



World Food Programme

# Minimum Expenditure Basket in Malawi

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

Round 43: 29 November—3 December 2021



Photo credits: Badre Bahaji, WFP Malawi

## Highlights

- Households' minimum survival expenditure increased in all regions except for the rural Southern Region. Between Rounds 42 and 43 of data collection, the Survival Minimum Expenditure Baskets (SMEBs) rose by 2.1 percent in the urban areas; 1.9 percent in the rural Northern Region; and 1.8 percent in the rural Central Region. The rural Southern Region registered a marginal decrease of 0.6 percent in households' expenditures. In the current round, key commodities whose prices generally increased across the regions included beans, cooking oil and soap.
- The price of maize grain price remained unchanged between the current and previous rounds, trading at an average price of MK 144 per kg as farmers continued offloading their stocks on the market to finance the purchase of farm inputs in turn suppressing grain prices.
- The national average price of beans rose by 4.5 percent to MK 1,147 per kg from MK 1,108 in the last round. The price of beans has been rising since April 2021, due in part to this year's poor production of the crop.
- Cowpea and pigeon pea prices increased by 2.5 percent and 4.9 percent, respectively. Between Round 42 and Round 43, the price of cowpeas rose from MK 630 per kg to MK 641 per kg, while pigeon pea prices went from MK 544 per kg to MK 577 per kg.

SAVING  
LIVES  
CHANGING  
LIVES

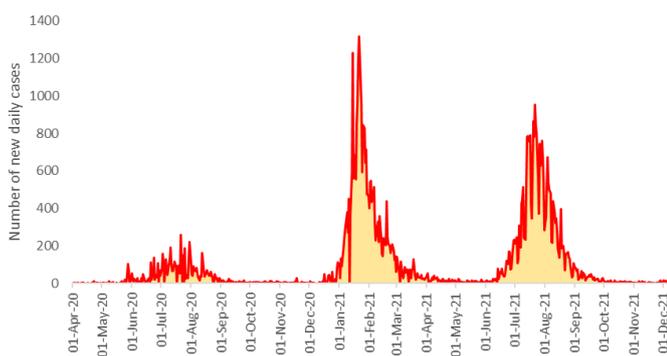


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## COVID-19 Update

**Cases of COVID-19 remained low in the country.** The country continued to record low cases of COVID-19 since the end of the third wave in around October 2021. The highest recorded daily cases of COVID-19 were reported on 22 July 2021 at the peak of the third wave, reaching 952 confirmed cases. Since then, the daily caseload significantly decreased, with no cases recorded for some days between October and November 2021. However, daily cases of COVID-19 were seen to start to rise between 2 and 5 December 2021, during which more than 10 cases were being recorded each day. Some Southern African countries including South Africa have already started reporting an upsurge in cases of COVID-19, a warning that a fourth wave of the pandemic may be eminent.

Figure 1: COVID-19 prevalence since April 2020



With most of the COVID-19 restrictions were relaxed by the Government in response to the dip in cases, there has been an uptick in trade and marketing operations in the country. Concurrently, over the last three months, the prices of most essential goods and services have skyrocketed, following a global trend as the world is experiencing the medium-term adverse economic effects of the pandemic. As a result, the minimum expenditure required for survival of a typical household in the country also increased as the overall cost of living soars.

## Deriving the Minimum Expenditure Basket

The minimum expenditure basket (MEB) looks at the needs that are covered—partially or fully—through the market. 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 SMEB is the absolute minimum amount required to maintain existence and cover lifesaving needs, which could involve the deprivation of certain human rights. However, the concepts of an SMEB and MEB are sometimes used interchangeably.

There are several ways in which to construct an SMEB. The 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 100 traders in some 70 rural and urban local markets. Contacted traders provided the market prices of available food and non-food items during the period between 29 November and 3 December 2021 (Round 43).

*A SMEB is the absolute minimum amount required to maintain existence and cover lifesaving needs, which could involve the deprivation of certain rights.*

The previous round (Round 42) of data collection was conducted between 15 and 19 November 2021. The detailed methodology on 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 42 Survival Minimum Expenditure Basket show?

**The SMEBs rose in nearly all regions.** Households’ minimum survival expenditures continue to rise in the urban, rural Northern and rural Central Regions since the last round (Round 42). This further rise in the SMEBs has the current round as the highest recorded rates in these regions since April 2020. However, households in the rural Southern Region experienced insignificant changes in their total expenditures. *Table 1* provides details on the movements in SMEBs across the regions. The average national SMEB rose by 22.3 percent since April 2020, from an average of MK 43,681 per household in April 2020 to MK 53,431 in the late November 2021. During the same period (between April 2020 and late November 2021), the average national food expenditure increased by 25.8 percent and expenditure on non-food commodities rose by 12.3 percent, indicating that food expenditure increased over two-folds compared to the increase in non-food expenditure.

The increase in the overall household SMEB can largely be attributed to a recent increase in the inflation rate. By November 2021, the overall inflation rate was at 12.8 percent, food inflation at 11.1 percent and non-food inflation at 9.5 percent. These inflation rates are the highest experienced in the last twelve months (*Figure 2*). The rising inflation is being reflected through significant increases in the prices of most of the food and non-food commodities, in turn pushing households’ minimum survival expenditures upwards and adversely affecting the cost of living in general.

In the current round, key commodities whose prices increased across the regions included beans, cooking oil and soap. The price of beans rose mainly due to this year's low production coupled with the depletion of stocks due to consumption and exportation. The price of cooking oil continued to rise due to the elevated cost of raw materials on top of the 16.5 percent VAT introduced on the commodity last year (*Figure 3*). The increased cost on the importation of soap and its raw materials due to the worsening exchange rate may have contributed to the rising cost of soap in the country. Nonetheless, the price of maize grain remains relatively low and stable, making the food security situation overall less dire since maize grain makes up most of household consumption.

**Table 1: SMEB values by region between Round 43 and Round 42**

Area of Coverage	Total SMEB		Food Expenditure		Non-Food Expenditure	
	In MK	% Change	In MK	% Change	In MK	% Change
Urban	70,677	↑+2.1	40,177	↑+1.6	30,500	↑+2.7
Rural North	46,211	↑+1.9	39,840	↑+2.2	6,371	↔±0.0
Rural Centre	46,823	↑+1.8	40,860	↑+2.7	5,963	↓-3.5
Rural South	50,015	↓-0.6	42,424	↑+1.1	7,591	↓-8.8

**The Urban SMEB further rose by 2.1 percent.** In urban areas, household expenditure has been increasing since October 2021 (from Round 39 to the present), reaching the highest recorded SMEB value of MK 70,677 since the start of data collection in April 2020. This represents a 2.1 percent increase from the previous round's SMEB of MK 69,251. A typical household residing in any of the major cities in the country therefore required an additional income of MK 1,426 per month in the late November 2021 to meet its basic survival expenditure needs. The increase in SMEB in urban areas arose from increases in both food and non-food expenditure. Food expenditure rose by 1.6 percent mainly due to an increase in the prices of cooking oil (by 5.1 percent), cassava (by 2.1 percent) and eggs (by 3.4 percent). Expenditure on non-food items increased by 2.7 percent mainly due to increase in cost of charcoal (by 5.5 percent) and Neema soap (by 7.8 percent).

**The rural Northern Region SMEB increased by 1.9 percent.** The monthly minimum survival expenditure required by a typical household in the rural Northern Region increased from MK 45,363 in Round 42 to MK 46,211 in Round 43. To avoid deprivation of some essential needs, a typical household required a further income of MK 848 per month to meet its needs. The overall increase in expenditure is largely caused by food spending which increased by 2.2 percent, as non-food expenditure remained unchanged. In this region, both the prices of maize grain and cooking oil increased by 2.8 percent and

the price of beans rose by 5.3 percent. The price of Neema soap also increased by 6.6 percent.

**The SMEB increased by 1.8 percent in the rural Central Region.** The increase on food expenditure by 2.7 percent was enough to offset the 3.5 percent decrease on non-food expenditure to push the overall expenditure up by 1.8 percent in the rural Central Region. The food component makes up over 86 percent of the total household expenditure. Overall, between the latest two rounds, the rural Central Region SMEB increased from MK 45,978 to the current value of MK 46,823, implying that a household would need an additional income requirement of MK 849 per month. Noteworthy increases in the prices of beans (by 3.5 percent), cooking oil (by 3.7 percent), green vegetables (by 5.4 percent) and sugar (by 3.4 percent) generated the rise in food expenditure. Although non-food expenditure fell, price of Neema soap increased by 4.1 percent.

**There was a modest decrease in the rural Southern Region's SMEB.** For the first time since Round 38 (late September 2021), the rural Southern Region recorded a very slight decline in total minimum expenditure of 0.6 percent. Households in this region would spend an average of MK 283 less to meet their minimum survival needs, as the SMEB decreased to MK 50,015 in the current round from MK 50,293 in Round 42. The decrease in SMEB arose from the disproportionate decrease in non-food expenditure of 8.8 percent as compared to the slight rise in food expenditure of 1.1 percent. Key commodities contributing to the decline in non-food expenditure included fuelwood (fell by 15.6 percent) and the cost of milling (decreased by 2.0 percent). In addition, the prices of cassava and green vegetables also significantly decreased by 9.0 percent and 7.9 percent, respectively. However, price of Neema soap still increased by 7.2 percent, in line with the trend across the country.

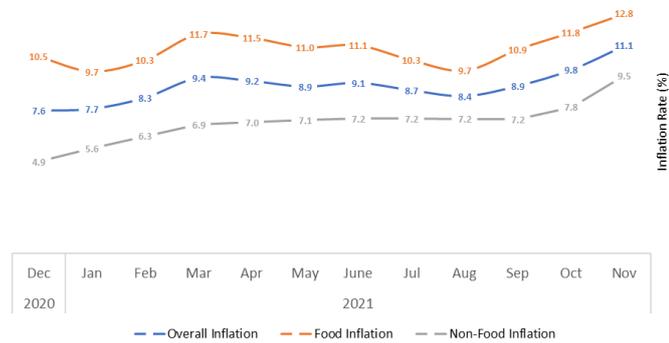
### ! Key market factors to watch

**The Inflation rate hits double digits.** The rate of inflation has, for the first time in nearly two years, hit double digits in November 2021, with the headline inflation rate recorded at 11.1 percent, as reported by the Malawi National Statistical Office (NSO). This is a 3.8 percentage point rise from the November 2020 inflation rate of 7.3 percent and a 1.3 percentage point increase from the previous month's rate of 9.8 percent. The month-to-month food inflation rate also increased by 1.0 percentage points from 11.8 in October 2021 to 12.8 a month after. During this same period, the non-food inflation rate also rose from 7.8 percent to 9.5 percent (*Figure 2*).

The main drivers of inflation in November 2021 were transportation (13.1 percent); food (12.8 percent); and housing, water, and electricity (11.3 percent).

The rising inflation rate is expected to continue reducing households' purchasing power for the foreseeable future, as the economy is adjusting to the impacts of the COVID-19 pandemic. The rising inflation directly correlates with the rising SMEBs as illustrated by the continued increased prices of essential goods and services.

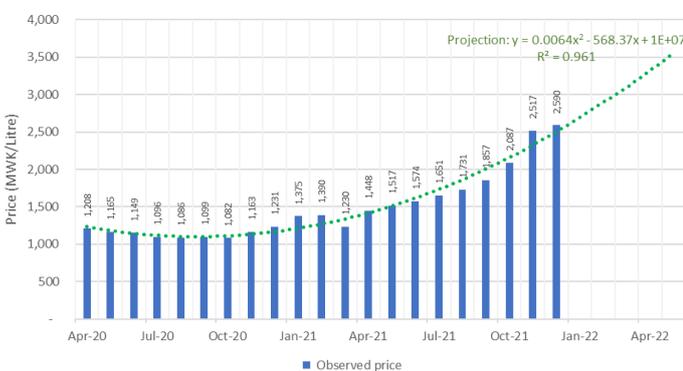
Figure 2. Trend of rate of inflation over the last 12 months



Data Source: Malawi National Statistical Office

**The price of cooking oil increased further by 2.9 percent.** Since the introduction of VAT on cooking oil in October 2020, the price of the commodity has risen exponentially. WFP price monitoring data shows that the price of cooking oil has increased by over 130 percent between October 2020 and December 2021. The price of cooking oil increased by 10.5 percent between September and October 2021; by 20.6 percent between October and November 2021; and a further 2.9 percent between November and early December 2021. The price is projected to continue rising, though at a decreasing rate, for the foreseeable future, as the cost of raw materials for manufacturing the oil continues to rise.

Figure 3. Actual versus projected prices of cooking oil



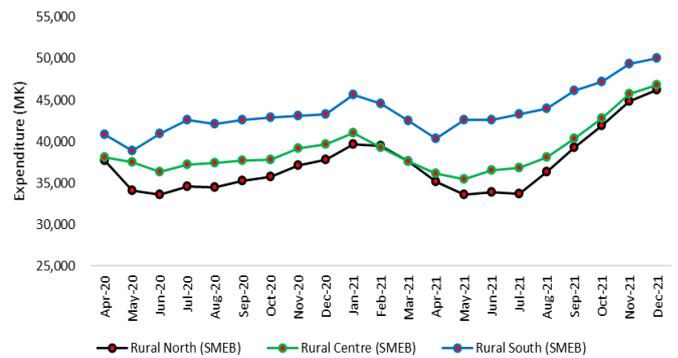
**The Malawi Kwacha remains relatively stable since August 2021.** Data from the Reserve Bank of Malawi shows that despite the Malawi Kwacha losing about 10 percent of its value against the United States Dollar (USD) since November last year, the Kwacha value has remained relatively stable between August and November 2021. During this period, the Kwacha only lost 0.4 percent of its value, from MK 813/USD on 1 August 2021 to MK 816/USD on 20 December 2021. Stabilisation of the Kwacha may

ease pressure on the upward trend of (mostly imported) commodity prices in the country. This is, nonetheless, dependent on the performance of other macro-economic variables that may equally be affected by the COVID-19 pandemic.

**Trends in Survival Minimum Expenditure Baskets**

The SMEBs started to rise during the second half of 2021, increasing further to record highs in quarter four, as depicted in Figure 4. Since June of this year, household expenditure for the rural Northern and Central Regions increased at a faster rate compared to the rural Southern Region. This is evidenced by the convergence of the former two regions towards the later. The widest expenditure gap among the regions was observed between June and July 2021. In July 2021, for instance, a typical household in the rural Southern Region was spending MK 6,384 more than a household in the rural Central Region. This expenditure gap has narrowed by almost half to MK 3,192 by early December 2021. A similar trend is also observed between the rural Central and Northern Regions, with household expenditure being the lowest in the rural Northern Region but nearly converging with expenditure in the Central Region.

Figure 4. Trends in the rural SMEBs by region since May 2020



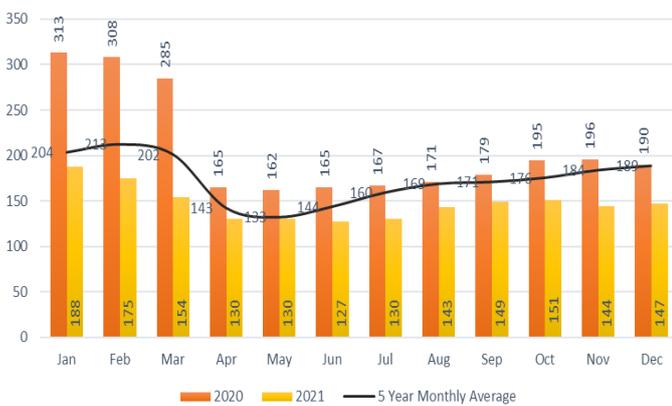
For the share of food expenditure to total expenditure, trends show that the share remained relatively stable in the rural Northern and Southern Regions, hovering around 87 percent. In the rural Southern Region, however, the share of food to total expenditure rose from around 79 percent in April 2020 to 85 percent in December 2021, signifying greater vulnerability for poor households living who spend the vast majority of their income on food.

**Maize Grain Retail Prices**

**The average national maize grain price remains unchanged at MK 144 per kg.** The average price of maize grain remained at MK 144 per kg from previous round after two consecutive rounds (Rounds 41 and 42 of data collection) of price decrease. This price is still below the Government-recommended minimum farmgate price of MK 150 per kg. Since the start of the harvesting season in March 2021, the maize grain has been selling at below the

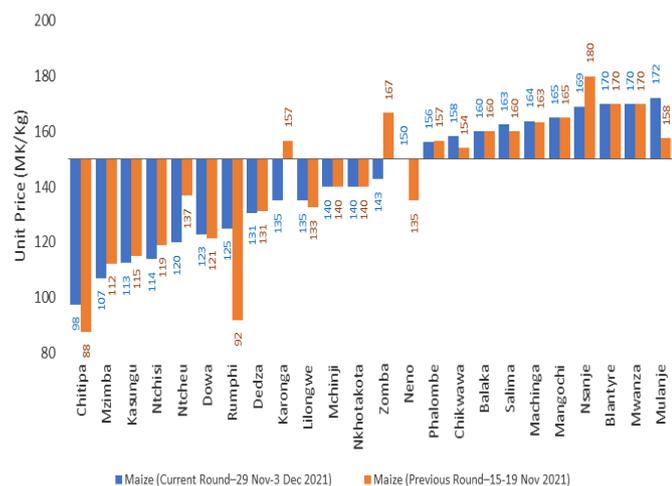
minimum farmgate price of MK 150 per kg, except in early September and late October when maize grain traded at MK 151 per kg, slightly above the farmgate price. In a typical year, the price of maize grain usually eases in the months of November and December as farmers offload their stocks on the market to get cash for purchase of farm inputs. The maize price is expected to continue increasing in coming weeks and will likely peak around MK 194 per kg between January and February 2022. *Figure 5* shows that the current round's grain price is roughly 24 percent below both the five-year average price of MK 189 per kg for December and the December 2020 price of MK 190 per kg.

**Figure 5: Nominal average maize grain price trends**



**The maize grain price remained the highest but stable in the Southern Region.** Maize grain was selling at an average price of MK 159 per kg in the Southern Region, remaining unchanged from the previous round's price but at the highest price as compared to the other regions. In the Central Region, the price was 128 per kg, slightly below the price of MK 131 per kg during the previous round. Prices remain the lowest in the Northern Region, where grain was selling at MK 124 per kg, increasing by 10.7 percent from the last round's price of MK 112 per kg.

**Figure 6: Average maize prices by district relative to farmgate selling prices**



**By district, maize prices were the highest in Mulanje District and the lowest in Chitipa District.** In Mulanje District, maize grain was selling as high as MK 172 per kg, remaining relatively high, while in Chitipa District the grain was trading at as low as MK 98 per kg (*Figure 6*). Although the national average price of the grain remained unchanged between the latest two rounds, maize prices increased in some districts while decreasing in others. Maize prices decreased the most amongst Central Region Districts and increased more amongst Northern Region Districts, as shown in *Figure 6*. Overall, maize grain was selling below the Government-recommended minimum prices in 14 of the 24 districts monitored by WFP.

**Prices of Pulses**

**The prices of pulses increased since the last round.** The prices of pulses depict an upward trend, significantly increasing over the last nine months. Cowpea and pigeon pea prices have, however, only rose modestly compared to those of beans. These prices are expected to increase further as the lean season progresses until the next harvest season in around March 2022.

**The price of beans increased by 4.3 percent to MK 1,147 per kg.** The price of beans continues to rise due to this year's relatively poor production, continued consumption as well as exportation of the crop. Between the previous Round 42 and the current Round 43, the price of beans increased from an average of MK 1,180 per kg to the current price of MK 1,147 per kg, signifying a 4.3 percent increase. By district, beans were selling the highest price of MK 1,475 per kg in Thyolo District and at the lowest price of MK 792 per kg in Chitipa District. As the prices of beans continue to rise in the 2021/22 season, price projections indicate that the commodity is expected to sell as high as MK 1,240 per kg somewhere between the months of January and February 2022.

**The price of cowpeas rose by 2.5 percent.** Between the previous and current rounds, the average price of cowpeas increased from MK 630 per kg to MK 641 per, respectively. Cowpeas remain relatively cheaper in Mzimba District, where a significant quantity is produced, trading at MK 464 per kg. Ntcheu District, on the other hand, registered the highest price of MK 800 per kg.

**The price of pigeon peas also increased since the last round.** Pigeon peas also recorded a significant increase in their price between the last two rounds. During this period, the price increased from an average of MK 544 per kg to MK 577 per kg, representing a 4.9 percent increase. In the current round, pigeon peas were the cheapest in Nsanje District, trading at MK 383 per kg and the most expensive in Mangochi District, trading at MK 750 per kg.

Annexes

Annex A: Regional Trends for Survival Minimum Expenditure Basket

Figure 7A. Trends for Survival MEB for the Urban Areas

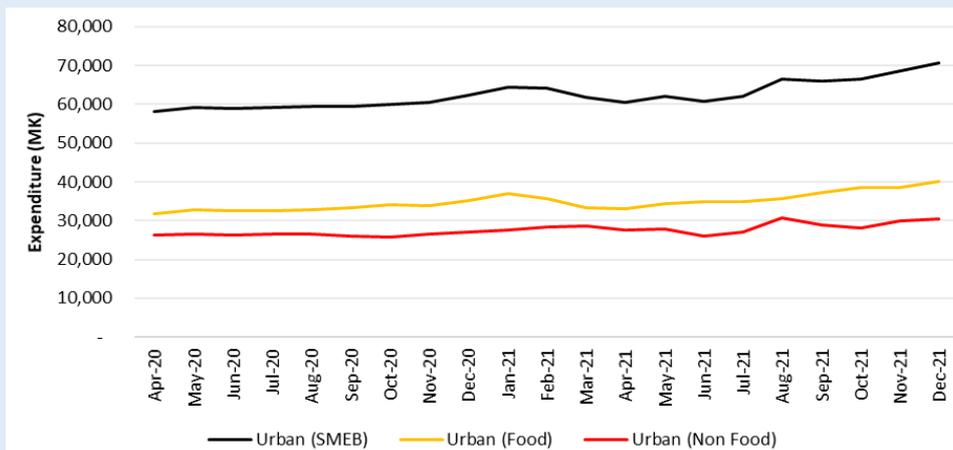


Figure 7B. Trends for Survival MEB for the rural Northern Region

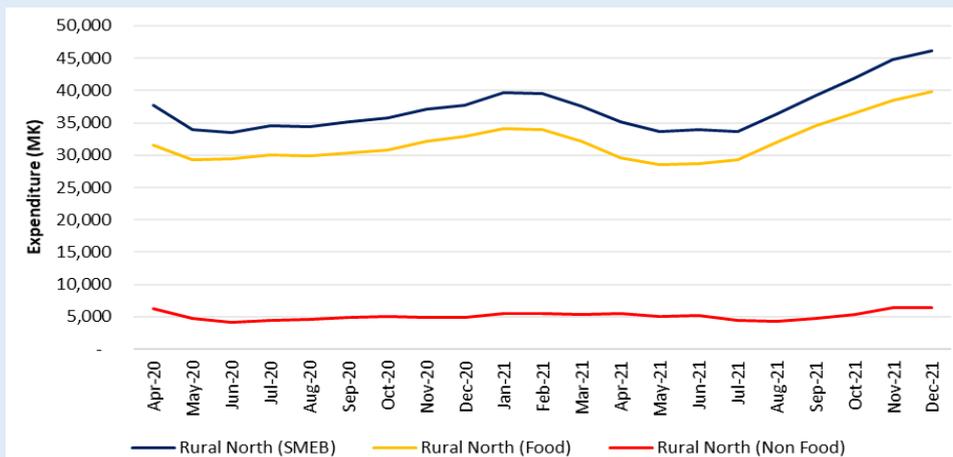


Figure 7C. Trends for Survival MEB for the rural Central Region

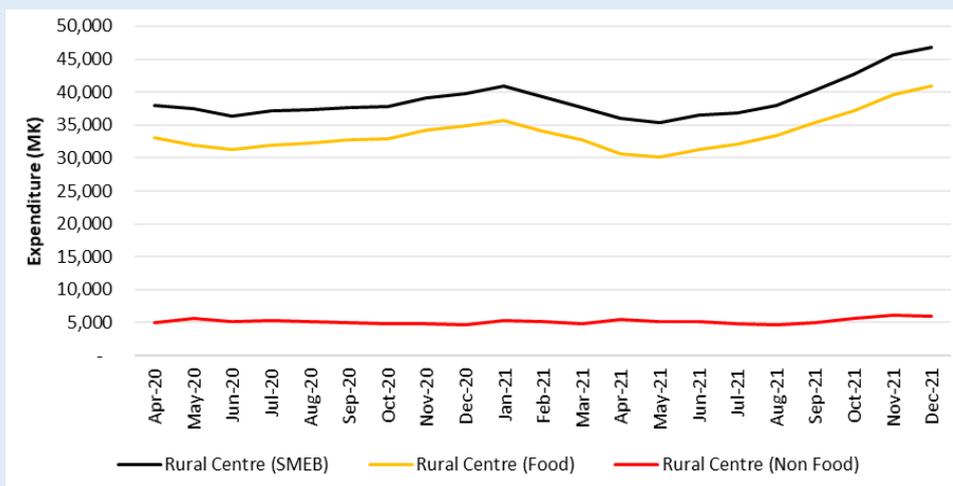
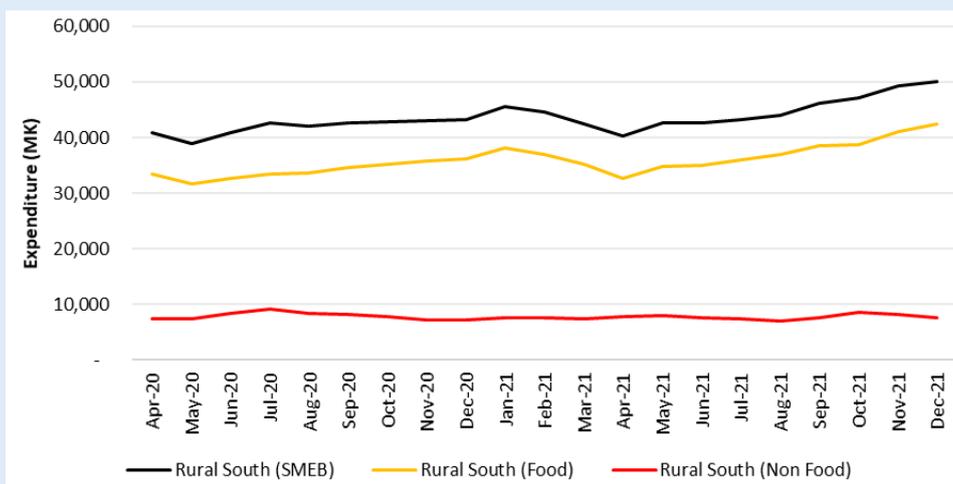


Figure 7D. Trends for Survival MEB for the rural Southern Region



## Annex B: 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
<b>Food commodities</b>						
Cereals (Maize)	12.60	Kg	152	1,912	8,606	8,515
Pulses	1.50	Kg	1,149	1,723	7,754	7,662
Cooking Oil	0.75	Kg	2,610	1,958	8,809	8,381
Roots and Tubers	0.60	Kg	400	240	1,080	1,058
Salt, Iodized	0.15	Kg	500	75	338	338
Vegetables	3.00	Kg	247	740	3,330	3,405
Eggs	0.15	Kg	2,000	300	1,350	1,305
Fish (dried)	0.60	Kg	2,400	1,440	6,480	6,480
Sugar	0.60	Kg	900	540	2,430	2,408
<b>Sub-Total for Food Cost</b>				<b>8,928</b>	<b>40,177</b>	<b>39,551</b>
<b>Non-Food Items (NFI's)</b>						
Charcoal	50	Kgs	290	14,500	14,500	13,750
Match Box	4	boxes	50	200	200	200
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	470	1,880	1,880	1,900
Soap Laundry	2	Pcs	180	360	360	367
Soap bar bathing	2	Pcs	530	1,060	1,060	983
House rent	1	month	10,000	10,000	10,000	10,000
<b>Sub-Total for NFIs Cost</b>				<b>30,500</b>	<b>30,500</b>	<b>29,700</b>
<b>TOTAL MEB</b>					<b>70,677</b>	<b>69,251</b>

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
<b>Food commodities</b>						
Cereals (Maize)	12.60	Kg	111	1,393	6,267	6,095
Pulses	1.50	Kg	842	1,263	5,684	5,400
Cooking Oil	0.75	Kg	2,621	1,966	8,846	8,606
Roots and Tubers	0.60	Kg	426	256	1,151	1,156
Salt, Iodized	0.15	Kg	300	45	203	203
Vegetables	3.00	Kg	561	1,684	7,578	7,750
Eggs	0.15	Kg	2,126	319	1,435	1,373
Fish (dried)	0.60	Kg	2,274	1,364	6,139	5,880
Sugar	0.60	Kg	939	564	2,537	2,527
<b>Sub-Total for Food Cost</b>				<b>8,853</b>	<b>39,840</b>	<b>38,990</b>
<b>Non-Food Items (NFI's)</b>						
Fuel wood	50	Lump-sum	34	3,060	3,060	3,116
Match Box	4	Boxes	50	200	200	200
Milling	4	Times	455	1,821	1,821	1,811
Soap Laundry	2	Pcs	208	416	416	390
Soap bar bathing	2	Pcs	437	874	874	856
<b>Sub-Total for NFIs Cost</b>				<b>6,371</b>	<b>6,371</b>	<b>6,373</b>
<b>TOTAL MEB</b>					<b>46,211</b>	<b>45,363</b>

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
<b>Food commodities</b>						
Cereals (Maize)	12.60	Kg	129	1,620	7,290	7,276
Pulses	1.50	Kg	1,141	1,712	7,705	7,445
Cooking Oil	0.75	Kg	2,626	1,969	8,862	8,545
Roots and Tubers	0.60	Kg	383	230	1,033	1,049
Salt, Iodized	0.15	Kg	300	45	203	203
Vegetables	3.00	Kg	380	1,140	5,130	4,865
Eggs	0.15	Kg	2,069	310	1,396	1,387
Fish (dried)	0.60	Kg	2,514	1,509	6,789	6,649
Sugar	0.60	Kg	909	545	2,453	2,373
<b>Sub-Total for Food Cost</b>				<b>9,080</b>	<b>40,860</b>	<b>39,791</b>
<b>Non-Food Items (NFI's)</b>						
Fuel wood	50	Lump-sum	52	2,622	2,622	2,836
Match Box	4	Boxes	50	200	200	200
Milling	4	Times	440	1,759	1,759	1,731
Soap Laundry	2	Pcs	203	405	405	389
Soap bar bathing	2	Pcs	489	978	978	1,026
<b>Sub-Total for NFIs Cost</b>				<b>5,963</b>	<b>5,963</b>	<b>6,182</b>
<b>TOTAL MEB</b>					<b>46,823</b>	<b>45,974</b>

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
<b>Food commodities</b>						
Cereals (Maize)	12.60	Kg	161	2,025	9,113	9,147
Pulses	1.50	Kg	1,187	1,781	8,013	7,758
Cooking Oil	0.75	Kg	2,504	1,878	8,450	7,689
Roots and Tubers	0.60	Kg	274	164	740	740
Salt, Iodized	0.15	Kg	300	45	203	203
Vegetables	3.00	Kg	383	1,148	5,166	4,934
Eggs	0.15	Kg	2,093	314	1,413	1,411
Fish (dried)	0.60	Kg	2,377	1,426	6,418	5,837
Sugar	0.60	Kg	909	546	2,455	2,473
<b>Sub-Total for Food Cost</b>				<b>9,327</b>	<b>41,971</b>	<b>40,192</b>
<b>Non-Food Items (NFI's)</b>						
Fuel wood	50	Lump-sum	50	4,979	4,979	4,796
Match Box	4	Boxes	50	200	200	200
Milling	4	Times	433	1,731	1,731	1,795
Soap Laundry	2	Pcs	196	391	391	384
Soap bar bathing	2	Pcs	513	1,026	1,026	978
<b>Sub-Total for NFIs Cost</b>				<b>8,328</b>	<b>8,328</b>	<b>8,154</b>
<b>TOTAL MEB</b>					<b>50,298</b>	<b>48,345</b>

## Annex C: 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.

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