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STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **June 2020**

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 fell marginally by 0.4 percent in the second week of June and remained stable afterwards.
- Prices in the South were higher than in the Centre and North.
- ADMARC purchases and sales were reported in 15 of the 26 markets monitored.
- Retail maize prices in Malawi were lower than in most eastern and southern African markets.

Prices slightly decreased in June

The average retail price of maize fell marginally by 0.4 percent in the second week of June but remained stable at MWK 174/kg in subsequent weeks. This price is 3.6 percent higher than in May and 5 percent higher than in June 2019. A slight rise in prices is anticipated as the main harvest season is coming to an end in most districts.

During the month, prices fell in 9 markets, stayed constant in 12, and rose in 5 markets (Table 1). The largest price decline was recorded in Rumphi market (9 percent), whereas Luchenza recorded the largest price increase (9 percent). A separate countrywide crowdsourcing exercise shows that the average farmgate price in June was MWK149/kg. About 79 percent of the farmers reported farm gate sales at prices lower than the minimum farm gate price of MWK200/kg announced by the Ministry of Agriculture and Food Security (MoAFS) in early April 2020.

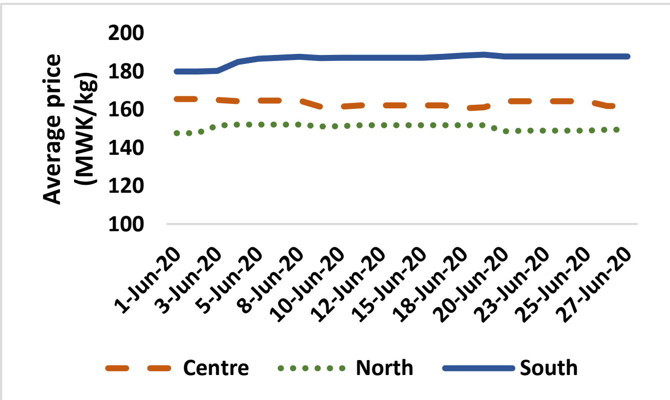
Table 1. Maize retail prices (MWK/kg) by market

Market	6-Jun-20	13-Jun-20	20-Jun-20	27-Jun-20	Change
Chitipa	133	133	133	133	0%
Karonga	174	171	170	173	-1%
Rumphi	182	183	163	165	-9%
Mzuzu	143	143	143	143	0%
Mzimba	143	143	145	145	1%
Jenda	130	130	130	130	0%
Salima	160	160	160	160	0%
Mchinji	178	170	168	170	-4%
Nsungwi	167	167	183	173	4%
Mitundu	170	167	170	163	-4%
Chimbiya	145	145	140	140	-3%
Balaka	173	167	163	163	-6%
M'baluku	170	170	173	173	2%
Mangochi	167	167	177	177	6%
Liwonde	183	180	180	180	-2%
Chiringa	180	180	180	180	0%
Mpondabwino	197	197	197	197	0%
Lunzu	165	165	165	165	0%
Mbayani	180	180	180	180	0%
Mwanza	200	200	200	200	0%
Mulanje	200	200	200	200	0%
Luchenza	183	193	200	200	9%
Chikwawa	200	200	200	200	0%
Ngabu	193	190	190	190	-2%
Bangula	223	227	220	220	-1%
Nsanje	200	200	200	200	0%
All markets	**175**	**174**	**174**	**174**	**-0.4%**

Prices are higher in the South

Average retail maize prices remain highest in the South and lowest in the North as is the usual pattern (Figure 1). Prices increased slightly in the South and North during the first week of June but remained stable in the Centre. However, prices in the Centre fell slightly while prices in the South and North remained stable during the second week. At the end of the last week of June, prices in the Centre were MWK26/kg lower than in the South and MWK12/kg higher than in the North.

Figure 1. Daily average maize retail prices during June

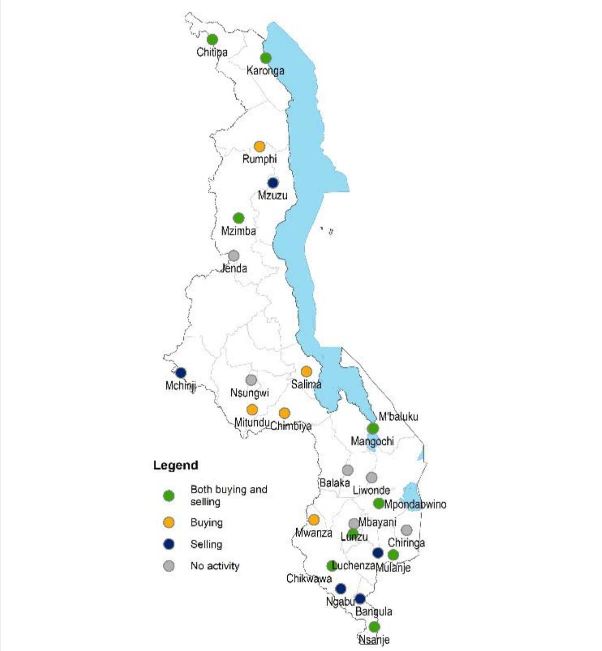


ADMARC Activities

In March 2020, the Agricultural Development and Marketing Cooperation (ADMARC) announced that it would start purchasing maize during the first week of April. By mid-June, ADMARC announced that it had purchased around 21,000 MT of maize across the country. In a press release the Farmers Union of Malawi (FUM) criticized ADMARC for purchasing mostly from traders rather than from farmers and 'profiteering' by some ADMARC staff members.

By the end of the third week of June, ADMARC purchases and sales were recorded in 15 of the 26 markets monitored by IFPRI. ADMARC purchases were reported in Chitipa, Karonga, Rumphi, Mzimba, Mitundu, Chimbiya, Salima Mbayani, Mpondabwino, M'baluku, Mangochi, Mulanje, Mwanza, Chikwawa, and Nsanje. ADMARC sales were reported in Chitipa, Karonga, Mzuzu, Mzimba, Mchinji, Mbayani, Luchenza, Mpondabwino, Mangochi, M'baluku, Mulanje, Chikwawa, Ngabu, Bangula, and Nsanje (Figure 2).

Figure 2. Location of ADMARC activities in June 2020

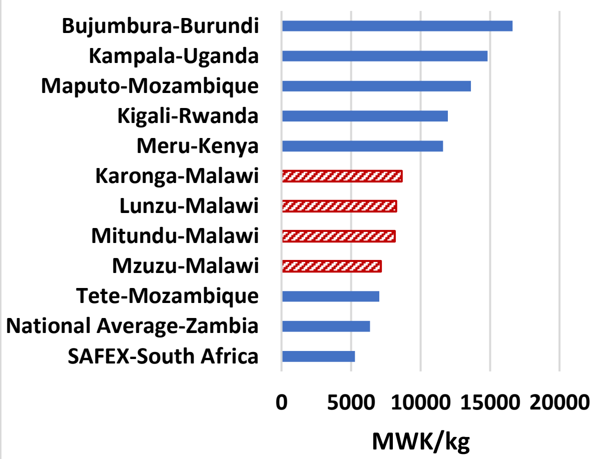


Regional prices

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in seven other regional countries. By the end of June, the highest price was recorded in Bujumbura (Burundi) followed by Kampala (Uganda). SAFEX, the main grain futures market in South Africa, recorded the lowest price.

By the end of the third week of June, prices in Malawi's Karonga, Lunzu, Mitundu and Mzuzu markets were higher than prices in Tete (Mozambique) during May 2020, the national average price in Zambia, and on SAFEX.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa in late June 2020



Note: Prices for Mozambique are as of May 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), Sistema de Informação de Mercados Agrícolas (SIMA), and the Zambia National Farmers Union.

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