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

- Retail maize prices decreased by 35 percent during March 2020.
- Average retail maize price was 79 percent higher than in March 2019.
- ADMARC sales were reported in 15 of the 26 markets monitored.
- The price of old maize (from previous season) was MWK87/kg higher than of new maize.
- Maize prices in northern Malawi were higher than in most eastern and southern African markets.

Prices decreased by 35 percent

By the end of March, the average retail price for 'old' maize, harvested in the 2018/19 season, had declined by 35 percent to MWK322/kg. This price decline is mostly due to the onset of the main harvest season, which typically starts in the South and gradually moves to the North. Prices declined in 24 markets, stayed constant in 1 and rose in 1 market (Table 1). M'baluku market recorded the largest price decline (61 percent) while only Mzuzu recorded a price increase (5 percent). Prices in Chitipa market remained constant throughout the month. By the end of the fourth week of March, markets that recorded the largest price fall were reporting newly harvested maize stocks only. Maize production is expected to be above average this season, so prices are expected to decline further in the coming months.

Nonetheless, retail maize prices are still 79 percent higher than in March 2019 and were above MWK300/kg in the majority of markets monitored during the first two weeks of the month (see shaded cells in Table 1).

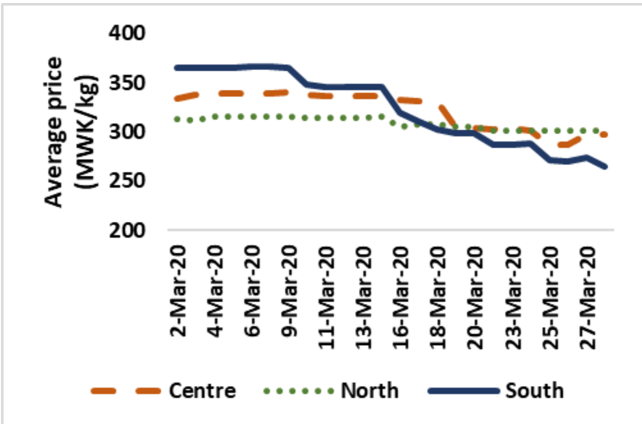
Table 1. Maize retail prices (MWK/kg) by market

Market	7-Mar-20	14-Mar-20	21-Mar-20	28-Mar-20	Change
Chitipa	293	293	293	293	0%
Karonga	298	294	294	294	-1%
Rumphi	332	308	288	288	-13%
Mzuzu	330	345	345	345	5%
Mzimba	302	297	270	270	-10%
Jenda	347	363	317	317	-9%
Salima	333	313	300	290	-13%
Mchinji	305	305	293	288	-6%
Nsungwi	380	308	347	300	-21%
Mitundu	350	350	250	150	-57%
Chimbiya	337	343	327	310	-8%
Balaka	353	353	247	160	-55%
M'baluku	380	380	340	150	-61%
Mangochi	363	350	333	160	-56%
Liwonde	360	333	333	160	-56%
Chiringa	353	313	233	147	-58%
Mpondabwino	380	339	200	162	-57%
Lunzu	380	300	240	240	-37%
Mbayani	360	380	347	200	-44%
Mwanza	353	340	340	300	-15%
Mulanje	360	360	260	170	-53%
Luchenza	347	347	347	167	-52%
Chikwawa	400	400	300	200	-50%
Ngabu	370	323	253	173	-53%
Bangula	377	321	237	237	-37%
Nsanje	360	360	260	153	-58%
All markets	**350**	**335**	**292**	**228**	**-35%**

Prices are low in the South

At the beginning of March, maize prices were highest in the South and lowest in the North, as is the usual pattern. Towards the end of the second week of March, prices in the South started to decline rapidly because of the onset of the main harvest season, which begins in the South. Prices in central Malawi also started declining towards the end of the third week of the month while prices in the North remained relatively stable (Figure 1). At the end of the month, prices in the South were about MWK32/kg lower than in the Centre, while prices in the Centre were about MWK4/kg lower than in the North.

Figure 1. Daily average maize retail prices during March



ADMARC Activities

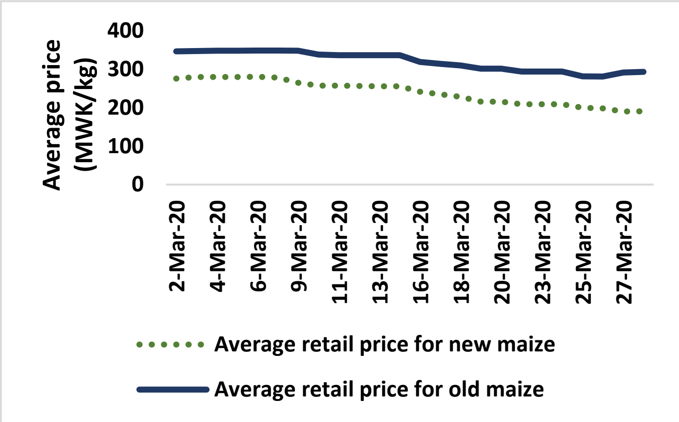
Out of the 26 markets monitored by IFPRI, ADMARC sales at MWK150/kg were reported in 15 markets (Chitipa, Karonga, Rumphi, Mzuzu, Mzimba, Jenda, Mchinji, M'baluku, Mpondabwino, Luchenza, Mulanje, Chikwawa, Ngabu, Bangula, and Nsanje).

No purchases by ADMARC were recorded in March. However, ADMARC announced its intention to purchase 600,000MT of white non-GMO maize from April at a yet to be announced minimum farm gate price by the Ministry of Agriculture and Food Security (MoAFS).

Prices for old and new maize in March 2020

As is expected in the harvest season, old and new maize stock are both present on the market. 'Old' maize refers to maize harvested in the 2018/2019 season while 'new' maize refers to maize that has been recently harvested. Figure 2 compares the average retail maize price of 'old' and 'new' maize stock in March 2020. On average, retail prices of 'old' maize were MWK87/kg higher than for 'new' maize during the month. This price difference is not unusual since 'old' maize fetches a higher price because it has a lower moisture content than 'new' maize. Hence, traders offer lower 'new' maize prices because of higher weight losses during storage.

Figure 2. Retail prices for old and new maize (MWK/kg)

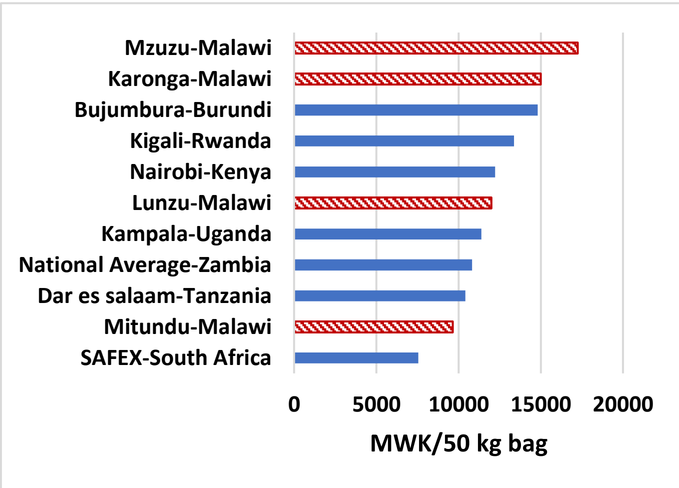


Regional prices

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in seven other regional countries by the end of March. The highest price was recorded in Mzuzu (Malawi), followed by Karonga (Malawi) and Bujumbura (Burundi). SAFEX, the main grain futures markets in South Africa recorded the lowest price in the region. Prices in most regional countries are declining following the onset of the main harvest season in most southern African countries.

By the end of March, prices in Malawi's Lunzu market were lower than in Bujumbura (Burundi), Kigali (Rwanda) and Nairobi (Kenya). Prices in Lunzu were also higher than in Kampala (Uganda), the national average price in Zambia and Dar es Salaam (Tanzania).

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end of March 2020)



How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since December 2016. Currently, data is collected from 26 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. The regional prices reported in Figure 3 are sourced from IFPRI Malawi, the Johannesburg Stock Exchange (JSE), the Regional Agricultural Trade Intelligence Network (RATIN), and the Central Statistical Office of Zambia.

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