



MALAWI: All about the price of maize



Photo: Jaspreet Kindra/IRIN

Few Malawians can afford the maize in the market

BLANTYRE, 18 February 2009 (IRIN) - "There are often several versions of the truth" is an adage that could apply to the possibility of food shortages in Malawi during the hungry season, which will end in another two months, as IRIN found out on a road trip through the country's southern and central regions.

A study by the US-based Michigan State University (MSU) points to a serious hunger problem in Malawi in early 2009; the government has maintained that it has [enough maize](#).

Prices for the staple food are at record levels: a 50kg bag, which would feed a family of four for a month and a half, costs at least US\$32, "which is unaffordable in a country where the average income of an individual is about \$160 for the year," said Rafiq Hajat, executive director of the Institute for Policy Interaction (IPI), a think-tank based in the commercial capital, Blantyre.

"The real issue is the price of maize, since that is the most objective signal of scarcity and hunger," said Thom Jayne, who led the MSU study. "This is the point that Amartya Sen [a Nobel Prize-winning economist] made 30 years ago that made most governments of the world realize that it was access to food rather than national food self-sufficiency that matters."

High maize prices this season have put many households at risk of food insecurity, according to the last report from the USAID-funded Famine Early Warning Network (FEWS-NET), while the last report by the multi-agency Malawi Vulnerability Assessment Committee said about 674,000 households were at risk of food insecurity and required food aid assistance. A new assessment is due in the next few weeks.

"Maize shortages are a big political issue. As you can see, there is no maize in our particular district, but we cannot say anything. It is all very sensitive - the election is only about two months away," said an official, who did not want to be named, in one of the southern districts.

Allegations and counter accusations by the government and opposition parties about maize shortages have been dominating newspaper headlines ahead of national elections on 19 May, and President Bingu wa Mutharika holds the agriculture portfolio.

Malawians feel strongly about maize. "If we don't eat nsima [maize-meal] we feel we have eaten nothing," said a villager in the southern district of Nsanje. Few Malawians are drawn to other starch sources such as potatoes, which are plentiful in most markets.

At her takeaway off the highway between Blantyre and Nsanje, the country's southernmost town, Thandi Chimono slapped a chambo, a fish from the tilapia family, into a hot pan and remarked: "There is not enough maize in the market, which is why it is so costly - the private traders are hoarding it." But this is only one of several versions of the truth about food security circulating in Malawi.

The versions

Most ordinary Malawians believe there is not enough maize because many outlets of ADMARC, the state grain marketer, which controversially sell maize at a subsidized rate often runs out. A villager in the southern district of Chikwaza said the ADMARC outlet in his neighbourhood usually ran out within two days of new stock arriving.

FEWS-NET noted that high market prices have pushed up demand for maize at ADMARC outlets, which have been selling a 50kg bag at a subsidized rate of about \$18.



Photo: Jaspreet Kindra/IRIN

Tubers from water lilies are a source of starch during the lean season in the southern district of Nsanje

ADMARC officials at an outlet 100km outside the capital, Lilongwe, admitted they did not have enough maize to last through the lean season, which runs from December to April. "We are rationing a 50kg bag between three to four families."

There have been questions around government's decision to grant ADMARC the monopoly over all maize purchases from farmers, in an effort to curb prices as they began to rise in 2008. In August 2008, Charles Mataya, the president of the Economics Association of Malawi was quoted as saying: "With ADMARC as the sole player in a market where it has a poor distribution network, we should expect food costs to rise further."

When available, most rural poor Malawians settle for the cheaper 'madeya' or maize bran, or buy small quantities when they manage to find ganyu [piece-work], which brings them some income during the lean season.

Villagers in Nsanje have resorted to eating tubers from water lilies as a source of starch; there are people selling sacks of water lily tubers along the highway. At least 38 percent of households in Nsanje do not have food - up from 18 percent at the same time last year, according to an agriculture department report.

In Mchinji, a central district along the Zambian border, a villager said his family had been surviving on vegetables.

Traders hoarding maize

“The real issue is the price of maize, since that is the most objective signal of scarcity and hunger”

A few aid agencies and government officials agree with Chimono: "The traders have hoarded the maize to release it in the markets slowly during the lean season so they can fetch good prices."

Aid officials believe the government is partly to blame for the hoarding. "There was a lot of speculation after the 2007 and 2008 harvests about whether the country had enough maize after the government sold more than 300,000 metric tonnes of maize to Zimbabwe in 2007," said an aid official. "But the government always maintained the country had a bumper harvest in both the years, which was not true."

But there is no maize, say traders

Private traders deny selling hoarded maize and say there is none. In Liwonde, a town in the southeastern district of Machinga, along Malawi's border with Mozambique, a trader said he had imported his maize from Zambia. On the highway between Liwonde and Blantyre a truck driver with a load of maize said he had brought it from Zambia.

"So if the country has enough maize, why are private traders bringing it in from Zambia?" asked the IPI's Hajat.

According to Mutharika, "We have a lot of maize but the opposition is sending boys to buy it away so that they fulfill their evil agenda," he was reported as saying at a public rally in Balaka, a southern district that faces shortages in early 2009.

Analysts and a group of aid workers believe there isn't enough maize, but the government is too embarrassed to admit to shortages after having won accolades for its input subsidy programme.

What can be done?

Import cheaper maize, suggested the MSU study. Most rural households and almost all urban households in Malawi are net buyers of maize, and in many parts of the country maize costs \$500 per ton, which is beyond the reach of Malawi's poor.

Ironically, global maize prices have dropped since July 2008 and have been around \$150 per ton for the past several months. Jayne commented: "It would have been possible to drive down maize prices in Malawi by importing maize from either SAFEX [South African Futures Exchange] or the world market. By injecting much more maize onto the market, either by ADMARC, traders, and/or NGOs, prices can be lowered during the lean season. The key is making the decision to import in a timely way. People are debating over whether Malawi has maize or not, but the lesson for the future is to keep food price within a tolerable range through effective management of buffer stocks and trade."

Government officials would not comment.

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