MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Monthly Maize Market Report **April 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 decreased by 4 percent during April 2018.
- The average nominal retail price declined from MWK115 in March 2018 to MWK106/kg in April 2018.
- Maize retail prices in Malawi remained lower than most markets in Eastern and Southern Africa.
- A new northern market, Chitipa, recorded some of the lowest maize retail prices.

Prices decreased in April 2018

Overall, the maize retail price decreased by 4 percent during April 2018 (Table 1). Out of the 16 markets, only one northern market (Karonga) and two central markets (Salima and Mchinji) reported price increases. Salima recorded the highest price increase of 10 percent, while Nsanje recorded the highest decrease of 15 percent. Surprisingly, Salima was second to Mulanje in terms of the highest price drops reported last month, at 12 percent. Prices in Mitundu and Mwanza were stable throughout the month. The nominal average monthly retail maize price in April 2018 was MWK106/kg, about 43 percent lower than in April 2017.

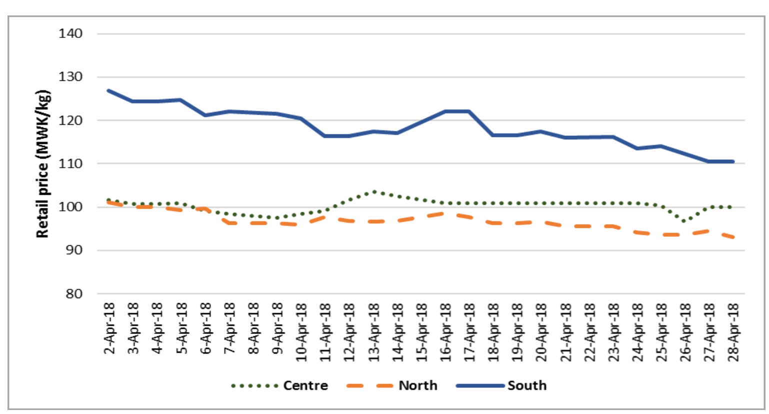
Table 1. Maize retail prices (MWK/kg) by market

Market	7-Apr-18	14-Apr-18	21-Apr-18	26-Apr-18	Change
Chitipa	83	83	85	74	-11%
Karonga	103	105	103	105	2%
Rumphi	113	117	110	110	-3%
Mzuzu	95	95	97	93	-2%
Mzimba	85	82	82	82	-4%
Salima	100	113	110	110	10%
Mchinji	98	100	100	100	3%
Mitundu	100	100	100	100	0%
Chimbiya	97	97	93	90	-7%
Lunzu	120	120	120	110	-8%
Mwanza	123	123	123	123	0%
Liwonde	117	107	103	110	-6%
Luchenza	120	120	120	105	-13%
Mulanje	120	107	113	113	-6%
Chikwawa	120	110	110	110	-8%
Nsanje	133	130	120	113	-15%
All markets	**108**	**107**	**106**	**103**	-4%

Prices remain highest in the South

Maize prices were highest in the South and lowest in the North (Figure 1) during April 2018. The combined monthly average price in the seven southern markets was higher (MWK118/kg) than in the central (MWK100/kg) and northern markets (MWK97/kg). Overall, maize prices gradually declined in April 2017, especially in the southern and northern regions. This decline is expected, as the main harvest season approaches. However, the price decline was not as sharp as observed during April of last year.

Figure 1. Daily average maize retail prices during April 2018



ADMARC activities: This month, 6 and 8 markets reported buying and selling by ADMARC, respectively.

Price volatility - 2017 to 2018

Figure 2 presents a summary of average maize prices and price volatility (absolute and relative) in the first four months of both 2017 and 2018. Range shows absolute price volatility, whereas coefficient of variation (CV) shows relative price volatility. Absolute price volatility reduced between 2017 and 2018 (except for February). In contrast, relative price volatility increased in the same periods.

Figure 2. Price volatility in the first four months, Malawi

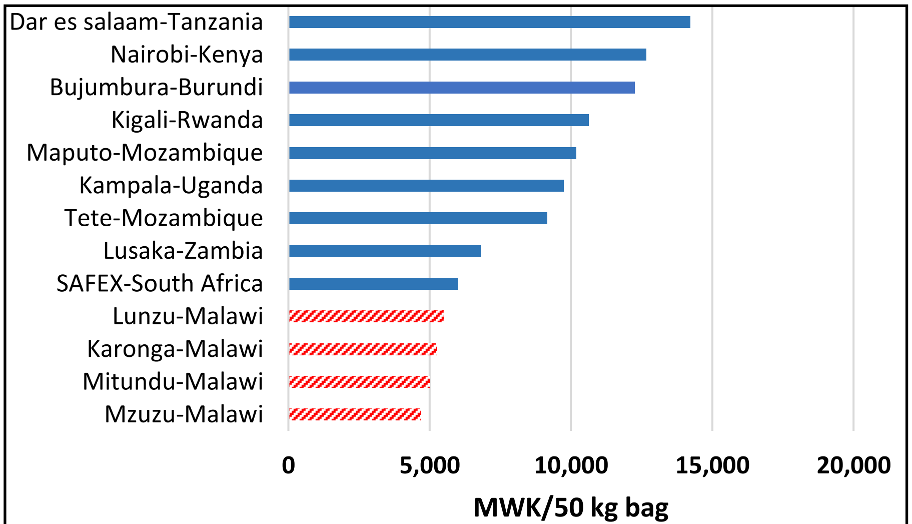
Month	Mean		Range		CV	
	2017	2018	2017	2018	2017	2018
January	225	88	100	80	8	18
February	213	114	100	100	10	22
March	206	115	130	90	12	16
April	176	106	138	70	18	14
Average	**205**	**105**	**137**	**105**	**15**	**20**

Notes: CV is coefficient of variation; Range is difference between maximum and minimum prices

Regional prices in April 2018

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and seven other countries in the region. East African markets recorded significantly higher prices than Southern African markets. The highest prices were reported in Dar es Salaam-Tanzania, followed by Nairobi-Kenya and Bujumbura-Burundi. Compared to last month, prices in April dropped significantly, especially in Kigali-Rwanda (a fall of 83 percent), Nairobi-Kenya (a 58 percent decrease), and Dar-es-Salaam (down 12 percent). Maize retail prices in Malawi markets were lower than in other regional markets, not exceeding MWK5,500 during the month.

Figure 3. Retail maize prices in selected markets in Eastern and Southern Africa (as of April 30, 2018)



Sources: RATIN, IFPRI-Malawi, IAPRI, SAFEX, and FEWSNET price watch.

Note: Prices in Maputo, and Tete are as at 28th February 2018 and in Lusaka is as of 31st March 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. An additional market, Chitipa in the north, was added during March and is being reported on from April onwards. 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).

For further information contact: Dennis Ochieng (D.Ochieng@cgiar.org) or Rose Botha (R.Botha@cgiar.org) at IFPRI Malawi.

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