

The Monthly Maize Market Report was developed by researchers at IFPRI Malawi with the goal of providing clear and accurate information on the variation of daily maize prices in selected markets throughout Malawi. The reports are intended as a resource for those interested in maize markets in Malawi, namely producers, traders, consumers, or other agricultural stakeholders.

Highlights

- The average retail maize price increased by 3 percent during May 2019 to MWK163/kg.
- The average retail maize price of MWK163/kg was 9 percent higher than the minimum farmgate price of MWK150/kg announced by MoAIWD in mid-April 2019, and MWK65/kg higher than in May 2018.
- The average retail price of old maize was MWK33/kg higher than the average price of new maize.
- Maize prices in Malawi during May were lower than in most eastern and southern Africa markets.

Prices increased in May 2019

The average retail maize price for old maize during the month of May was MWK163/kg. The overall average maize price increased by 3 percent, with prices rising in six markets, falling in five markets, and remaining constant in five markets (Table 1). Karonga market had the highest price increase (30 percent) while Mchinji market had the highest price decrease (5 percent).

This year's maize harvest is expected to increase by 24 percent compared to the 2017/18 harvest according to the second round of 2018/2019 Agricultural Production Estimates (APES) released by the Ministry of Agriculture, Irrigation, and Water Development (MoAIWD) in April 2019.

By the end of May, retail prices in all markets except Chitipa, Rumphii, and Mchinji were higher or equal to the minimum farmgate price of MWK150/kg announced by MoAIWD in mid-April 2019.

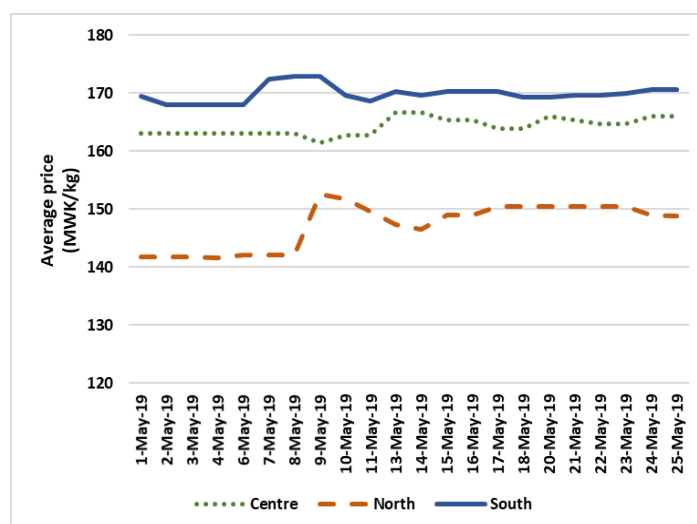
Prices remain highest in the South

Maize prices were highest in the South and lowest in the North (Figure 1), as is has been the case since last year. The average price in the southern region was MWK6/kg higher than in the Centre. Similarly, prices in the central region were MWK17/kg higher than in the northern region by the end of May. While prices in the central region steadily increased during the month, prices in the southern and northern regions increased rather sharply toward the end of the first week of May. Some traders state that uncertainty about the tripartite elections may have delayed shipments to the North temporarily.

Table 1. Maize retail prices (MWK/kg) by market

Market	4-May-19	11-May-19	18-May-19	25-May-19	Change
Chitipa	140	140	140	140	↔ 0%
Karonga	131	170	170	170	↑ 30%
Rumphii	140	128	143	143	↑ 2%
Mzuzu	153	153	150	150	↓ -2%
Mzimba	150	150	150	150	↔ 0%
Salima	170	170	170	170	↔ 0%
Mchinji	155	150	150	148	↓ -5%
Mitundu	170	170	170	170	↔ 0%
Chimbiya	160	160	170	183	↑ 15%
Lunzu	173	170	170	167	↓ -4%
Mwanza	167	167	167	160	↓ -4%
Liwonde	177	177	177	180	↑ 2%
Luchenza	150	180	193	193	↑ 29%
Mulanje	157	160	160	160	↑ 2%
Chikwawa	180	180	180	180	↔ 0%
Nsanje	177	177	177	173	↓ -2%
All markets	159	163	165	165	↑ 3%

Figure 1. Daily average maize retail prices during May 2019



ADMARC activities

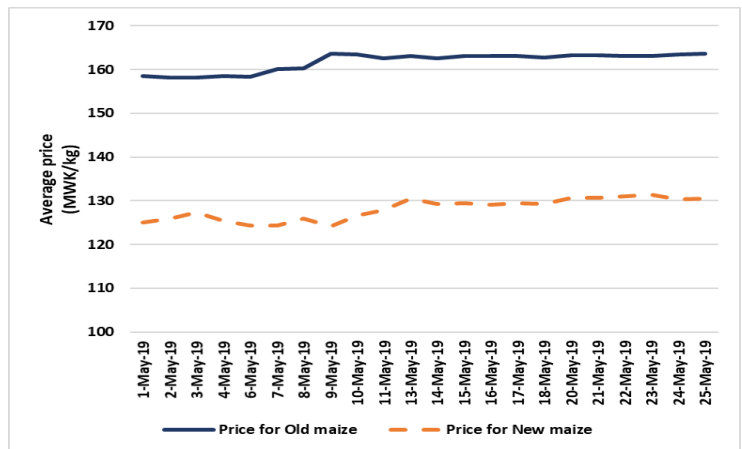
No ADMARC purchases (or sales) were reported in any of the 16 markets monitored by IFPRI during the month of May.

Prices for old and new maize in May 2019

Figure 2 compares the average retail maize price of old and new maize stock in May 2019. 'New' maize refers to maize from the immediate harvest of the 2018/2019 production year. On average, retail prices of 'old' maize were MWK33/kg higher than of 'new' maize. This phenomenon is not unusual since most traders argued that the 'new' maize had higher moisture content compared to 'old' maize. This increased handling costs to avoid aflatoxin contamination.

Both 'old' and 'new' maize prices showed the same trend during the month, with prices marginally increasing during the second week of May.

Figure 2. Prices for old and new maize in May 2019

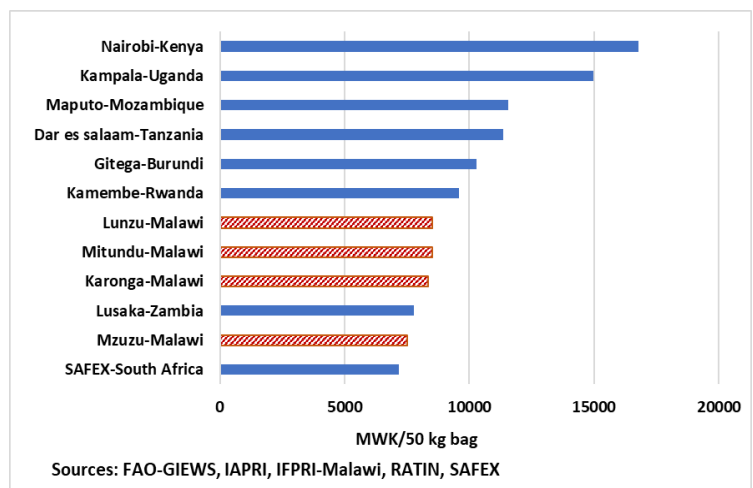


Regional prices in May 2019

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in eight other regional countries in late May. The highest price was reported in Nairobi, Kenya, followed by Kampala, Uganda and Maputo, Mozambique. SAFEX, the main grain futures market in South Africa, recorded the lowest retail price during the month of May.

While prices in selected markets in Malawi were lower than in most eastern and southern Africa markets, retail prices in Lunzu, Mitundu and Karonga were higher than prices in Lusaka.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end May 2019)



How data was collected

IFPRI has been monitoring retail maize prices and ADMARC activities in selected markets since November 2016. Currently, the data is collected from 16 markets across the country, with monitoring occurring six days per week, excluding Sundays. At least three monitors report data from each of these markets. Data is collected by means of automated short message service (SMS) with follow-ups made by telephone if necessary. An additional 10 markets will be reported on from next month onwards. The regional prices reported in Figure 3 are sourced from Food and Agriculture Organization's Global Information and Early Warning System (FAO-GIEWS), IFPRI-Malawi, the Regional Agricultural Trade Intelligence Network (RATIN), Indaba Agricultural Policy Research Institute, IFPRI Malawi, and the Johannesburg Stock Exchange (JSE).



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