

### IFPRI Monthly Maize Market Report

June 2018

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, sellers, consumers, or other agricultural stakeholders.

### Highlights

- The average maize retail price increased by 2 percent during June 2018.
- The average retail price of MWK102/kg during June was 33 percent lower than the minimum farmgate price of MWK150/kg announced by the Malawi Government in mid-April.
- Maize prices in Malawi remain substantially lower than in eastern Africa, and most markets in southern Africa.

### Prices increased in June 2018

The average maize price for old maize stock, or last year's maize stock, was MWK102/kg during the month of June. Overall, the retail price increased by 2 percent during June. All markets recorded price increases during June, except for Mzimba in the North and Chikwawa in the South where prices remained constant (Table 1). In contrast, June 2017 estimates showed either price declines or stagnation in nearly all markets. Retail prices in all markets were significantly lower than the minimum farmgate price of MWK150/kg announced by the Malawi Government in mid-April 2018.

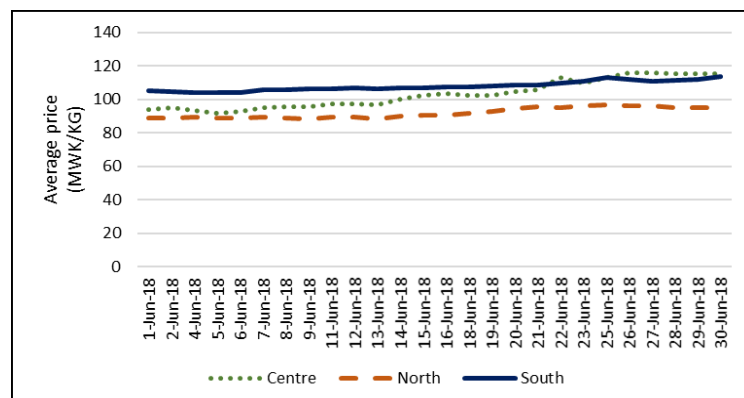
### Prices remain highest in the South

Maize prices remained highest in the South and lowest in the North, as has been the case since January. Unlike May, when prices declined towards end of the month, the average price rose towards the end of June in all the regions (Figure 1). The reported increase in the central region is due to Mchinji, where prices rose by 33% during the month. An 'informal' ban on farm gate maize sales has been imposed by village authorities in nearly all the regions, due to the poor harvest and a widespread fear of food shortages in the coming months. This led to reduced supplies thereby increasing prices.

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

Market	2-Jun-18	9-Jun-18	16-Jun-18	23-Jun-18	30-Jun-18	Change
Chitipa	72	75	75	75	75	↑ 5%
Karonga	103	103	103	108	108	↑ 5%
Rumphu	98	97	100	110	108	↑ 10%
Mzuzu	88	88	93	103	100	↑ 13%
Mzimba	80	78	78	80	80	→ 0%
Salima	107	100	100	120	120	↑ 13%
Mchinji	90	90	100	100	120	↑ 33%
Mitundu	100	110	117	117	120	↑ 20%
Chimbiya	83	83	95	102	102	↑ 22%
Lunzu	110	110	110	117	120	↑ 9%
Mwanza	113	110	113	117	117	↑ 3%
Liwonde	100	113	113	113	115	↑ 15%
Luchenza	100	100	110	117	120	↑ 20%
Mulanje	107	107	100	110	110	↑ 3%
Chikwawa	100	100	100	100	100	→ 0%
Nsanje	100	100	100	100	103	↑ 3%
<b>All markets</b>	<b>97</b>	<b>98</b>	<b>100</b>	<b>105</b>	<b>107</b>	<b>↑ 11%</b>

**Figure 1. Daily average maize retail prices during June 2018**



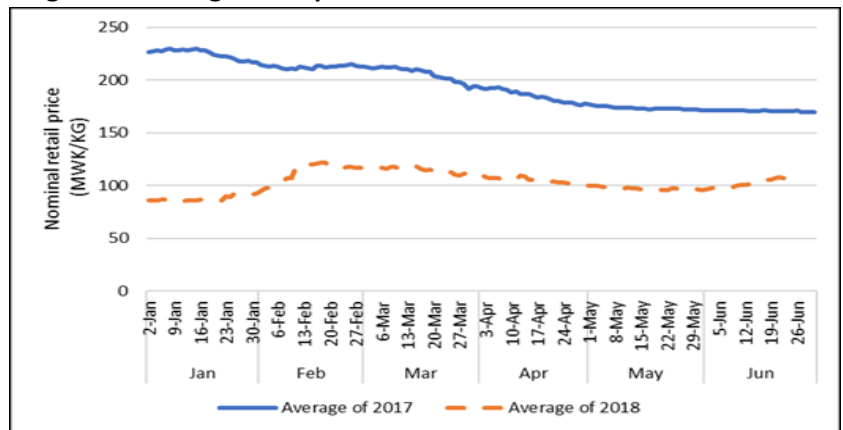
## ADMARC and NFRA activities

This month, 6 and 7 markets out of 16 reported buying and selling by ADMARC, respectively. The reported ADMARC buying price was MWK150/kg in all markets except Mwanza that reported MWK170/kg. The ADMARC sales price was constant at MWK250/kg. Auction Holdings Commodity Exchange (AHCX) is set to buy 32,000 MT of white non-GMO maize from farmers and private traders on behalf of the National Food Research Agency (NFRA) at MWK150/kg starting in July.

## Price trend – 2017 to 2018

Figure 2 compares average retail price trends from January to June of 2017 and 2018 for old maize stock. During the first half of 2018, maize prices were significantly lower than a year ago. Prices in June 2018 rose steadily from week to week. In contrast, a year earlier, maize prices declined during the same period. Maize prices continued to appreciate due to reduced local supplies, possibly due to poor harvest occasioned by prolonged dry spell.

**Figure 2. Average retail prices -Jan to June 2017 and 2018**

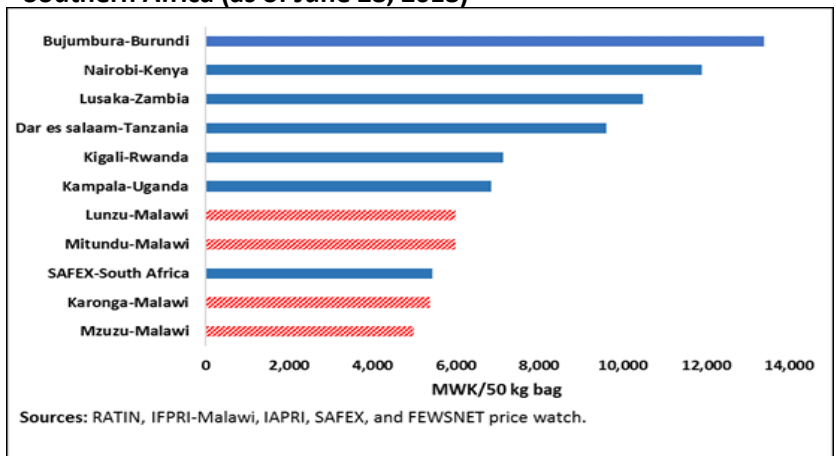


## Regional prices in June 2018

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and seven other countries in the region. Even though, maize prices increased by 4 to 14% in Malawi, maize prices in Malawi at the end of May were substantially lower than in other markets except SAFEX.

During May, maize prices per 50 kg bag dropped by not less than 24% in East Africa markets. The highest drop of 34% was reported in Nairobi, followed closely by Dar es Salaam at 32%. There was maize glut in Kenya during June that suppressed the prices significantly.

**Figure 3. Retail maize prices in selected markets in Eastern and Southern Africa (as of June 28, 2018)**



## 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 the 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 collected from the Regional Agricultural Trade Intelligence Network (RATIN), IFPRI Malawi and the Johannesburg Stock Exchange (JSE).



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