

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 10 percent during April 2020.
- Prices in northern Malawi were slightly higher than prices in central and southern Malawi.
- ADMARC purchases were reported in 8 of the 26 markets monitored, and ADMARC sales in 18 markets.
- The price of old maize (from previous season) was MWK74/kg higher than the price of new maize.
- Maize prices in Malawi were lower than in most eastern and African markets.

Prices decreased by 10 percent

By the end of April, the average retail maize price had decreased by 10 percent to MWK177/kg. That is 5 percent higher than in April 2019. This price decline is expected as the harvest season for maize continues. Prices fell in 12 markets, remained constant in 9 and rose in 5 markets (Table 1). Jenda market recorded the largest price decline (46 percent) followed by Salima (36 percent). Mpondabwino recorded the highest price increase (21 percent) followed by Ngabu market (13 percent).

On April 7, the Ministry of Agriculture and Food Security (MoAFS) announced a minimum farmgate price of MWK200/kg, but retail prices were still 12 percent lower than this by the end of April. Preliminary findings from IFPRI’s countrywide maize price crowdsourcing activity show that 69 percent of participating farmers sold at prices below the minimum farmgate price during April.

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

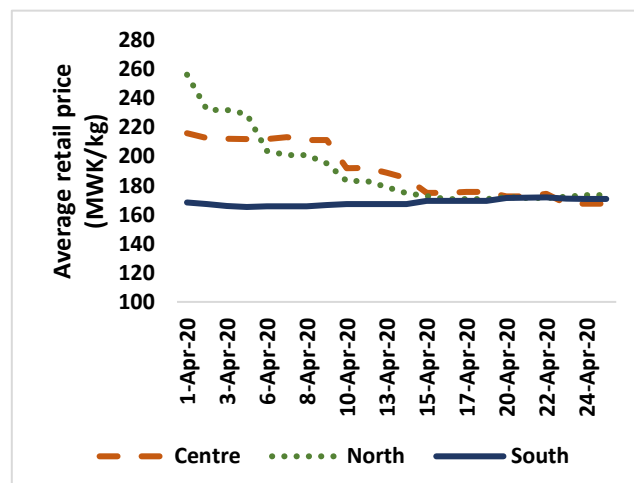
Market	4-Apr-20	11-Apr-20	18-Apr-20	25-Apr-20	Change
Chitipa	173	160	160	160	↓ -8%
Karonga	258	184	184	191	↓ -26%
Rumphhi	240	213	173	180	↓ -25%
Mzuzu	225	200	208	208	↓ -7%
Mzimba	190	150	150	146	↓ -23%
Jenda	278	190	143	150	↓ -46%
Salima	240	147	147	153	↓ -36%
Mchinji	200	200	200	178	↓ -11%
Nsungwi	250	200	200	193	↓ -23%
Mitundu	193	200	150	160	↓ -17%
Chimbiya	220	212	173	150	↓ -32%
Balaka	160	160	160	170	↑ 6%
M'baluku	150	147	147	150	↑ 0%
Mangochi	160	153	153	150	↓ -6%
Liwonde	150	150	150	150	↑ 0%
Chiringa	153	153	153	153	↑ 0%
Mpondabwino	163	176	184	197	↑ 21%
Lunzu	160	160	160	170	↑ 6%
Mbayani	200	200	217	217	↑ 8%
Mwanza	160	160	160	160	↑ 0%
Mulanje	170	170	170	170	↑ 0%
Luchenza	150	150	150	150	↑ 0%
Chikwawa	200	200	200	200	↑ 0%
Ngabu	160	187	187	180	↑ 13%
Bangula	202	202	209	202	↑ 0%
Nsanje	153	153	153	153	↑ 0%
All markets	191	176	171	171	↓ -10%

Prices are slightly higher in the North

Even though prices in the South remained stable during April, they were lower than in other regions for the first time in three years (Figure 1). Prices were also higher in the North than in other regions for the first time in three years but continued to decline rapidly thereafter. There appears to have been co-movement of prices in central and northern markets during April. We however expect the regional price patterns to revert to the usual where southern markets record highest prices while northern markets record lowest prices.

There were marginal price differences across regions during the second half of the month, with a North-Central difference of MWK6/kg and North-South difference of MWK3/kg.

Figure 1. Daily average maize retail prices during April

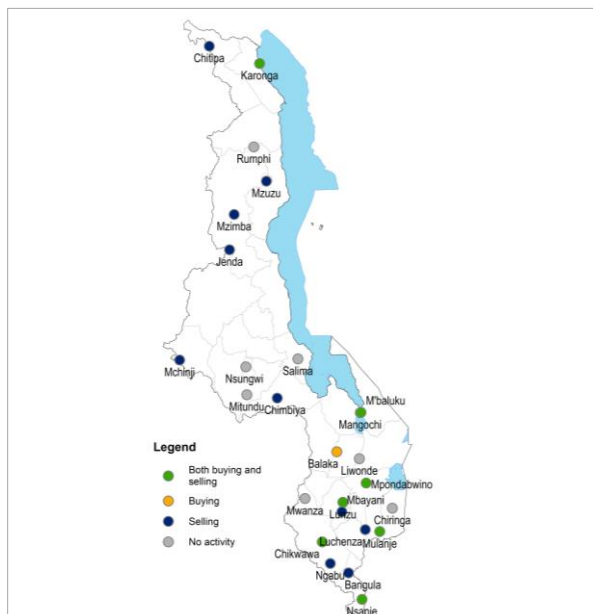


ADMARC Activities

In March 2020, the Agricultural Development and Marketing Cooperation (ADMARC) had announced its intention to purchase 400,000 MT maize, starting in the first week of April. In early April, ADMARC announced that a total of 232 markets (223 in the south and 9 in the north) were ready for maize purchases. Surprisingly, no market in the central region was listed. By mid-April, ADMARC had purchased a total of 2,200 MT of maize at a price of MWK200/kg.

By the end of April, ADMARC purchases were recorded in 8 of the 26 markets monitored by IFPRI (Karonga, Lunzu, Balaka, Mpondabwino, M'baluku, Mulanje, Chikwawa, and Nsanje). ADMARC sales were reported in 18 markets (Chitipa, Karonga, Mzuzu, Mzimba, Jenda, Mchinji, Chimbiya, Lunzu, Mbayani, Luchenza, Mpondabwino, M'baluku, Mangochi, Mulanje, Chikwawa, Ngabu, Bangula, and Nsanje). Figure 2 shows the locations where ADMARC activities took place in April.

Figure 2. Location of ADMARC activities in April 2020



Prices for old and new maize in April 2020

Compared to last month, the volume of old maize on the market seems to have decreased as traders in most markets only reported prices for new maize. New maize refers to maize from the current 2019/2020 harvest.

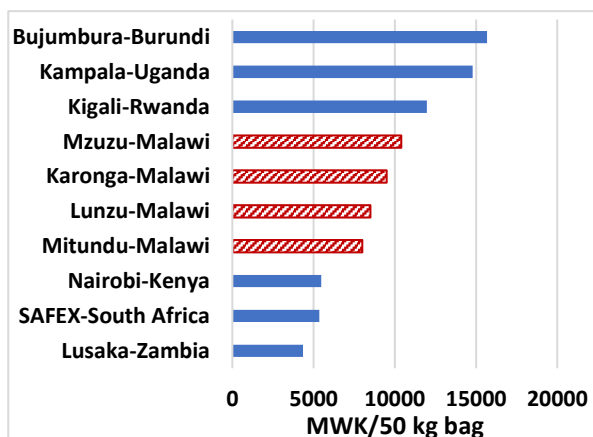
The average retail price for old maize was higher than for new maize throughout the month although the price gap narrowed mid-month. On average, retail prices of old maize were MWK74/kg higher than of new maize. This price difference is not unusual as traders argue that new maize has higher moisture content.

Regional prices

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in six other regional countries by the end of April. The highest price was recorded in Bujumbura (Burundi) followed by Kampala (Uganda) and Kigali (Rwanda). Lusaka (Zambia) recorded the lowest price.

By the end of April, prices in Malawi's Mzuzu, Karonga, Lunzu and Mitundu markets were higher than in Nairobi (Kenya), on SAFEX (the main grain futures markets in South Africa), and the average wholesale maize price in Lusaka (Zambia).

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end of April 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 Zambia National Farmers Union.



For further information contact

Dennis Ochieng (D.Ochieng@cgiar.org) or Rosemary Botha (R.Botha@cgiar.org) at IFPRI Malawi.

To learn more about our work, visit www.massp.ifpri.info or follow us on Twitter (@IFPRIMalawi).