



World Food Programme

Minimum Expenditure Basket in Malawi

A look at Food and Non-Food Prices and Availability in Times of COVID-19

Round 60 : 25–30 July 2022



Photo: Badre Bahaji, WFP Malawi

Highlights

- The Survival Minimum Expenditure Basket continued to rise across all the regions in the country.
- The SMEB rose by 4.4 percent in the urban cities; by 0.8 percent in the rural Northern Region; by 3.5 percent in the rural Central Region; and by 2.6 percent in the rural Southern Region. Generally, increases in the prices of maize grain, beans, cassava, and vegetables contributed a significant share of the rise in the SMEBs across all the regions.
- The price of maize grain surged to MK 326 per kg by end July from MK 307 per kg during mid-July 2022 owing to continued hoarding of the grain by producers and traders.
- Beans were trading at MK 1,360 per kg, an increase of 2.2 percent since the last round.
- The prices of both cowpeas and pigeon peas decreased to MK 788 per kg and MK 588 per kg, respectively. The price of cowpeas decreased by 2.7 percent while that of pigeon peas fell by 5.8 percent since the last round due to new harvests.

SAVING
LIVES
CHANGING
LIVES



COVID-19 Update

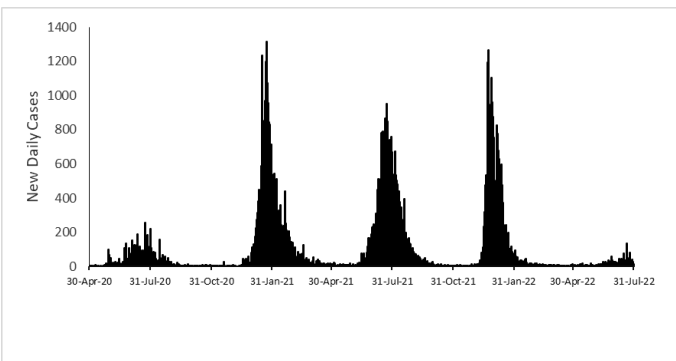


Cases of COVID-19 continued to slightly rise between June and July this year.

The trend of daily confirmed cases in *Figure 1* depicts a slight increase in these cases during this period compared to the past six months. However, caseload of COVID-19 remained relatively very low between June and July this year compared to the same period in the last two years. During this reporting period, 172 cases of the disease were recorded with seven COVID-19 related. The country's active cases of the pandemic increased by 38.5 percent since the last round of data collection from 423 cases on 15 July 2022 to 586 cases on 30 July 2022.

Despite the low number of cases of the COVID-19 recorded during the first half of 2022, the Russia-Ukraine conflict has subdued the economic benefits that would have likely accrued from the uptick in market operations in the country.

Figure 1. COVID-19 prevalence since April 2020



Data Source: Malawi Ministry of Health



Deriving the Minimum Expenditure Basket

The minimum expenditure basket (MEB) looks at the needs that are covered—partially or fully—through the market. It sets a monetary threshold, which is defined as what households require to meet their essential needs. While the MEB is defined as what a household requires to meet their essential needs, on a regular or seasonal basis, and its average cost, the survival MEB (SMEB) is the absolute minimum amount required to maintain existence and cover lifesaving needs. However, the concepts of an SMEB and MEB are sometimes used interchangeably.

There are several ways in which to construct an SMEB. The United Nations World Food Programme (WFP) Malawi Country Office constructed its SMEB in line with a rights-based approach, based on previously assessed needs, by collecting expenditure data. Data on the construction of both the rural and urban area SMEBs was collected using a WFP in-house call centre (mobile Vulnerability Assessment

and Mapping—mVAM), reaching over 175 traders in some 70 rural and urban local markets. Contacted traders provided the market prices of available food and non-food items during the periods between 25 and 30 July 2022 for the MEB Round 60. The previous round's data (Round 59) was collected between 11 and 15 July 2022.

The detailed methodology for the construction of the SMEB as well as the key assumptions employed are depicted in *Annex B*. Once constructed, the MEB itself serves as a key input in the essential needs assessment set of indicators, as it is used to assess which households have the economic capacity to cover their needs through the market.



What does the Round 60 SMEB show?

During the current round, the SMEB continued to rise across all the regions in the country.

Households in both urban and rural areas faced increased expenditure on food and non-food commodities since the last round. The increase in SMEB was more pronounced in the urban areas and rural Central Region than in the rural Northern Region. During the previous round (Round 59), households' expenditure rose more significantly in the rural Northern Region while the least increase in the SMEB was observed in the urban areas. *Table 1* provides detailed changes in the SMEB values between the latest two rounds and *Figure 3* depicts rural households' monthly average expenditure trends since April 2020.

Table 1. SMEB values and their change between Round 60 and Round 59

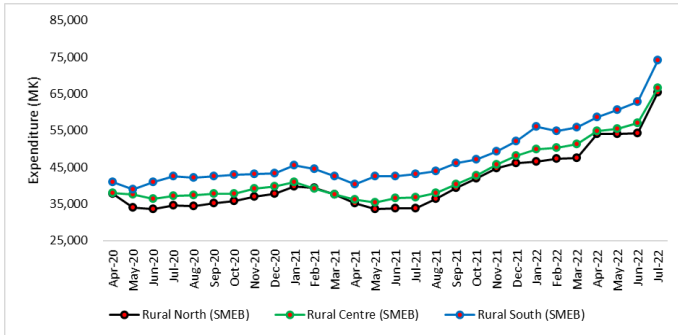
Area of Residence	Total SMEB		Food Expenditure		Non-Food Expenditure	
	Malawi Kwacha	% Change	Malawi Kwacha	% Change	Malawi Kwacha	% Change
Urban	95,600	↑+4.4	64,930	↑+5.5	30,670	↑+2.2
Rural North	67,871	↑+0.8	60,048	↑+0.9	7,823	↑+0.6
Rural Centre	69,491	↑+3.5	60,724	↑+3.4	8,767	↑+4.1
Rural South	77,189	↑+2.6	64,622	↑+2.7	12,567	↑+2.2

Generally, notable increases in the prices of maize grain, beans, cassava, and green vegetables contributed a significant share of the rise in the SMEBs across all the regions.

Prices of maize grain continue to rise and have remained elevated this year. According to the Ministry of Agriculture, this year maize production has decreased by 18.9 percent compared to the previous year. The fall in production of maize including pulses (beans) is largely attributed to the large-scale flooding and prolonged dry spells that occurred earlier during the growing season. Poor production, the deepening Russia-Ukraine conflict,

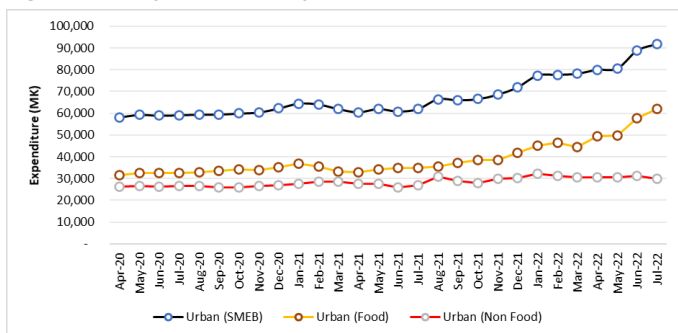
and the knock-on effects of the COVID-19 pandemic have all prompted producers and traders to hoard their grain to sell when prices are at their highest during the lean season. As a result, the price of maize remained elevated even during and just after the harvest period. The rise in the price of green vegetables may be attributed to a drop in vegetable production typically during winter.

Figure 2. Average monthly nominal rural SMEBs trends by region since 2020



In the urban areas, the SMEB rose by 4.4 percent to MK 95,600 per month. The rise in both food and non-food expenditure by 5.5 percent and 2.2 percent, respectively pushed up households’ survival minimum expenditure by 4.4 percent in the urban cities. Since the last round, the SMEB rose from MK91,535 per month to the current value of MK 95,600 per month. This means that a typical household residing in any of the four major cities in Malawi spent on average, MK 4,065 more per month in the current round compared to the previous one. In these cities, a rise in the prices of maize grain (by 9.3 percent), beans (by 5.5 percent), cassava (by 6.6 percent), green vegetables (by 12.7 percent) and a bathing soap tablet (by 5.4 percent), all significantly contributed to the increase in the SMEB value for the urban areas. Figure 3 provides the trends for the average monthly SMEB for urban areas.

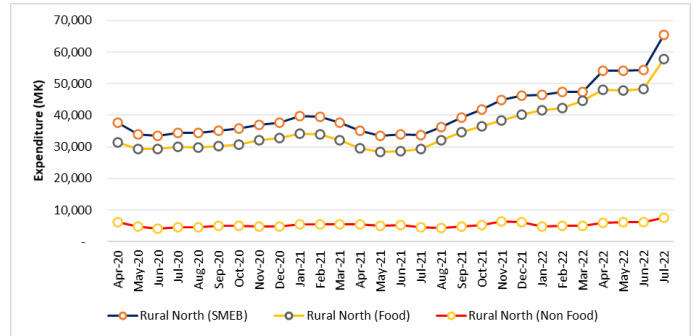
Figure 3. Trends for Survival MEB for the urban areas



The SMEB moderately rose by 0.8 percent to MK 67,871 per month in the rural Northern Region. In the rural Northern Region, the SMEB slightly rose from MK 67,313 per month in the previous round to MK 67,871 per month in the current round. This rise implies that a typical household in this region spent MK 558 more in a month during round 60 compared to the previous round (Round 59). Both food and non-food expenditures mildly increased by 0.9 percent and 0.6 percent, respectively resulting in a

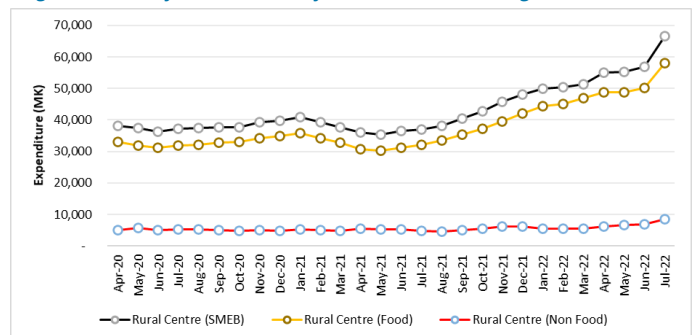
0.8 percent rise in the average household survival minimum expenditure for the region. The increase in food expenditure was largely necessitated by the rise in the prices of maize (by 8.5 percent), and cassava (by 2.7 percent). The price of beans, however significantly dropped by 10.2 percent likely due to increased stocks from winter cropping. Figure 4 shows the average monthly SMEB trends for the rural Northern Region.

Figure 4. Trends for Survival MEB for the rural Northern Region



In the rural Central Region, the survival minimum expenditure increased by 3.5 percent to MK 69,491 per month during the current round. A typical household living in the rural Central Region spent MK 2,330 per month more in the current round compared to the previous one as its expenditure rose from MK 67,161 per month to MK 69,491 per month. Food expenditure increased by 3.4 percent as the prices of maize, cassava, and green vegetables notably rose by 6.4 percent, 12.2 percent, and 6.7 percent, in that order. The rise in the cost of firewood by 8.7 percent and a bar of laundry soap (Neema) by 3.2 percent mostly pushed up non-food expenditure by 4.1 percent in this region since the last round. This rise in both food and non-food expenditure resulted in the 3.5 percent increase in the SMEB for the region. Figure 5 shows the trends in households’ average monthly spending for the rural Central Region.

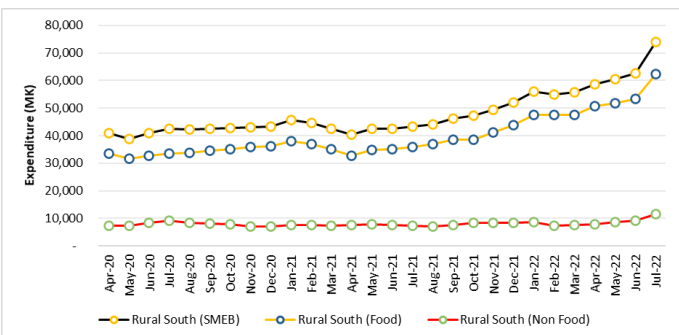
Figure 5. Trends for Survival MEB for the rural Central Region



In the rural Southern Region, the SMEB increased by 2.6 percent to MK 77,189 per month. In this region, the SMEB moved up to MK 77,189 per month in the current round from MK 75,199 per month during the previous round, an increase of MK 1,990 per month. This increase was necessitated by the rise in the food expenditure by 2.7

percent and non-food expenditure by 2.2 percent. Increases in the prices of maize grain (by 5.5 percent), beans (by 3.6 percent), cassava (by 7.0 percent), and vegetables (by 12.5 percent) pushed up expenditure on food. On the other hand, the rise in the cost of milling by 12.2 percent and soap by 15.9 percent resulted in increased expenditure on non-food items. *Figure 6* depicts the trends in average monthly expenditure for the region over the past two years.

Figure 6. Trends for Survival MEB for the rural Southern Region



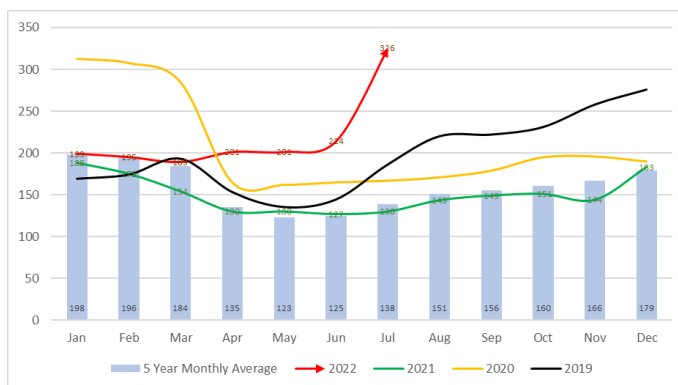
Maize Grain Retail Prices

Prices of maize grain continue to increase across the country as producers and traders continue to hoard the commodity in anticipation of selling the grain when prices are at their highest. Agriculture production estimates by the Ministry of Agriculture show that maize production has fallen by 18.9 percent this year compared to the previous year. This, in addition to the knock-on effects of the COVID-19 and the Ukraine-Russia conflict, has resulted in elevated prices of maize grain this year. Again, the surge in the prices of fertilisers by over 100 percent since the last growing season has forced farmers to sell their maize at even higher prices in anticipation of increased production costs in the upcoming season. The prices are expected to reach their record highs at the peak of the lean season between December 2022 and February 2023.

The price of maize grain surged to MK 326 per kg by end July from MK 307 per kg during mid-July 2022. This price increase signifies a 6.2 percent rise since the last round of data collection and is 150.8 percent higher than the price in July last year. The current price is also 136.2 percent higher than the five-year monthly average price of maize grain for July. *Figure 7* gives details on the maize grain prices trends. The current price of maize grain also surpassed the minimum farmgate price of MK 220 per kg set by the Government in April this year. The Government also announced that the state grain trader—the Agricultural Development and Marketing Corporation (ADMARC)—will start trading its maize grain during the upcoming lean season at MK 300 per kg. As the price of maize is expected to continue increasing and selling even at higher prices

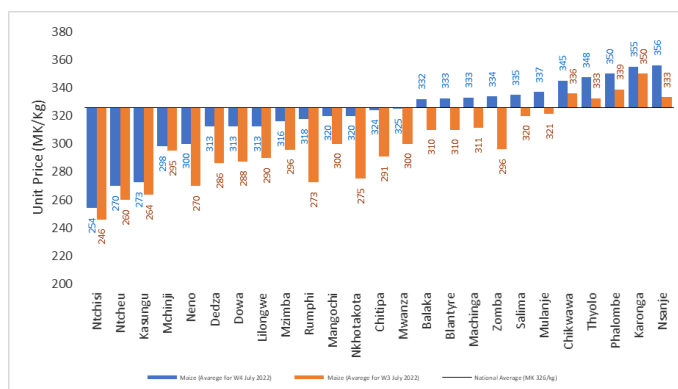
during lean period, the ADMARC’s price will be highly uncompetitive and, if not controlled, will likely result in maize resales.

Figure 7. Trends of average maize prices (in Malawi Kwacha per kg)



Maize grain prices continued to be the highest in the Southern Region and lowest in the Central Region. In the Southern Region, maize grain was trading at an average price of MK 338 per kg increasing from the previous round’s price of MK 321 per kg. The price of the grain averaged at MK 327 per kg in the Northern Region, up from MK 301 per kg in the previous round. Maize was selling at a relatively lower price in the Central Region, averaging MK 300 per kg, an increase from MK 282 per kg in the last round of data collection.

Figure 8. Average maize grain prices by district relative to the national average price

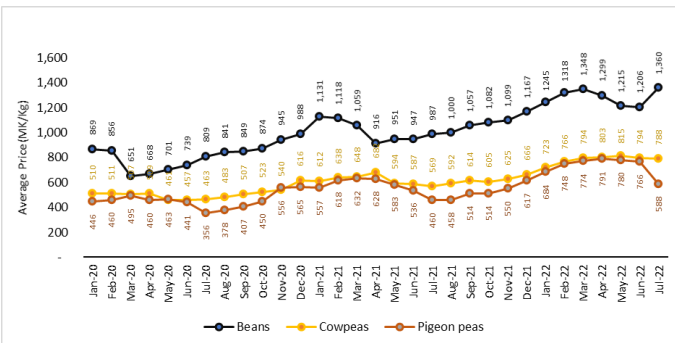


Nsanje, Karonga and Phalombe Districts recorded the highest grain prices of as high as MK 350 per kg. *Figure 8* shows that the highest price of maize was recorded in Nsanje District, selling as high as MK 356 per kg, followed by Karonga and Phalombe Districts, where the grain was trading at MK 355 and MK 350 per kg, respectively. All the monitored districts registered an increase in the price of maize between the current and last rounds. The price rose the most in Chitipa, by 16.5 percent and Zomba by 12.7 percent while the least increase in price of 1.1 percent was recorded in Mchinji. Eleven of the 25 monitored districts recorded a price above the average national price of MK 326 per kg.

Prices of Pulses

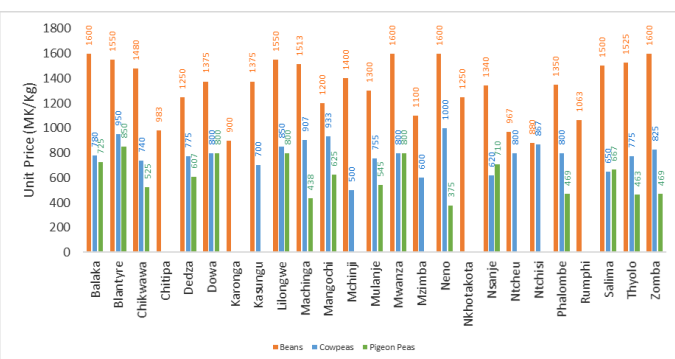
In Round 60, price of beans continued to increase while the prices of cowpeas and pigeon peas fell. The price of beans remained elevated this year, owing to low stock carryover from the previous year and poor production this year. The price of cowpeas is typically high during this period and this drop in its price may be due to increased supplies from winter cropping. The price of pigeon peas usually decreases between July and October due to rising supplies from the harvests during this period. Figure 9 shows trends for the monthly prices of pulses and Figure 10 provides average prices of pulses by district during the current round.

Figure 9. Trends for the average national monthly prices of pulses



Beans were trading at MK 1,360 per kg, an increase of 2.2 percent since the last round. The price of beans slightly rose from MK 1,331 per kg in the previous round to MK 1,360 per kg in the current round. Beans were selling at a much higher price in the Southern Region, trading at MK 1,463 per kg. In the Central Region, the average price for beans was MK 1,293 per kg while in the Northern Region, beans were selling at MK 1,013 per kg.

Figure 10. Average pulse prices by district



The prices of both cowpeas and pigeon peas decreased to MK 788 per kg and MK 588 per kg, respectively. The price of cowpeas decreased by 2.7 percent from MK 810 per kg in the last round to MK 788 per kg currently. The price of pigeon peas also notably decreased by 5.8 percent to MK 588 per kg in the current round from MK 624 per kg in the previous round.



Malawi mVAM Price Data

Mobile Vulnerability Analysis & Mapping (mVAM)

Since December 2015, the Country Office has set up the mobile Vulnerability Analysis and Mapping (mVAM) monitoring system using an in-house call centre to collect weekly price data for maize grain, pulses (beans, cowpeas and pigeon peas) with an aim to collect real time data remotely. Since then, mVAM has been tracking food and nutrition security indicators during the El Niño period in 2016, Cyclone Idai in 2019 and the current COVID-19 environment. On 14th January 2021, the Malawi's Head of State declared a State of National Disaster and intensified the implementation of the preventive measures to reduce the spread of COVID-19. It was

MAIZE PRICES (MK)

PIGEON PEA PRICES (MK)

BEAN PRICES (MK)

COW PEA PRICES (MK)

MARKET CROP GRAPH

MARKET LOCATION

Price data on different commodities monitored by the WFP mVAM can be accessed on our dashboard by following this link:

[Malawi mVAM Price Data](#)

Annex A: Tables for Survival Minimum Expenditure Basket

Table 2A. Survival MEB for the Urban Areas

Commodity	Quantity per person per month	Unit of measure	Unit Price	Cost per person per month	MEB Round (Household Size = 4.5)	
					Current	Previous
Food commodities						
Cereals (Maize)	12.60	Kg	330	4,158	18,711	17,126
Pulses	1.50	Kg	1,567	2,351	10,577	10,029
Cooking Oil	0.75	Kg	3,983	2,987	13,443	13,067
Roots and Tubers	0.60	Kg	533	320	1,439	1,350
Salt, Iodized	0.15	Kg	500	75	338	338
Vegetables	3.00	Kg	411	1,233	5,550	4,924
Eggs (chicken)	0.15	Kg	3,233	485	2,183	2,160
Fish (dried)	0.60	Kg	3,467	2,080	9,360	9,103
Sugar	0.60	Kg	1,233	740	3,330	3,433
Sub-Total for Food Cost				14,429	64,930	61,528
Non-Food Items (NFI's)						
Charcoal	50	Kgs	267	13,334	13,334	12,857
Match Box	4	boxes	80	320	320	320
Electricity charges	10	times	100	1,000	1,000	1,000
Electrical charging	15	times	100	1,500	1,500	1,500
Milling	4	times	550	2,200	2,200	2,115
Soap Laundry	2	Pcs	300	600	600	586
Soap bar bathing	2	Pcs	858	1,717	1,717	1,629
House rent	1	month	10,000	10,000	10,000	10,000
Sub-Total for NFIs Cost				30,670	30,670	30,007
TOTAL MEB					95,600	91,535

Table 2B. Survival MEB for the Rural Northern Region

Commodity	Quantity per person per month	Unit of measure	Unit Price	Cost per person per month	MEB Round (Household Size = 4.5)	
					Current	Previous
Food commodities						
Cereals (Maize)	12.60	Kg	327	4,121	18,547	17,100
Pulses	1.50	Kg	1,013	1,520	6,839	7,612
Cooking Oil	0.75	Kg	3,895	2,921	13,145	12,940
Roots and Tubers	0.60	Kg	394	236	1,063	1,035
Salt, Iodized	0.15	Kg	300	45	203	203
Vegetables	3.00	Kg	349	1,048	4,716	4,760
Eggs (chicken)	0.15	Kg	2,947	442	1,989	1,975
Fish (dried)	0.60	Kg	3,665	2,199	9,895	10,345
Sugar	0.60	Kg	1,353	812	3,652	3,567
Sub-Total for Food Cost				13,344	60,048	59,537
Non-Food Items (NFI's)						
Fuel wood	50	Lump-sum	34	2,729	2,729	2,702
Match Box	4	Boxes	80	320	320	320
Milling	4	Times	553	2,211	2,211	2,211
Soap Laundry	2	Pcs	337	674	674	671
Soap bar bathing	2	Pcs	945	1,889	1,889	1,874
Sub-Total for NFIs Cost				7,823	7,823	7,777
TOTAL MEB					67,871	67,313

Table 2C. Survival MEB for the Rural Central Region

Commodity	Quantity per person per month	Unit of measure	Unit Price	Cost per person per month	MEB Round (Household Size = 4.5)	
					Current	Previous
Food commodities						
Cereals (Maize)	12.60	Kg	299	3,762	16,929	15,913
Pulses	1.50	Kg	1,279	1,918	8,630	8,366
Cooking Oil	0.75	Kg	3,944	2,958	13,311	13,078
Roots and Tubers	0.60	Kg	439	263	1,185	1,056
Salt, Iodized	0.15	Kg	300	45	203	203
Vegetables	3.00	Kg	397	1,192	5,366	5,028
Eggs (chicken)	0.15	Kg	2,995	449	2,022	2,007
Fish (dried)	0.60	Kg	3,600	2,160	9,720	9,691
Sugar	0.60	Kg	1,244	746	3,359	3,393
Sub-Total for Food Cost				13,494	60,724	58,735
Non-Food Items (NFI's)						
Fuel wood	50	Lump-sum	72	3,590	3,590	3,303
Match Box	4	Boxes	80	320	320	320
Milling	4	Times	604	2,414	2,414	2,395
Soap Laundry	2	Pcs	317	633	633	614
Soap bar bathing	2	Pcs	905	1,810	1,810	1,795
Sub-Total for NFIs Cost				8,767	8,767	8,767
TOTAL MEB					69,491	67,161

Table 2D. Survival MEB for the Rural Southern Region

Commodity	Quantity per person per month	Unit of measure	Unit Price	Cost per person per month	MEB Round (Household Size = 4.5)	
					Current	Previous
Food commodities						
Cereals (Maize)	12.60	Kg	339	4,268	19,207	18,205
Pulses	1.50	Kg	1,459	2,189	9,849	9,510
Cooking Oil	0.75	Kg	3,927	2,945	13,253	13,119
Roots and Tubers	0.60	Kg	274	164	740	740
Salt, Iodized	0.15	Kg	300	45	203	203
Vegetables	3.00	Kg	526	1,577	7,097	6,307
Eggs (chicken)	0.15	Kg	3,045	457	2,056	2,068
Fish (dried)	0.60	Kg	3,292	1,975	8,888	9,367
Sugar	0.60	Kg	1,233	740	3,330	3,389
Sub-Total for Food Cost				14,360	64,622	62,907
Non-Food Items (NFI's)						
Fuel wood	100	Lump-sum	69	6,920	6,920	7,214
Match Box	4	Boxes	80	320	320	320
Milling	4	Times	686	2,743	2,743	2,446
Soap Laundry	2	Pcs	301	603	603	603
Soap bar bathing	2	Pcs	990	1,981	1,981	1,710
Sub-Total for NFI's Cost				12,567	12,567	12,292
TOTAL MEB					77,189	75,199

Annex B: Construction of the Survival MEB (SMEB) and Assumptions

The Survival Minimum Expenditure Basket (SMEB) is the bare minimum amount a household requires to maintain existence and cover lifesaving needs. There are several ways in which to construct an MEB. For this analysis, WFP has elected to construct a Survival Minimum Expenditure Basket (SMEB), which is defined as the bare minimum amount a household requires to maintain existence and cover lifesaving needs. This is done in-line with a rights-based approach based on previously assessed needs.

To do this, WFP began by reviewing existing expenditure data that was collected in late 2019 and 2020 as part of its regular monitoring to better understand the typical expenditure (starting with food), then bringing elements of the household's needs/rights, thus looking at essential non-food items.

The food commodities selected to calculate the SMEB are those that make up a typical rural and urban survival diet and include cereals, roots and tubers (cassava and sweet potatoes), pulses, oil, vegetables, fish, eggs, sugar, and salt. Using the *Nutval*, a spreadsheet application for planning and monitoring the nutrition content of food found on the local market, WFP determined a ration that meets the basic energy requirement of 2,100 kilocalories per person per day. Of the total energy, 12 percent is provided from proteins (requirement range is 10-12 percent) and 20 percent is from fats (requirement is at least 17 percent of energy should come from fats). Approximately 62 percent of the total food basket is attributed to cereals (maize).

While WFP strives to promote enhanced dietary diversity, historical data collected in late 2019 and 2020 on the expenditure of severely food insecure households residing in rural areas indicates that households are still spending the vast majority of their in-come on cereals, specifically maize. Since we are striving to understand how price fluctuations and commodity availability are affecting those most vulnerable, the food portion of the MEB has been constructed with this in mind, reflecting the reality of those most vulnerable.

In addition, WFP included the following essential non-food commodities when constructing its basket:

- ◆ **Firewood:** Assumes that households are purchasing firewood as opposed to collecting it themselves. This practice varies from location to location.

- ◆ **Matches:** Assumes that an average household uses approximately four match boxes per month
- ◆ **Electricity bills:** Assumes that urban-based households are incurring costs for using electricity mainly for lighting and that this amount remains relatively constant over the course of a month regardless of the household size. This may not be the case for all households but is included in the urban SMEB. Thus, if an urban-based household does not have electricity, then said household's SMEB would be reduced. This item is excluded when calculating the rural SMEB.
- ◆ **Soap (Laundry and bathing):** Assumes that over the course of one month the entire household uses two bars of soap for washing and another two bars for bathing.
- ◆ **Electricity Charges (phones, torch):** Assumes that urban-based households are incurring charging costs for either a mobile phone and/or torch, regardless of household size. This may not be the case for all households but is included in the urban SMEB. This item is excluded when calculating the rural SMEB.
- ◆ **Other Exclusions:** The survival basket also excludes education costs (notably because public primary education is free), health service fees and basic medicines, and agricultural input costs. Further information is being collected and is available upon request.

In addition, for the construction of the MEB, it is important to note the following:

- ◆ **Food Basket:** Constructed based on food items that are commonly available across the country and widely consumed by the typical Malawian household.
- ◆ **Meat, Eggs, and Dairy:** The food component of the SMEB excludes both meat and milk, because these products are rarely consumed, especially by those classified as extremely vulnerable. The basket further assumes that the average weight of an egg is approximately 50 grams. This SMEB thus translates into the consumption of approximately 14 eggs per month for a household size of 4.5.

For more information please contact: Nicole Carn (Nicole.Carn@wfp.org), Head of Programme