methodology

Details on methodology are available online at the mVAM monitoring site:
http://vam.wfp.org/sites/mvam_monitoring/malawi.html

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