MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **August 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 decreased slightly during August 2020.
- Prices in the South were higher than in the Centre and North.
- ADMARC sales were reported in 11 of the 26 markets monitored.
- Retail maize prices in Malawi were lower than in most eastern African markets.

Prices decreased slightly in August

During the month of August, prices fell by 1 percent. The average retail price was MWK 175/kg. This price is 19 percent lower than in August 2019 but 46 percent higher than in August 2018.

Since the beginning of August, prices fell in 8 markets, stayed constant in 12, and rose in 6 markets (Table 1). Liwonde market recorded the largest price decline (10 percent) while Lunzu recorded the largest increase (8 percent) closely followed by Mangochi (7 percent).

A separate crowdsourcing exercise conducted by IFPRI between April and July this year showed that the median farmgate price of maize was MWK 140/kg. About 76 percent of the farmers who reported having sold maize during the period, sold at prices below the minimum farmgate price of MWK 200/kg set by the Ministry of Agriculture and Food Security in April.

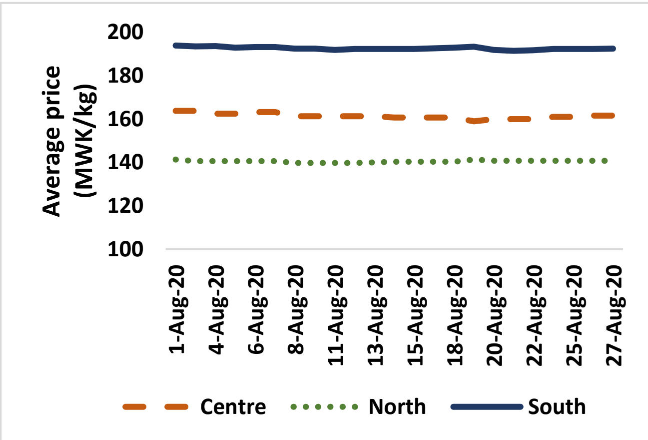
Table 1. Maize retail prices (MWK/kg) by market

Market	1-Aug-20	8-Aug-20	15-Aug-20	22-Aug-20	29-Aug-20	Change
Chitipa	140	140	140	140	140	0%
Karonga	139	136	136	141	141	2%
Rumphi	153	150	152	143	143	-7%
Mzuzu	150	148	150	150	150	0%
Mzimba	140	142	142	140	140	0%
Jenda	127	123	123	130	130	3%
Salima	177	180	180	170	173	-2%
Mchinji	160	155	153	158	158	-2%
Nsungwi	167	163	163	162	167	0%
Mitundu	167	160	160	160	163	-2%
Chimbiya	150	150	150	152	153	2%
Balaka	173	170	170	173	173	0%
M'baluku	187	187	190	190	187	0%
Mangochi	183	183	190	193	197	7%
Liwonde	200	200	200	180	180	-10%
Chiringa	200	200	200	200	200	0%
Mpondabwino	197	197	197	197	197	0%
Lunzu	180	180	180	180	195	8%
Mbayani	200	193	180	200	200	0%
Mwanza	193	200	200	180	180	-7%
Mulanje	200	200	200	200	200	0%
Luchenza	200	200	200	200	200	0%
Chikwawa	200	200	200	200	200	0%
Ngabu	180	180	180	183	183	2%
Bangula	218	202	203	203	203	-7%
Nsanje	200	200	200	200	197	-2%
All markets	**176**	**175**	**175**	**174**	**175**	-1%

Prices are higher in the South

Retail maize prices remained highest in the South and lowest in the North (Figure 1), as is usual. Throughout the month of August, prices remained stable in all regions with slight changes in prices towards the fourth week. By the end of the month, prices in the Centre were MWK 21/kg higher than in the North and MWK 31/kg lower than in the South.

Figure 1. Daily average maize retail prices during August 2020

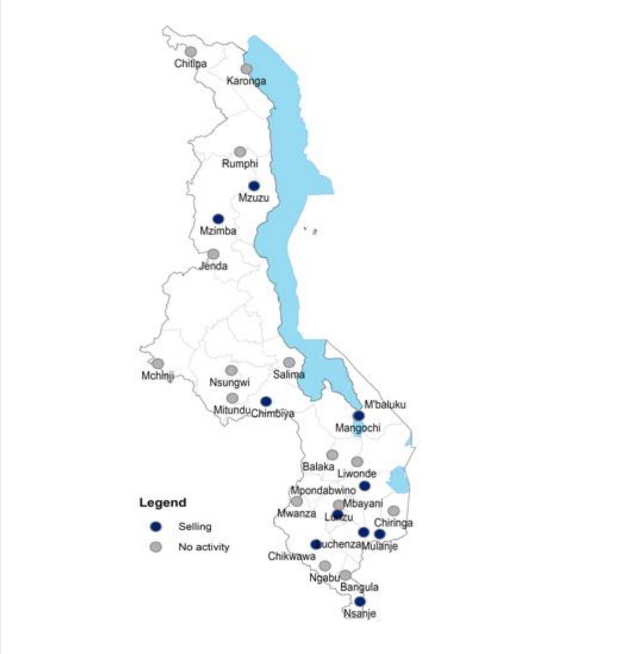


ADMARC Activities

During the 2019/2020 growing season, the Agricultural Development and Marketing Corporation (ADMARC) planned to purchase 600, 000 MT of maize from the market. However, because of limited financing, by the end of July ADMARC had only purchased about 55,000 MT of maize.

During the month of August, no ADMARC purchases were recorded in any of the 26 markets monitored by IFPRI while sales were reported in 11 markets: Mzuzu, Mzimba, Chimbiya, Mangochi, M'baluku, Lunzu, Mbayani, Mulanje Mpondabwino, Chikwawa, and Nsanje (Figure 2).

Figure 2. Location of ADMARC activities in August 2020

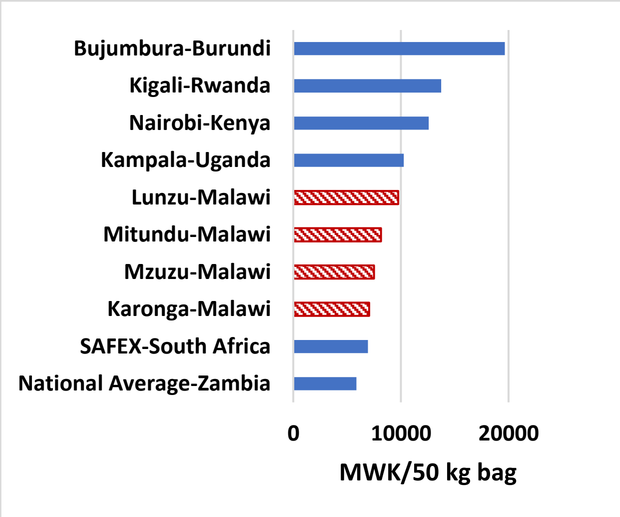


Regional prices

Figure 3 shows retail maize prices per 50 kg bag in selected markets in Malawi and in six other regional countries by the end of August. The highest price was recorded in Bujumbura (Burundi) followed by Kigali (Rwanda) and Nairobi (Kenya). The national average price for maize in Zambia was the lowest in the region.

By the end of August, prices in Malawi's Lunzu, Mitundu, Mzuzu and Karonga markets were higher than on SAFEX (the main grain futures market in South Africa) and the national average price in Zambia.

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

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