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# TRACKING THE PERFORMANCE OF THE MALAWI AGRICULTURAL SECTOR:2010/11 TO 2011/12

## MALAWI'S AGRICULTURAL SECTOR WIDE APPROACH TECHNICAL WORKING GROUP ON MONITORING AND EVALUATION (ASWAP TWG ON M&E)

**In June 2012, a Technical Working Group on Monitoring and Evaluation (TWG on M&E) was established in Malawi to track agricultural sector performance under the overarching sector strategy, the Agricultural Sector Wide Approach (ASWAp). The TWG on M&E brings together a wide variety of stakeholders representing the public sector, non-state actors, and development partners. Each stakeholder provides updates on key indicators considered critical for evaluating the performance of Malawi's agriculture sector. The International Food Policy Research Institute (IFPRI), under the auspices of the Malawi Strategy Support Program (MaSSP), provides technical support to the TWG on M&E. Over the period September 2011 to September 2012, an analysis of the consolidated indicator set reveals that some aspects of the agriculture sector improved greatly, while others have either stagnated or declined.**

## Introduction

The TWG on M&E tracks sector performance and ASWAP implementation using a consolidated indicator set comprising of:

1. ASWAp high-level indicators.[i]
2. Selected indicators adopted from the Food and Nutrition Security working group of the Information Systems subcommittee of the Food and Nutrition Security Joint Task Force/Technical Secretariat (FNSJTF/TS).[ii]
3. Sector-level performance indicators that align ASWAp with the Comprehensive African Agricultural Development Programme (CAADP).[iii]

This initial indicator set was adopted in June 2012 to enable the TWG on M&E to meet expectations that it was to monitor sector performance using 18 high-level indicators as proposed in the ASWAp document. The indicators are primarily focused on measuring the outcomes of activities carried out by the Ministry of Agriculture and Food Security (MoAFS).

However, the concept of the ASWAp is sector-wide in nature. As such, it requires additional indicators that will capture the performance of the entire sector. Given these considerations, the TWG on M&E expanded the indicator set to go beyond the outcomes of MoAFS activities, and included indicators that capture the outcomes of a broad spectrum of actors within the sector. Indicators from the Food and Nutrition Security Joint Task Force and CAADP noted above were added. These specifically capture aspects of investment volumes, market prices, economic growth, poverty rates, nutritional outcomes, and the enabling environment for agricultural growth and development.

The consolidated indicator set has indicators with different data collection frequencies. Therefore, although this note reports on the performance during the period from September 2011 to September 2012 where possible, some indicators pertain to a different time period.

## Key Achievements as of September 2012

The *national budget allocation to the agriculture sector* increased from 11 percent in the 2010/11 financial year to 12 percent in 2011/12, thus exceeding the CAADP commitment of 10 percent. A longer term and more disaggregated analysis shows that between 2006/07 and 2011/12, three-quarters of the resources allocated to the sector was spent on crop production and management issues, in particular on the Farm Input Subsidy Program (FISP).

Small improvements in the *nutritional status of under-five children* have been observed. Specifically between 2004 and 2010 stunting declined by 0.7 percent, wasting by 1.2 percent, and the proportion of underweight children by 9.2 percent.[iv] These improvements are attributed to the implementation of several interventions by government and its partners in the health sector, such as the national campaign against stunting.

*Micronutrient deficiencies* also decreased between 2004 and 2010. The prevalence of anemia in under-five children declined from 73 percent to 62.5 percent. Decreases in Vitamin A deficiency were also observed among under-five children, school age children, non-pregnant women, and men between 2001 and 2009. This is attributed to on-going supplementation, fortification efforts, and nutrition interventions. Furthermore, almost the entire population of Malawi (97.2 percent) now uses iodized salt. This represents a sharp improvement from the 48.9 percent in 2000.

Trends in *smallholder output of cash* crops have generally been positive. The production of groundnut, cotton, sunflower, coffee, and paprika exhibited double-digit growth rates as compared to the previous year. The exception was smallholder tobacco production, which decreased by 59 percent in the 2011/12 season. This is attributed to low prices in the 2010/11 season, which acted as a major disincentive to invest in tobacco inputs in the following year.

The *domestic food surplus* estimate declined from 1,208,000 metric tons (mt) in 2011 to 824,000 mt in 2012, a drop of 32 percent (see Table 1). The decline is attributed to dry spells that affected most parts of the southern region. Despite the decline, the indicator is still classified as "green"— indicating no cause for concern—as food supplies are still considered sufficient to meet domestic requirements.

Table 1 also shows that the country has produced surplus maize in the last five cropping seasons. Due to increased maize production, food imports into Malawi have generally decreased over the last five cropping seasons. In 2012, both *informal and commercial importation of food* generally continued to decrease. Therefore, the country has produced sufficient maize to meet its domestic food requirements. The ability of the country to meet its own staple food needs is attributed to favorable climatic conditions for most parts of the country and increases in the use of inorganic fertilizer and hybrid maize varieties.

### Table 1: Domestic Food Surplus (2007/08 to 2011/12)

| Year | Total food requirement (mt) | Gross maize production (mt) | Gross maize surplus (mt) |
|---|---|---|---|
| **2007/08** | 2,355,000 | 2,777,000 | 422,000 |
| **2008/09** | 2,460,000 | 3,770,000 | 1,310,000 |
| **2009/10** | 2,490,000 | 3,210,000 | 720,000 |
| **2010/11** | 2,690,000 | 3,900,000 | 1,210,000 |
| **2011/12** | 2,800,000 | 3,625,000 | 825,000 |

*Source*: Agricultural Production Estimates, Food Security Unit, MoAFS.

*Formal fertilizer imports* have generally remained high and stable since the implementation of the FISP in the 2005/06 cropping season. The *proportion of maize cultivated area planted to hybrid seed* has been increasing over the years, reaching 45 percent by 2011/12, a 4 percentage point increase over 2010/11. This increase is attributed to the FISP and to ongoing promotional programs on the use of certified seed carried out by various actors in the seed sector.

## Areas of Underperformance

Despite the improvements in many indicators, other areas of Malawi's agriculture sector have either stagnated or declined.

The *national poverty headcount* shows that there has been an increase in the percentage of rural people who are living in poverty and in extreme poverty. Between 2004 and 2010, the percentage of rural people who are poor increased from 55.9 to 56.6 percent. Similarly, the percentage of the rural population living in extreme poverty increased from 24.3 percent in 2004 to 28.1 percent in 2010. At a national level, poverty headcount levels have slightly decreased from 52.4 percent to 50.7 percent. This is attributed to a large decrease in urban poverty (Table 2).

### Table 2: Rural and urban poverty in Malawi

| | Poverty headcount (%) | | Extreme poverty headcount (%) | |
|---|---|---|---|---|
| | **2004/05** | **2010/11** | **2004/05** | **2010/11** |
| **National** | 52.4 | 50.9 | 22.0 | 25.0 |
| **Urban** | 25.4 | 17.4 | 7.5 | 4.3 |
| **Rural** | 55.9 | 56.6 | 24.3 | 28.1 |

*Source*: Integrated Household Surveys 2 and 3 (IHS2 and IH3), National Statistics Office, Government of Malawi.

Despite the food surplus, the *population at risk of food insecurity* at district and national level increased from 2 percent in September 2011 to 11 percent in September 2012. This indicator has changed from "green" to "amber", thus indicating the need for urgent intervention to prevent the indicator moving to "red".

In the same line, the *quantity and value of missing food entitlements* at district and national levels has also increased (i.e., from 4,828 mt to 75,394 mt in physical terms, and from MWK 156 million to MWK 6,031 million in value terms).[v] This means that more people are food insecure in 2012 as compared to the same time period in 2011. This is attributed to low production levels in some parts of the country where poor rainfall was experienced. There is a need to ensure that surplus maize is allocated to meet these domestic food shortages.

*Fisheries output* has also declined from 98,000 mt to 82,000 mt. Although a wide variety of fish species contribute towards national fish supply, the contribution of Chambo (*Oreochromis* species) from the artisanal and commercial fisheries has been declining since the late 1980s.

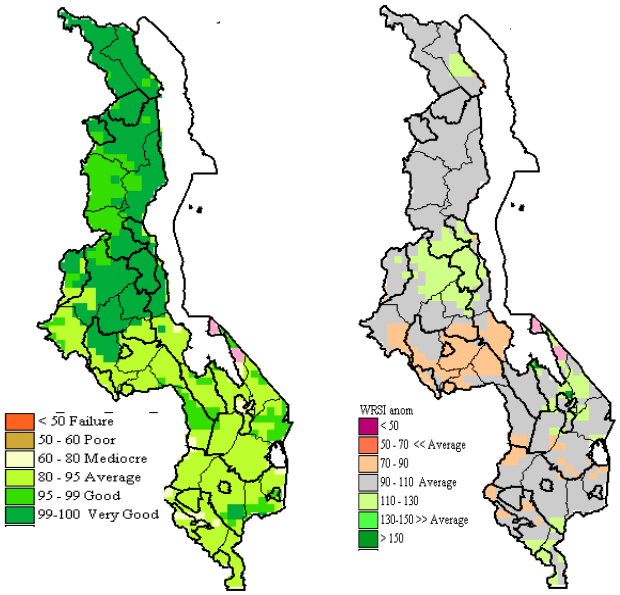
## Key Drivers of Sector Performance

The key drivers of sector performance include, but are not limited to, government policy; international commodity prices; domestic maize market prices; and rainfall**.** *Government policy* pertaining to cotton production, subsidized fertilizer supply, and irrigation has contributed greatly to increasing cotton production; improving smallholder maize production, and the area under irrigation, respectively. Fluctuations in *international commodity prices* have had an impact on the agricultural sector and its efforts towards commercialization. Examples include the dramatic drop in cotton prices and an increase in coffee prices. In terms of domestic maize prices, as of September 2012 the *average nominal price of maize* at almost MWK 56/kg increased by 45 percent since September 2011 when it was at about MWK30/kg. Increases in average maize prices can be attributed to a general rise in both rural and urban food prices, as well as to inflationary pressures.

Finally, a key driver of sector performance is rainfall. Average annual *rainfall expressed as a proportion of normal rainfall at the national level* increased by one percentage

point between the reporting periods of 2011 and 2012 (Figure 1). In general, the 2011/12 *rainfall* that the country received was sufficient to satisfactory over most of the Central and Northern regions; however, it was relatively poor to average in the Southern region.

### Figure 1: Crop Water Requirement Index and Water Requirement Satisfaction Index 2011/12




*Source*: Department of Climate Change and Meteorological Services

## Conclusion and emerging issues

As of September 2012 relative to one year earlier, the performance of the agricultural sector in Malawi had varied levels of success, with some aspects of the sector improving greatly; while others stagnated or declined. Many successes have been attributed to the implementation of the Farm Input Subsidy Program. FISP implementation has been largely facilitated by government commitment and an allocation of more than 10 percent of the national budget to the sector. There is, however, need for robust research to quantify the extent to which the FISP has affected overall economic performance and growth of Malawi's agricultural and nonagricultural sector.

Two key areas for policy intervention can be identified from this agricultural sector performance assessment:

1. There is a need for market incentives or social protection programs that will ensure that surplus maize shifts from areas of surplus production to areas of food scarcity.
2. There is need to develop a comprehensive, multidimensional program for combating prevailing poverty and extreme poverty in the country. Such a program should incorporate gender, nutrition, education, health, and community empowerment.

## References


[i] Ministry of Agriculture and Food Security. 2011. Malawi Agriculture Sector Wide approach: A prioritised and harmonized development agenda.

[ii] Malawi Government. 2011. Monitoring and evaluation system for food security and nutrition of Malawi. 11th M&E report of the FNSP working group. Ministry of Agriculture and Food Security.

[iii] Regional Strategic Analysis and Knowledge System (ReSAKSS) 2010. Monitoring and evaluation system for the Comprehensive African Agricultural Development Programme (CAADP). ReSAKSS working paper no. 6. IFPRI. Washington D.C.

[iv] A child is stunted when too short for her or his age; wasted when too light for her or his height; and underweight when too light for her or his age based on a statistical analysis of height-for-age, weight-for-height, and weight-for-age scores.

[v] In September 2011, MWK 165 = US $1.00; in September 2012, MWK 270 = US $1.00.



*This Policy Note is based on the consolidated and approved first report of the ASWAP Technical Working Group (TWG) on M&E- an output of the second meeting of the TWG on M&E (11 to 13 September 2012). The brief was compiled and edited by Mariam ATJ Mapila, Phiko Kavinya, Maureen Mwawa, Gladys Zimba, Neil Orchardson, and Cindy Kibombwe. The note is intended to promote discussion and has not been peer reviewed. Any opinions stated herein are those of the different members of the Technical Working Group on Monitoring and Evaluation of the Agricultural Sector Wide Approach (ASWAp) and do not necessarily reflect the policies or opinions of IFPRI.*

*The Malawi Strategy Support Program of the International Food Policy Research Institute (IFPRI) works closely with the government of Malawi and other development partners to provide information relevant for the design and implementation of Malawi's agricultural and rural development strategies.*

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