

Food Imports in Malawi: Trends, Drivers, and Policy Implications

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Food Imports in Malawi: Trends, Drivers, and Policy Implications

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Executive Summary

While Malawi, like other sub-Saharan Africa (SSA) countries, has huge agricultural potential, the country continues to exhibit discrepancies between its food production and demand. As a result, Malawi has become a heavy-net food importer instead of a food producer. The continued and unrestrained overreliance on food imports is a cause for concern as it exposes the country to vulnerabilities in global price variability that have potentially disastrous effects on its small and land-locked economy. The country's dependence on food imports is also increasing the national debt burden.

This paper provides an in-depth analysis of food imports in Malawi. Specifically, it reviews food import trends and explores the probable drivers. The paper concludes with policy suggestions and strategies to tame the food import upsurge through increased agricultural productivity and agro-food processing in Malawi. The paper is based on local secondary data sources as well as a review of the literature on food imports in Malawi. The time-series data on food imports was obtained from the National Statistics Office (NSO) and the Malawi Revenue Authority (MRA). The study also drew from international data sources such as the International Trade Centre's (ITC) online trade-maps and statistics from the Food and Agriculture Organization of the United Nations (FAOSTAT). To understand the *end-use* categories of the imported primary foods materials, a commodity flow analysis was conducted using the Broad Economic Category (BEC) framework.

The paper demonstrates that over time Malawi has become dependent on imported food products despite the government's intentions to promote domestic food production. The total value of food imports in the country has more than doubled between 1998 and 2018. There was a drastic upsurge in imports of about 64 percent between 2015 and 2016, resulting in a food trade deficit of MK10.13 billion (US\$13.59 million) in 2016 and MK10.86 billion (US\$14.58 million) in 2017.



Based on 12 broad food categories defined by the Harmonized Commodity Description and Coding Systems (HS), cereals, animal and vegetable fats, and oils dominate Malawi's food imports, accounting for almost 50 percent of total food imports. Classifying imported commodities by end-use broad economic categorization shows that importation of food and beverage, both primary and processed, constituted about 80 percent of food imports between 2010 and 2018. This finding implies that much of the food imports in Malawi are for direct consumption as opposed to imports of intermediary commodities to be used as inputs for the production of other food products.

The bulk of Malawi's food imports comes from five countries: South Africa, Russian Federation, Malaysia, Zambia, and Canada. With respect to cereal imports, the majority of wheat imports come from outside Africa (Europe and the Americas and Oceania), while maize imports are typically from Southern African Development Community (SADC) countries (South Africa, Mozambique, and Zambia).

The increase in the importation of food products in the country is driven by:

Low agricultural production and productivity: The agriculture sector in Malawi is still characterized by large yield gaps in the majority of its crop despite the country having crafted policies aimed at increasing agricultural production and productivity to meet its growing food demand and increased exports.

Changing diets and rising demand for processed foods: Malawi, just like other SSA countries, is facing unprecedented changes in household food consumption patterns. This is driven by modernization, urbanization, and the rapid rise of the middle class. The shift is causing an upsurge in the consumption of processed food products that are not produced locally.

Low manufacturing value addition and industrial sector competitiveness: The high proportion of processed products in the total food imports is an indicator of the country's inability to competitively manufacture commodities locally. The country scores poorly in terms of industrial competitiveness indicators like infrastructure, macroeconomic environment, technological readiness, market size, higher education and training, and innovation.

Increased climate variability and natural disasters: The increasing effects of climate change are not only making agricultural production more difficult but also exposing the country to climatic vulnerabilities.

Membership to trading blocs: Malawi is a member of SADC and COMESA free trade area agreements. Membership to free trade agreements coupled with the country's low industrial competitiveness could have increased the flow of imported processed food commodities from more competitive trading partners.

Informal/unregulated food imports: Besides the officially recorded food imports, Malawi suffers from unregulated food imports from the neighbouring countries of Zambia, Mozambique, and Tanzania. Informal imports not only present unfair competition to formally imported food products but also negatively impact the growth of the domestic food industries.

Non-compliance to COMESA Rules of Origin: Poor enforcement of the COMESA Rules of Origin has led to imported food products from COMESA countries that in fact originate from non-COMESA countries to flood the Malawian market. Poor enforcement of the Rules is attributed to limited financial and human resources.

The continued reliance on food imports when agriculture is the backbone of the Malawian economy is paradoxical. There is an urgent need to put measures in place to address the constraints that have led to increased food imports as well as come up with strategies to boost domestic food production and agro-food industry competitiveness. Consequently, the paper recommends the following policy proposals that the government, private sector, civil societies, and development partners may want to consider for increased domestic food production and lowering food imports:

1. *Increased agricultural productivity.* Invest in increased agricultural productivity through research and development, farmer education (especially extension), infrastructure (especially roads and electricity), and shoring up land rights and tenure laws to incentivize long-term investments in soil health.

2. *Improve the competitiveness of agri-food industries.* Support the private sector, through the Malawi Confederation of Chambers of Commerce and Industry (MCCCI) and other producer organisations, to invest in competitiveness enhancing technologies to improve the efficiency of locally processed food products.
3. *Promote the consumption of locally produced products.* The Best Buy Malawi Strategy (BBMS) initiative that was introduced in 2016 is a step in the right direction to promote the consumption of locally produced food product brands.
4. *Curb unregulated food products importation.* Measures to curb informal and unregulated food imports could include (a) enforcing strict food import regulations; (b) reducing import tax for food products that are not produced locally to increase compliance with existing trade regulations; (c) sensitizing people on the policy regarding informal trade; and (d) redesigning the trade regimes to come up with simplified import formalities.
5. *Reform food aid to reduce market distortions.* The Malawi Vulnerability Assessment Committee (MVAC) should be tasked with the coordination of the authorities overseeing food relief to ensure that it neither depresses food prices nor transmits price signals that discourage cereal production in areas where aid is supplied.
6. *Harness regional trade in the interim to address food instabilities.* Engage regional and international trade to improve food security by supplying areas with shortfalls in food production.
7. *Harness changing diets and nutritional transition.* Support investments in farming systems and agri-food processing initiatives that respond to changing food demands.
8. *Enforce compliance to rules of origin to curb possible “food fraud.”* Intensify monitoring of imported food product sources to ensure compliance with the COMESA Rules of Origin to guard against food dumping by the country’s trading partners.

1. Introduction

Despite its large agricultural potential, Malawi, just like other sub-Saharan Africa (SSA) countries, exhibits a high discrepancy between the country's food production and demand. There are clear signs that food production has not kept pace with the rising demand in the SSA region. The gap between food production and demand is usually filled by imports. According to the External Trade Data by the National Statistics Office (NSO), the total food imports stood at US\$242 million and exports at US\$305 million as of 2018. Like many other SSA countries, Malawi is facing challenges associated with unprecedented population growth rates. Population growth has been on the upward trajectory in sub-Saharan Africa, Malawi included. The United Nations predicts that the Malawian population will grow from 19.1 million in 2020 to 25.8 million by 2030, 34.1 million by 2040, and 44.1 million by 2050 (United Nations, 2018). The population growth is already resulting in several challenges including an increased number of people to feed, diminished farmland for food production, and degraded soils.

Also, a continued overreliance on food imports exposes SSA countries to global price variability vulnerabilities that could have disastrous effects on land-locked countries like Malawi. For example, the SSA region was hit hard by a spike in food prices as a result of weather shocks that started in Asia in 2007. The rise in prices led to food riots across the SSA region (GRAIN, 2019). Increasing weather variability will make such global food price spikes more frequent and will likely push international prices for basic food commodities upwards.

Malawi's dependence on food imports not only renders the country vulnerable to volatile prices and increased national debt (WFP, 2010; Astou, 2015; Laroche-Dupraz & Huchet, 2016) but also contributes to food insecurity in the case of an abrupt increase in world food prices (Hoering, 2013; Laroche-Dupraz & Huchet, 2016; Jaworska, 2018). Further, overreliance on food imports may have detrimental effects on the agricultural sector and overall economic growth if financial resources meant for agricultural productivity and human capital-enhancing expenditures (e.g., education and health) are diverted to meet increasing food import bills (Astou, 2015; Rakotoarisoa et al., 2011).

The continued importation of agricultural products when agriculture is the backbone of the Malawian economy is paradoxical. Malawi must urgently eliminate the dependence on food imports and aim for self-sufficiency in food production. The country needs to implement agri-food systems reforms aimed at reversing the growing reliance on food imports and embarking on a journey towards food sovereignty. There are claims that the country has the potential to produce most of the imported food products (Phiri, 2017). However, very little is known about the types of food products that are being imported. Unless the composition of the food imports and the context behind the imports is well understood, it will not be practical for Malawi to devise and implement meaningful policies and strategies geared towards increased agricultural productivity and agro-food processing.

Consequently, the goal of this paper is to shed light on the types of food products that Malawi is importing and explore the probable drivers of the imports. The ultimate objective of the paper is to come up with lessons to support the implementation of ongoing policy interventions aimed at reducing the food import bill. The study will also inform the Transformation 2063, the successor to Vision 2020.

2. Data sources

The paper relies on a review of literature and secondary data sources. The literature reviewed include scholarly work as well as government reports and policy documents. Secondary time series data on food imports was obtained from the National Statistics Office (NSO) and the Malawi Revenue Authority (MRA). The study also draws from international data sources such as the International Trade Centre's (ITC's) online trade-maps and statistics from the Food and Agriculture Organization of the United Nations (FAOSTAT).

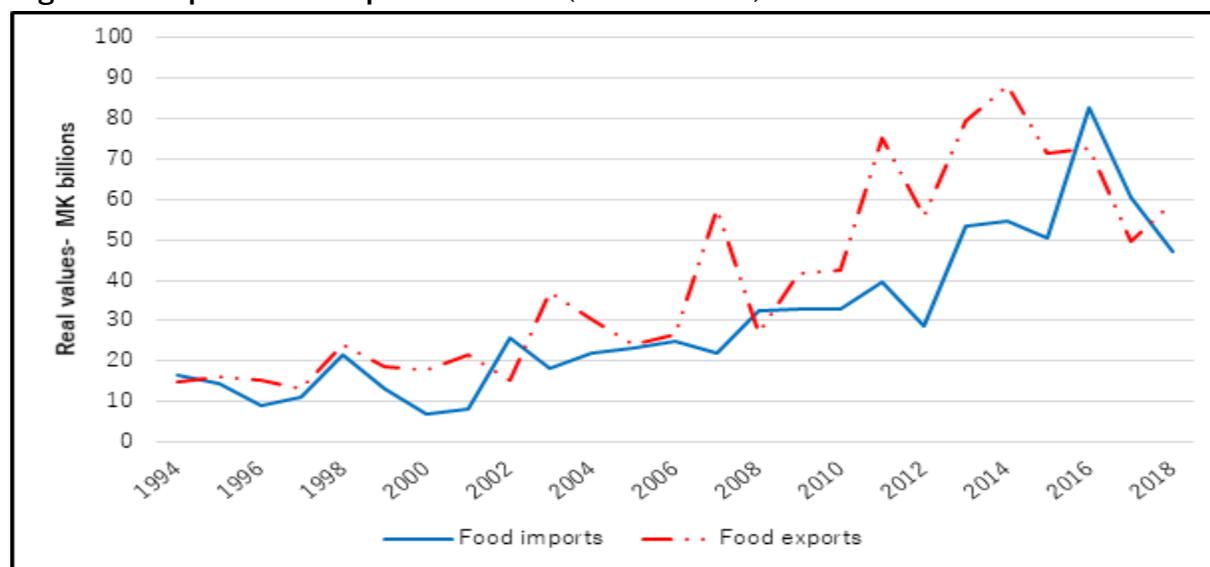
To understand the end-use categories of the imported foods and food materials, we conducted food imports or commodity flow analysis using the Broad Economic Category (BEC) framework. This was under the assumption that most of the imported food products are used as raw materials (intermediaries) in the production of value-added foods. The BEC is an international product classification providing a set of broad product categories for the analysis of trade statistics (United Nations, 2016). Based on BEC framework, the imports were first analysed at an aggregated level. Next, the imports were further disaggregated into

specific products to examine the nature of imports and their share in the total value of imports.

3. Food import trends and compositions

In this section, we examine Malawi's food import trends and composition. The country's food trade reveals a general upward trend in food imports and exports in the last two decades. The total value of food imports and exports in the country has more than doubled between 1998 and 2018 with export values being greater than imports in most of the years (Figure 1). Figure 1 shows that there was a drastic upsurge in food imports of about 64 percent between 2015 and 2016. Food exports grew by only two percent in the same period. The upsurge in food imports resulted in a food trade deficit of MK10.13 billion (US\$13.59 million) in 2016 and MK10.86 billion (US\$14.58 million) in 2017. While the country's proportion of food imports in total imports remained below 10 percent between 2010 and 2015, this proportion jumped to 16 percent in 2016. The reasons behind this drastic upsurge in food imports will be examined in the next section when we analyse the composition of the country's food imports. These results imply that Malawi has over time become dependent on food products despite the government's intentions to promote domestic food production (Government of Malawi, 2000).

Figure 1: Imports and Exports of Food (1994 to 2018)

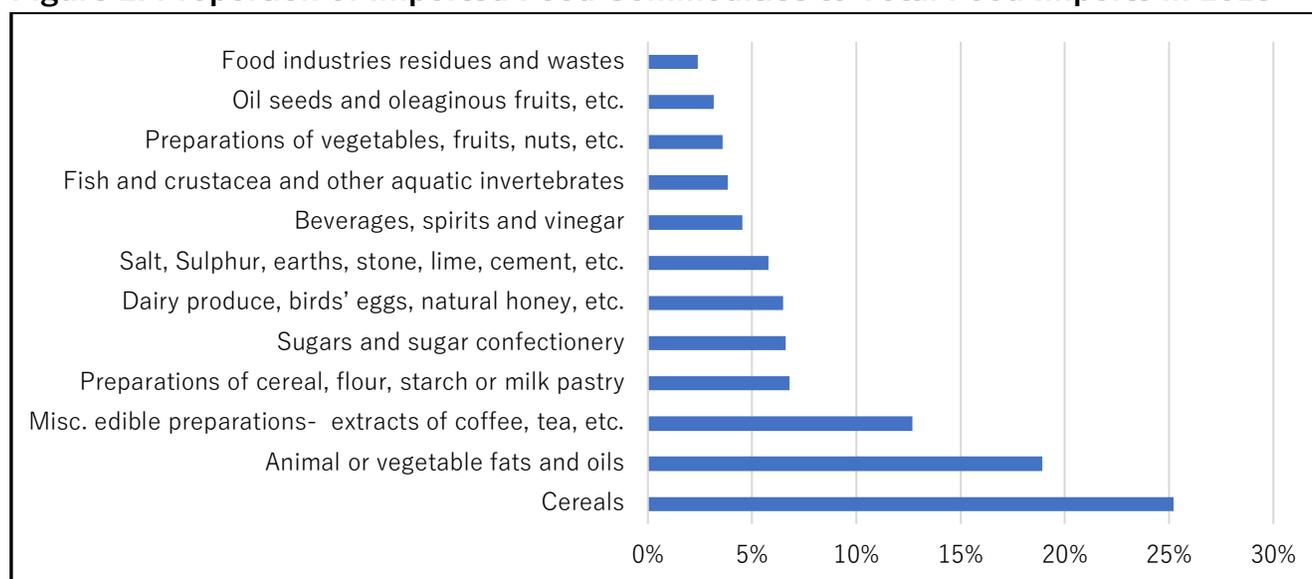


Source: NSO, External Trade

To investigate which types of food products Malawi is importing, we disaggregated the country's food imports into 12 broad food categories as per Harmonized Commodity Description and Coding Systems (HS), as shown in Figure 2. The results show that cereals and animal or vegetable fats and oils dominate the country's food imports, accounting for almost 50 percent of total food imports. When we classify the imported commodities by end-use broad economic categorization (BEC), it is important to note that food and beverages, primary and processed, constituted on average 80 percent of food imports between 2010 and 2018 (Figure 3). The importation of primary foods and beverages averaged 37 percent and processed averaged 43 percent. This finding implies that much of the food imports in Malawi are for direct consumption as opposed to intermediary commodity imports to be used as inputs for the production of other food products.

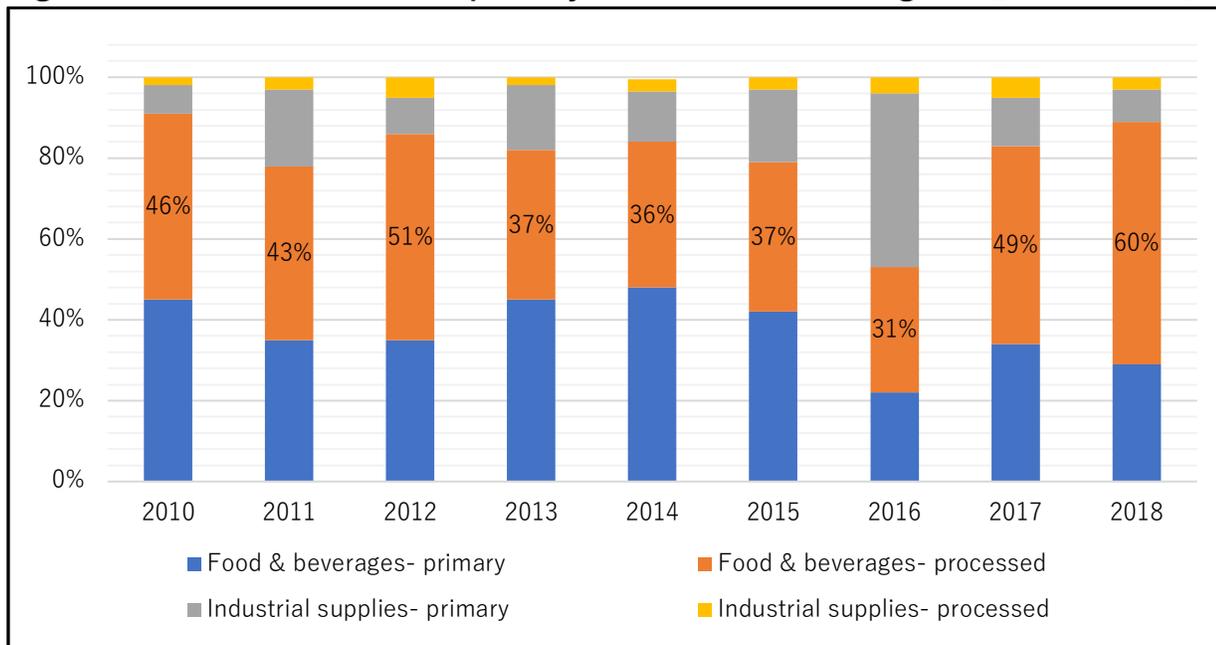
A closer look at the food commodities importation trend between 2010 and 2018 reveals that the composition of cereals in the total food imports increased drastically from 24 percent in 2012 to 59 percent in 2016 (Figure 4). This was not as a result of readjustments with the food import commodities but a result of increased cereals importation. While there has been a general increase in food imports over the last decade, cereal imports have increased much faster. The NSO External Trade data shows that cereal imports increased

Figure 2: Proportion of Imported Food Commodities to Total Food Imports in 2018



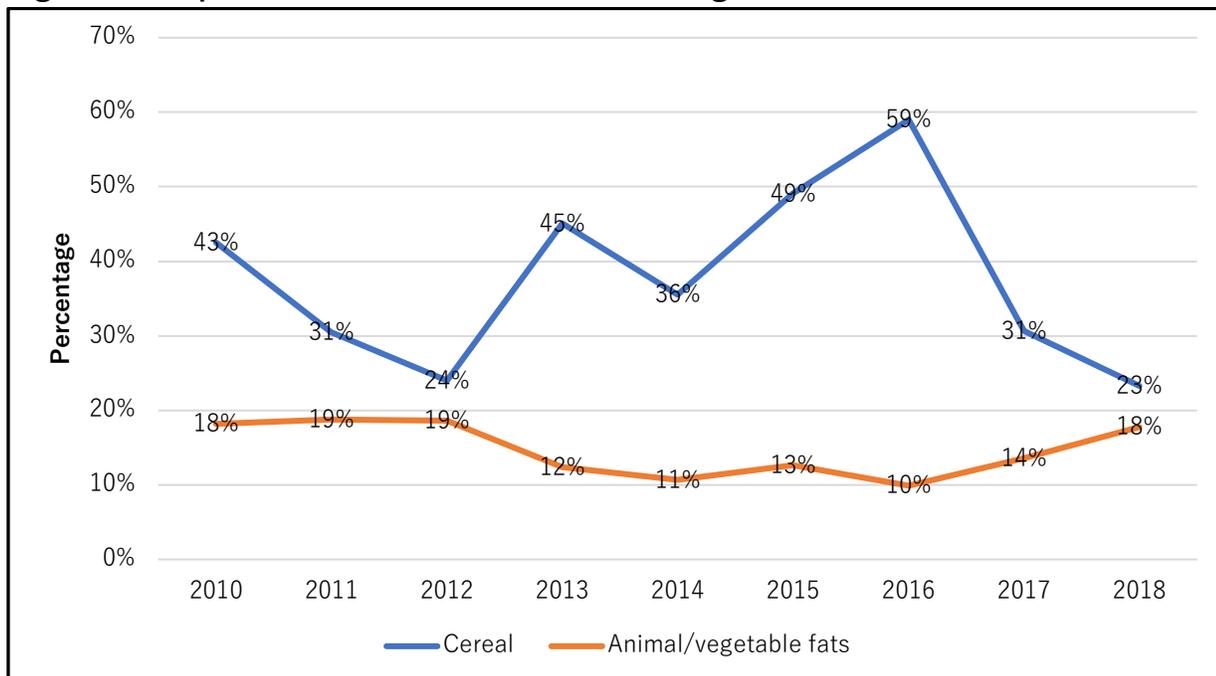
Source: NSO, External Trade

Figure 3: Distribution of Food Imports by Broad Economic Categories [2010 to 2018]



Source: NSO, External Trade

Figure 4: Proportion of Cereal and Animal and Vegetables Oil and Fats in Total Food Imports

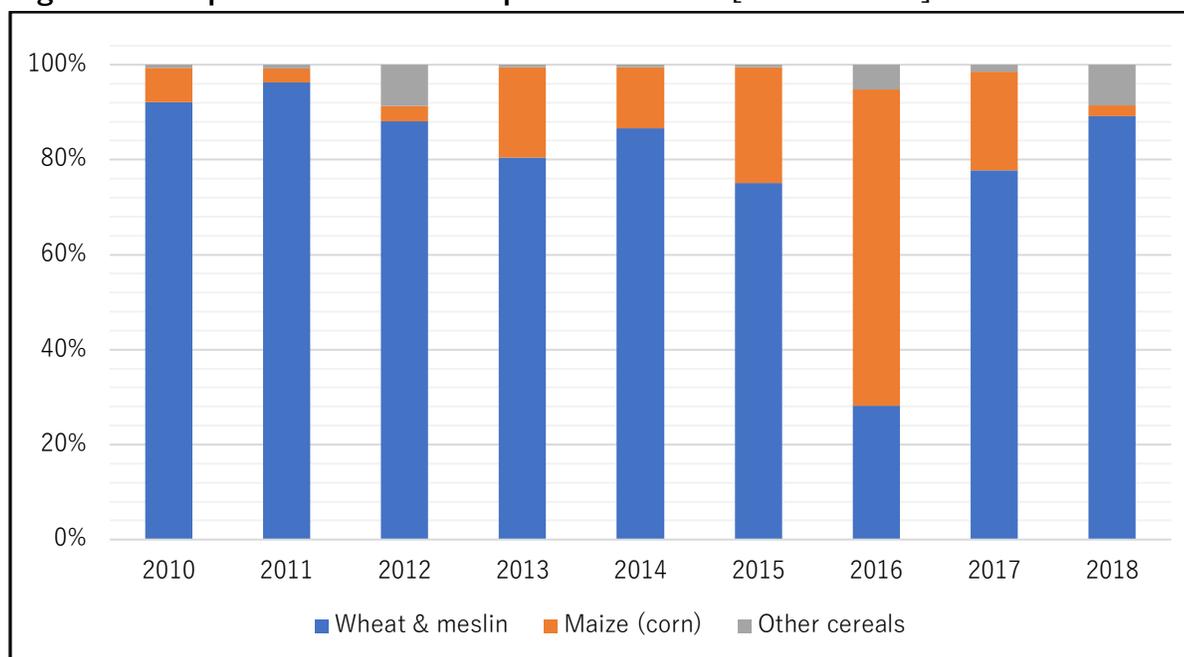


Source: NSO, External Trade

steadily between 2013 and 2016. While cereal imports did not grow between 2013 and 2014, they grew by 55 percent between 2014 and 2015 and by 140 percent between 2015 and 2016.

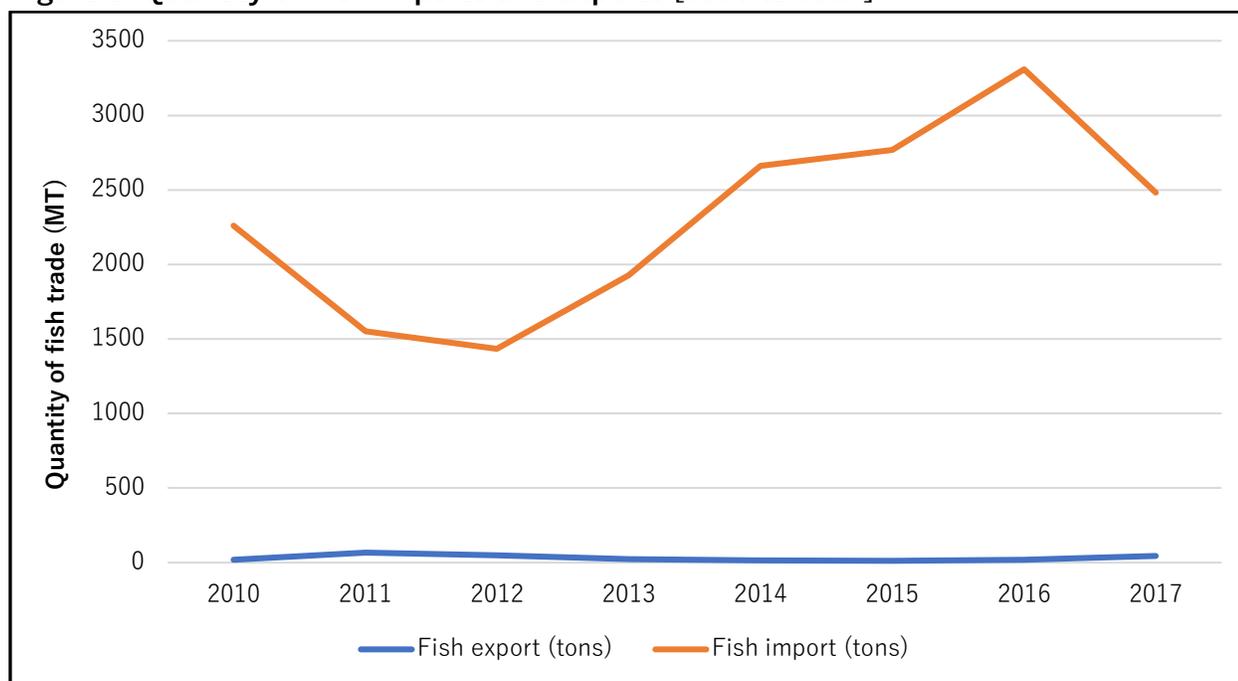
Next, we examine the specific commodities that constitute cereal imports. As shown in Figure 5, wheat and meslin (a mixture of wheat and rye classified under wheat in trade) and maize constitute more than 90 percent of cereal imports. While wheat imports have dominated the country's cereal imports, maize imports grew significantly since 2013, reaching 67 percent of the total cereal imports in 2016. Seemingly, the spike in food imports observed in Figure 6 could be attributed to increased cereal imports.

Figure 5: Composition of Cereal Imports in Malawi [2010 to 2018]



Source: NSO, External Trade

We conclude this section by examining fish imports and exports trade in Malawi. With about 20 percent of its surface area covered by water, fishing is an important economic activity in Malawi. It is also among the top fish-eating countries in SSA, with per capita consumption of 7.3 kilograms per year, and the sixth-highest fish producer in the Southern African Development Community (SADC) region (FAO, 2018). However, due to a rapid drop in Lake Malawi waters, silting of fish breeding zones in the lakes, rivers, and floodplains, and overfishing, fish production has been on a decline (Munthali, 1997). Consequently, the country has been importing fish every year to cover the shortfall in production (Figure 6).

Figure 6: Quantity of Fish Imports and Exports [2010 to 2017]

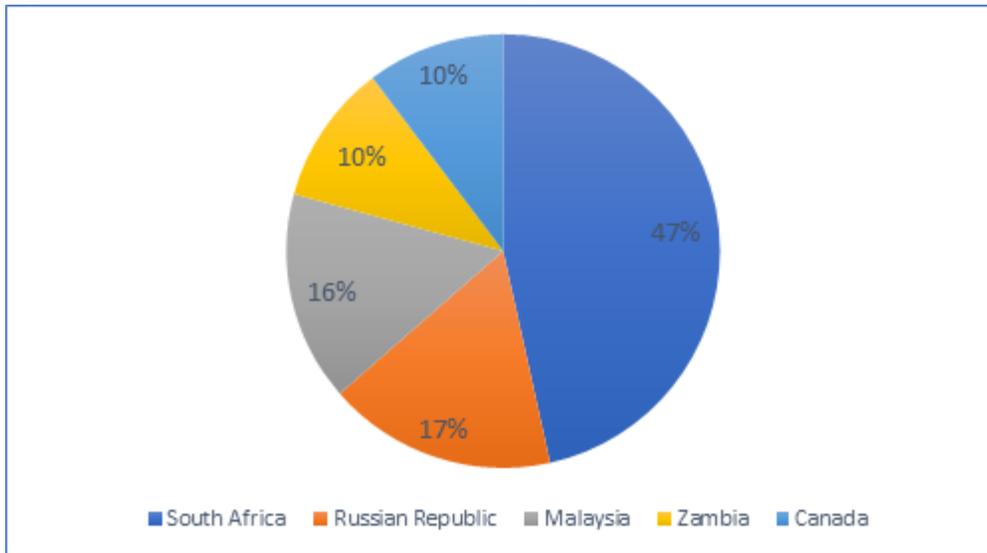
Source: FAOSTAT

4. Countries of origin for food imports in Malawi

In this section, we examine the main sources of Malawi's food imports. As shown in Figure 7, the bulk of Malawi's food imports comes from five countries. For example, in 2018 Malawi sourced about half of the country's food imports from South Africa, 17 percent from the Russian Federation, 16 percent from Malaysia, 10 percent from Zambia, and 10 percent from Canada.

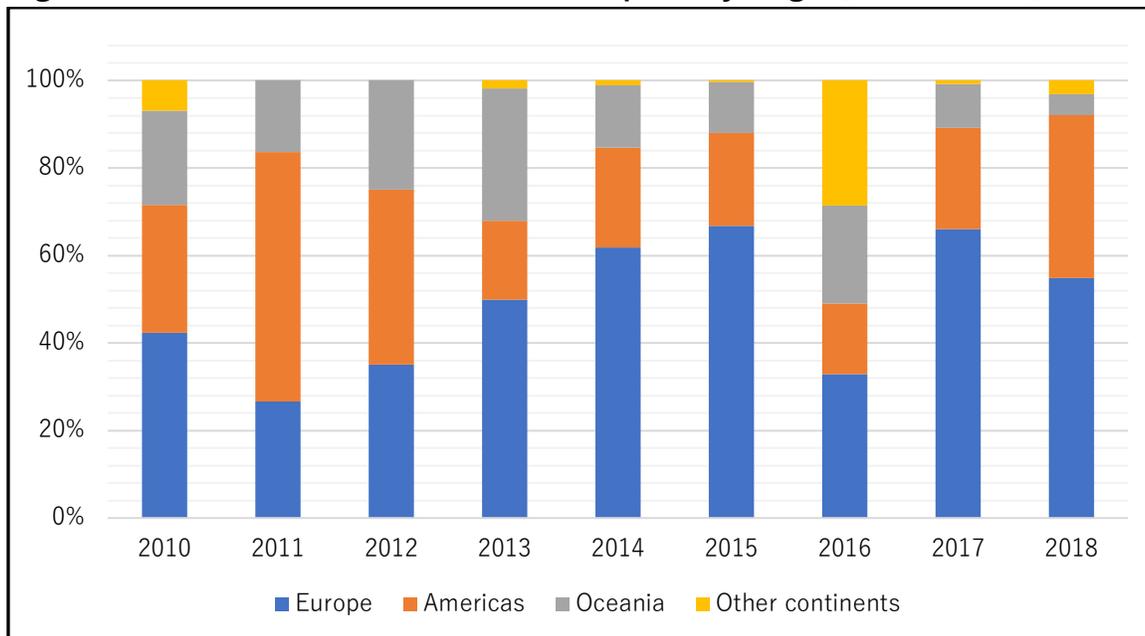
With respect to cereal imports, the majority of wheat imports come from outside Africa. Between 2010 and 2018, Malawi's wheat imports were mainly from Europe, the Americas and Oceania (Figure 8). Wheat imports from Europe have been increasing and continued dominating imports from the Americas and Oceania over the 2010 to 2018 period, hitting a peak in 2015 and 2017. The peak coincides with a period when Europe had experienced a significant increase in wheat production between 2012 and 2017 (FAOSTAT, 2018). During this period, wheat production in the Americas and Oceania stagnated. The main origin of Malawi's wheat imports from Europe between 2010 and 2018 was the Russian Federation, followed by Switzerland and Germany. Among the Americas, wheat imports came mainly imported from Canada, the United States, Argentina, and Antigua Barbuda.

Figure 7: Source of Malawi's Food Imports in 2018

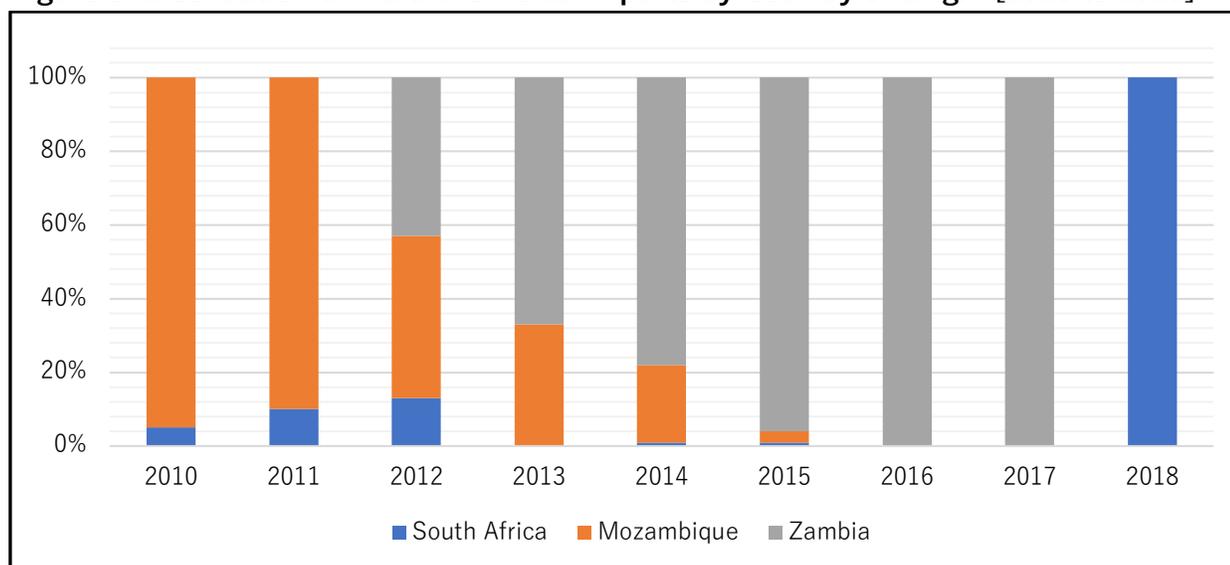


Source: NSO, External Trade

Figure 8: Distribution of Malawi's Wheat Imports by Origin [2010 to 2018]



Source: NSO, External Trade

Figure 9: Distribution of Malawi's Maize Imports by Country of Origin [2010 to 2018]

Source: NSO, External Trade

Unlike in the case of wheat, maize imports are typically from the Southern African Development Community (SADC) countries. Most of the maize imports come from South Africa, Mozambique, and Zambia. With rare exception, Malawi tends to import most of its maize from a single country in any given year. For example, in 2010 and 2011, more than 90 percent of maize imports came from Mozambique; between 2013 and 2017, most maize imports were from Zambia; and in 2018, all maize imports came from South Africa (Figure 9).

5. Drivers of food imports in Malawi

As demonstrated in the foregoing sections, despite its large agricultural potential, Malawi has remained heavily dependent on agricultural product imports for decades. The country imports basic foodstuffs such as cereals (maize and wheat), dairy products, edible oils and fats, meat and meat products, and sugars. In this section, we explore probable factors that could be driving the country's increased food imports.

5.1 Low agricultural production and productivity

The agricultural sector in Malawi is characterized by large yield gaps in almost all crops (Tittonell & Giller, 2013), despite policies aimed at increasing agricultural production and

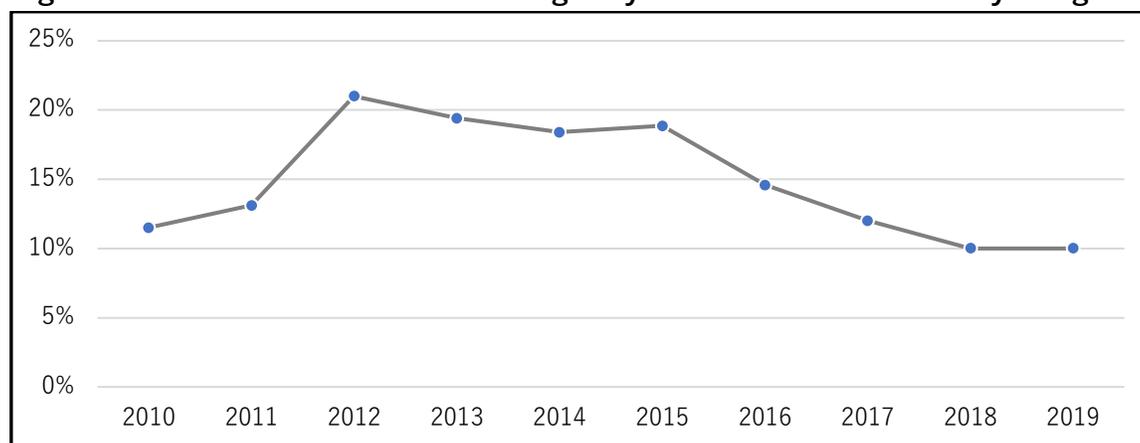
productivity to meet the country's growing food demand and increased exports (Government of Malawi, 2016). In keeping with the African Union (AU) Comprehensive African Agriculture Development Programme (CAADP) recommendation, Malawi has maintained a budgetary allocation of above 10 percent to the agricultural sector (Figure 10). Lately, the sector has experienced a declining trend in budgetary allocation since the 2015/16 financial year, partly due to the reduction in budgetary support by the development partners.

According to CAADP, the 10 percent budgetary allocation is expected to result in an agricultural sector growth rate of 6 percent. This growth rate is considered imperative for food security and improved nutrition. However, according to the World Bank World Development Indicators, the agricultural sector growth rate in the country has remained low, averaging three percent, and is erratic. It should be noted that when the 10-percent budget commitment is met, it has largely been through the implementation of the Farm Input Subsidies Programme (FISP). While the aim of the FISP is to support the use of productivity-enhancing inputs for improved food security, the programme has been largely unsuccessful in delivering this objective (UNDP, 2018; Wise, 2019). Continually low productivity despite the FISP points to a need for more diversified strategy to unlock the agricultural sector growth.

5.2 Changing diets and rising demand for processed foods

Modernization, urbanization, economic development, and the rapid rise of the middle class are causing shifts in Africa's diet. Although the proportion of the urban population in Malawi

Figure 10: Share of Government's Budgetary Allocation to the Ministry of Agriculture



Source: Government of Malawi (2019)

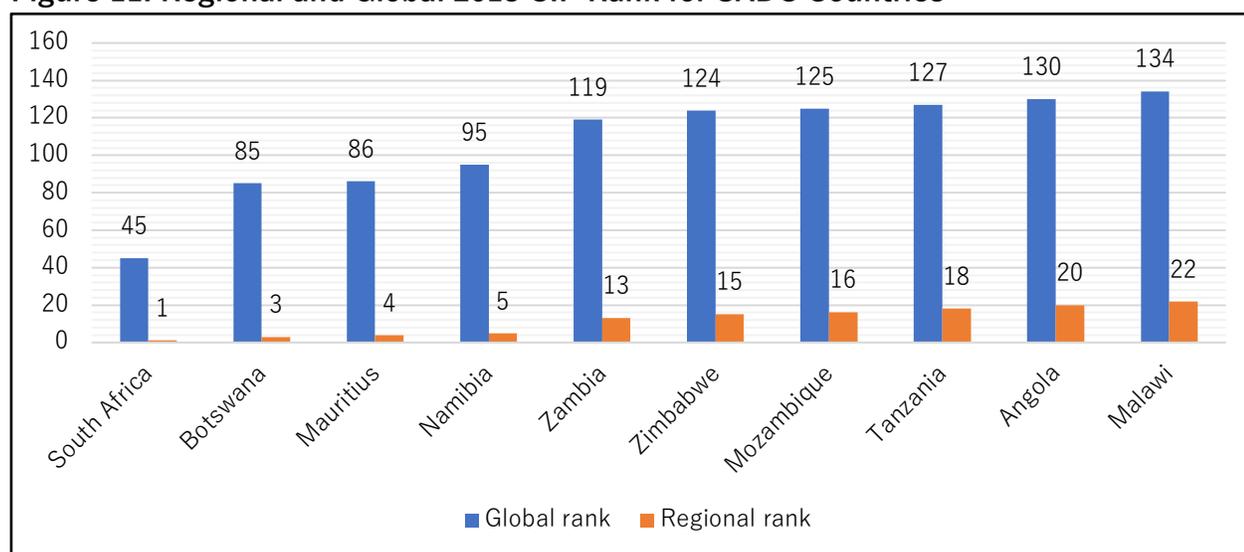
remains low, estimated at 16 percent in 2018, it is growing. As Tschirley et al. (2015) explain, unlike in the developed countries, income elasticity for food consumption is relatively high in sub-Saharan African countries. Thus, increased incomes especially among the middle class is leading to a sharp increase in per capita food consumption (Rakotoarisoa et al., 2011). The middle class tends toward the highly processed food products and foreign brands, which could be fuelling the increase in imported food products, especially in low-industrialized countries like Malawi.

As seen in Section 3, processed foods and beverages constitute about half of Malawi's food imports. The rise in imports of sugars and sugar confectionery, edible preparations, beverages, wheat, and animal/vegetable fats and oils products could be an indication of the country's transitioning diets. The increased demand for processed food in the country could also be attributed to the growth of supermarkets that carry foreign food brands.

5.3 Low manufacturing value addition and industrial sector competitiveness

The high proportion of processed agricultural commodities in total food imports could be an indicator of the country's inability to produce commodities locally. Malawi ranks low in terms of industrial sector competitiveness compared to other countries in SSA: 134th out of the 150 industrialized economies globally and 22 in SSA (Figure 11). South Africa ranks 1st in SSA and 45th globally.

Figure 11: Regional and Global 2018 CIP Rank for SADC Countries



Source: UNIDO (2018)

In terms of general economic competitiveness as per the World Economic Forum (WEF) Global Competitive Index (GCI) 2017-18, Malawi ranks 132 out of the 137 countries studied. The GCI ranking is based on 12 indicators that determine long-term growth. The country scores poorly in most of the indicators including infrastructure, macroeconomic environment, technological readiness, market size, higher education and training, and innovation.

5.4 Increased climate variability and natural disasters

As the demand for food surges, the increasing effects of climate change will not only make food production more difficult but also expose the country to climatic vulnerabilities. It is estimated that global warming could cause between 10 and 20-percent reduction in Africa's overall food production (United Nations, 2015). In Malawi, recurrent food insecurity has become a norm with an increasing number of people requiring humanitarian support. For example, according to a Malawi Vulnerability Assessment Committee (MVAC) Report (2015), more than 2.8 million Malawians faced food shortages due to the floods that were followed by dry spells between February and March 2015. The number of food-insecure people per year increased from 350,000 in the 2007–2014 period, to 1.7 million in the 2012–2014 period, to more than 6.7 million in the 2016–2017 period (Government of Malawi, 2018). It is not surprising, therefore, to see an increase in maize grain imports into the country.

5.5 Membership to trading blocs

Malawi is a party to the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA¹) liberalised trade treaties. This may have increased trade in food commodities between Malawi and countries in these regions, particularly imports of processed foods since regional trading is likely to have become easier. Kearney (2010) argues that trade liberalization can affect the availability of certain foods by removing barriers to foreign investment in food distribution, as well as enabling foreign investment in other types of food retail, multinational fast-food outlet franchises, and food processing. This is widely evident in Malawi through the proliferation of retail, fast-food, and

¹ COMESA is a free trade area with twenty-one member states stretching from Tunisia to Eswatini and was formed in December 1994, replacing a Preferential Trade Area which had existed since 1981.

confectionery outlet franchises, as well as a wide range of imported processed food items in retail shops.

5.6 Imports of raw foodstuff for local processing

The shift in diets could also be driving the emergence of local industries that are importing intermediary food to use as raw materials for final food products. For example, the majority of the cooking oil-producing firms are importing crude oil to refine locally. The fact that animal and vegetable fats are the second-largest imports next to cereals suggests that much of these fats could be ingredients for making soaps and margarine.

5.7 Informal/unregulated food imports

Besides the officially recorded food imports, Malawi is experiencing unregulated food imports from the neighbouring countries of Zambia, Mozambique, and Tanzania (Whiteside et al., 2003). The informal trade has occurred since before Malawi's independence and is driven by geographical factors and price differences. The food product price differential could be attributed to geographical factors, given that Malawi is a small landlocked economy, and high import duty imposed on imported food products. A report by Sangala (2017) reveals that many traders engage in informal trade as a way of evading high taxes.

Informal imports not only present unfair competition to formally imported food products but also negatively affect the growth of the domestic food industries. Informal food imports deprive the government of import tax revenue. Sangala (2018) reports that the Malawian government lost MK1.7 billion (US\$2.28 million) in 2016 and MK3.9 billion (US\$5.24 million) in 2017 in tax revenues due to unregulated soft drinks importation. Unregulated imports also have negative consequences on employment. For example, Phiri (2020) reports a 12.5 percent job loss in the poultry industry as a result of illegal imports of poultry products from Zambia.

5.8 Poor enforcement of COMESA Rules of Origin

Malawi is a member of COMESA, an African free trade area with 21 member states. All member states are bound by the COMESA Rules of Origin (COMESA, 1993). The Rules of Origin is a set of criteria that is used to identify goods that are produced within the COMESA

free trade area for preferential tariff treatment. Goods produced outside of the COMESA region attract full import duties when traded. Rules of Origin prevent non-member states from taking advantage of the preferential tariff treatment within the trade agreement. A product is considered to have complied with the Rules if it has been fully produced or undergone substantial transformation in the originating member state (COMESA, 2002). The Rules of Origin are hence crucial in safeguarding a nation's imports from other countries.

However, due to poor enforcement of the COMESA Rules of Origin, Malawi is not optimally benefiting from these trade arrangements. Non-compliance to the Rules has led to flooding of imported food products from COMESA countries that in fact originate from non-COMESA countries. Poor enforcement of the Rules of Origin is attributed to limited financial and human resources (Bertelsmann-Scott et al., 2018).

6. Conclusions and policy implications

Despite a large agricultural potential, food production has not kept pace with the rising demand in Malawi. As a result, the country has continued to rely on food imports to meet the growing domestic food demand. Increased food imports not only represent a drain on much-needed foreign exchange for importation of capital goods but also exposes the country to global price variability vulnerabilities. Price instabilities are likely to become more frequent with increasing weather variability as a result of climate change.

This paper sought to shed light on the types of food products that Malawi is importing and the probable drivers with view of informing strategies for improving food security in the country. To achieve its objectives, the paper relied on food imports data obtained from the National Statistics Office (NSO).

Below are policy proposals that the government, private sector, civil society, and development partners may want to consider for improved domestic food production and to lower food imports.

6.1 Invest in increased agricultural productivity

Agricultural performance has not kept pace with the demand for food in Malawi. The agricultural sector is characterized by large yield gaps in virtually all crops. Low agricultural

productivity represents the country's greatest source of potential. As already mentioned, low agricultural productivity despite the FISP is enough evidence that a more diversified strategy is required to unlock the sector's growth. Towards this end, the greatest return on investment for agricultural productivity growth is likely to come from (1) research and development, (2) education (especially farmer extension), (3) infrastructure (especially roads and electricity), and (4) shoring up land rights and tenure laws to incentivize long-term investments in soil health (Muyanga et al., 2020).

6.2 Improving the competitiveness of Malawian agri-food products

Some of the imported food and food products are and can potentially be produced in Malawi (Khamula, 2016). The country could consider taking measures to improve the competitiveness of domestic agri-food producers. For example, government could support the private sector, through the Malawi Confederation of Chambers of Commerce and Industry (MCCCI) and other producer organisations, to invest in technologies to enhance competition and improve the efficiency of locally processed food products. Government could tax concessions and provide special loan facilities for agri-food processing industries manufacturing of some of the products that are being imported, such as beverages, corn flakes, and dairy products as suggested in the National Industrial Policy (2016). Industrial competitiveness could also be enhanced through investments in infrastructure (paved road networks, reliable electrical grid, etc.), research and development, technical skillsets, and improved grading and safety standards.

6.3 Promoting consumption of locally produced food products

The country should consider promoting the consumption of locally produced food product brands. The Best Buy Malawi Strategy (BBMS) initiative that was introduced in 2016 is a step in the right direction. The BBMS initiative aims at promoting the consumption of locally produced goods and championing change in Malawians' mind-set and perceptions of Malawian food products. Such behavioural change has the potential to substantially stimulate local agro-food processing, employment, and wealth creation, in line with Malawi Growth and Development Strategy III. The country should, therefore, support efforts to popularize the BBMS in order to intensify awareness initiatives through programs such as shop storming, TV, radio, and print media.

6.4 Curb the unregulated importation of processed food products

The government should consider ways to reduce or stop unregulated processed food imports. There is a need to understand the roots and determinants of informal food imports. The government should consider implementing the following measures to curb informal food imports: strictly enforcing food import regulations; reducing import tax for food products that are not produced locally to increase compliance with existing trade regulations; sensitizing people on the policy regarding informal trade; and redesigning the trade regimes to come up with simplified documentation formalities.

6.5 Reform food aid to reduce market distortions

Although it was not possible to obtain data on the inflows of food aid (e.g. relief maize) into the country in this study, such inflows could have an impact on local maize prices. In such instances, the Malawi Vulnerability Assessment Committee (MVAC) could be tasked with the coordination of the authorities overseeing food relief to ensure that it neither depresses prices nor transmits price signals that discourage cereal production in areas where aid is supplied. Examples of non-market distorting relief food practices are available. Some relief agencies provide cash to beneficiaries to allow them to purchase foodstuffs from local markets. This approach achieves two objectives: providing food assistance to food-insecure areas, and amplifying price signals to both farmers to increase cereals production and the private sector to invest in food distribution.

6.6 Harness regional trade in the interim to address food instabilities

Increasing engagement in regional and international trade could improve food security by supplying areas with shortfalls in food production. Cross-border trade enables both balancing local production instabilities and addressing demand and supply peaks. As seen in this paper, an increase in maize imports was not necessarily accompanied by better national food self-sufficiency for Malawi. Therefore, the government may need to position food imports as a temporary mechanism to cover national food gaps in the interim as the country continues to work on a strategy to increase agricultural production and productivity as a longer-term solution to domestic food insecurity.

6.7 Harness changing diets and nutritional transition

This study highlights an ongoing process of diet and nutritional transition in Malawi. For example, the consumption of wheat-based foods and other processed foods is rising. While consumption of such products may pose possible health risks, the changing diets and rising demand for processed foods presents huge opportunities for farmers and agribusiness in the country. The country should consider supporting investments in farming systems and agri-food processing that respond to changing food demands.

6.8 Enforce compliance to Rules of Origin to curb possible “food fraud”

Malawi may need to monitor the sources of imported food products to ensure compliance with the COMESA Rules of Origin (COMESA, 1993) to guard against food dumping by the country’s trading partners.

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