MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Monthly Maize Market Report **November 2019**

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 12 percent during November and are now 103 percent higher than in November 2018.
- By the end of November, maize prices were at or above MWK 300/kg in 8 of the 26 markets monitored.
- Average retail prices remained highest in the south and lowest in the north during the month.
- ADMARC sales were reported in more than half the markets IFPRI monitors during the month of November.
- Maize prices in Malawi remain lower than in most eastern and southern Africa markets

Prices increased by 12 percent in November

Average retail maize prices have increased by 12 percent during the month of November. The average retail maize price was MWK254/kg, about 103 percent higher than in November 2018. Prices rose in twenty-three markets and remained constant in three markets (Table 1). Retail prices were at or above MWK 300/kg in eight markets.

The 12 percent price increase in November, follows increases of 2 percent each month in August, September and October and an atypical 23 percent Increase in July (Figure 1).

The largest price increase in November was recorded in in Liwonde market (25 percent) followed by Luchenza in Thyolo (23 percent) and Lunzu in Blantyre (20 percent).

By the end of November, retail prices in all markets were higher than the revised minimum farmgate price of MWK180/kg announced by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD) in August 2019.

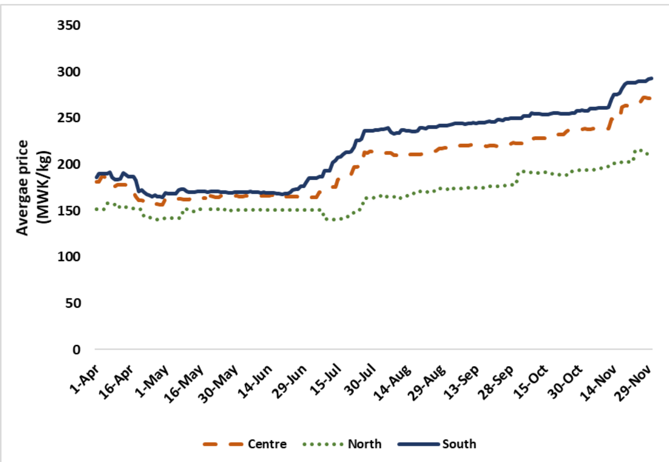
Table 1. Maize retail prices (MWK/kg) by market

Market	2-Nov-19	9-Nov-19	16-Nov-19	23-Nov-19	30-Nov-19	Change
Chitipa	191	191	191	191	191	0%
Karonga	205	210	205	211	211	3%
Rumphi	178	180	203	202	203	14%
Mzuzu	183	187	190	190	190	4%
Jenda	203	210	220	300	237	16%
Mzimba	200	200	197	197	220	10%
Salima	253	253	253	287	287	13%
Mchinji	220	220	220	250	260	18%
Nsungwi	250	250	280	280	283	13%
Mitundu	240	240	220	260	263	10%
Chimbiya	232	235	258	263	267	15%
Balaka	260	260	280	287	293	13%
M'baluku	260	300	300	300	300	15%
Mangochi	300	300	300	300	300	0%
Liwonde	240	240	250	293	300	25%
Chiringa	250	250	280	283	290	16%
Mpondabwino	263	263	311	311	314	19%
Lunzu	250	250	250	290	300	20%
Mbayani	280	280	307	320	320	14%
Mwanza	260	260	300	300	300	15%
Mulanje	283	283	300	300	300	6%
Luchenza	243	243	250	300	300	23%
Chikwawa	250	250	250	250	250	0%
Ngabu	243	243	270	270	280	15%
Bangula	240	240	251	251	273	14%
Nsanje	240	240	250	250	250	4%
All markets	**239**	**242**	**253**	**267**	**269**	**12%**

Prices remain highest in the South

Average retail maize prices were highest in the South and lowest in the North (Figure 1), as is the usual pattern. After a small decline in the month of April due to the onset of the main harvest season, prices remained relatively stable in all regions in the months of May and June. In July, prices sharply increased in all regions and then increased gradually over the next three months. A wider gap than usual between prices in the Centre and South, and North also emerged in July. During the month of November, prices remained stable during the first half of the month but increased during mid-November. By the end of November, prices in the South were about MWK22/kg higher than in the Centre while prices in the Centre were about MWK51/kg higher than in the North.

Figure 1. Daily average maize retail prices April – November 2019

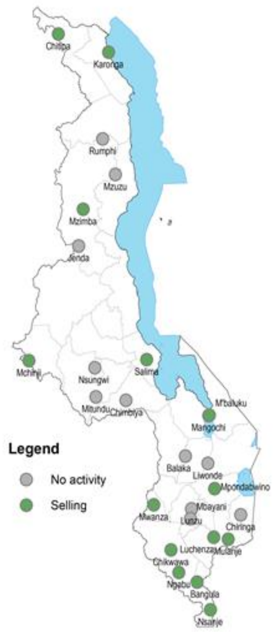


ADMARC and NFRA activities

In the first week of November, the Ministry of Agriculture, Irrigation and Water Development revised the purchase price of maize by ADMARC and NFRA to MWK 230/kg for deliveries at rural depots/markets and MWK250/kg for deliveries to central depots. However, most traders have been unwilling to sell to ADMARC or the NFRA at these prices.

Out of the 26 markets monitored by IFPRI across Malawi, ADMARC sales at MWK 150/kg were reported in fifteen markets (Chitipa, Karonga, Mzimba, Mchinji, Salima, M'baluku, Mangochi, Mpondabwino, Mwanza, Luchenza, Mulanje, Chikwawa, Ngabu, Bangula and Nsanje). However, there have been complaints about the quality of maize sold. No ADMARC purchases were recorded in any of the markets monitored, although ADMARC is understood to have procured around 3,300 MT in central Malawi this month. Figure 2 shows the locations where ADMARC sales took place during November.

Figure 2. Locations of ADMARC activities in October 2019

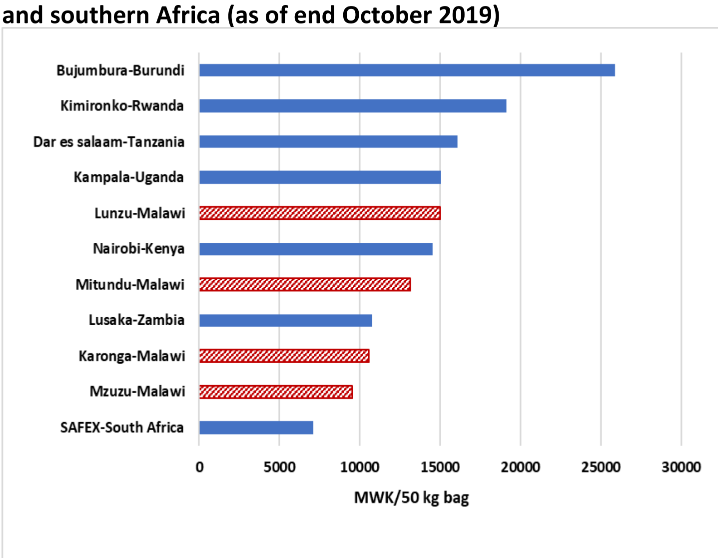


Regional prices in November 2019

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in eight other regional countries at the end of November. The highest price was reported in Bujumbura, Burundi followed by Kimironko, Rwanda and Dar es Salaam, Tanzania. SAFEX, the main grain futures market in South Africa recorded the lowest price.

By the end of November, prices in Malawi remained lower than in most eastern and southern Africa markets. However, prices in Malawi's Lunzu were higher than in Nairobi, Kenya and Lusaka, Zambia, while prices in Mitundu market were higher than in Lusaka, Zambia.

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