MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Monthly Maize Market Report **December 2017**

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 1 percent during the month of December 2017.
- The average nominal retail price of maize was nearly three times lower than it was at this time last year.
- As in the previous month, prices were highest in the southern region.
- Maize retail prices in Malawi remain lower than most markets in Eastern and Southern Africa.

Marginal price decrease in December 2017

Average retail maize prices decreased by 1 percent in December 2017 (Table 1). Of the 15 markets, only 2 (Liwonde and Chikwawa in the South) reported price decreases during the month. Liwonde registered by far the largest price decrease of 23 percent. Price increases were reported in four markets, two in the North (Karonga and Rumphi) and the other two markets in the Centre (Nkhamenya and Mchinji), with Nkhamenya reporting the largest price increase of 9 percent. Average prices did not change in 9 markets. The average nominal retail price in December 2017 was MWK87/kg, nearly three times lower than MWK229/kg reported in December 2016.

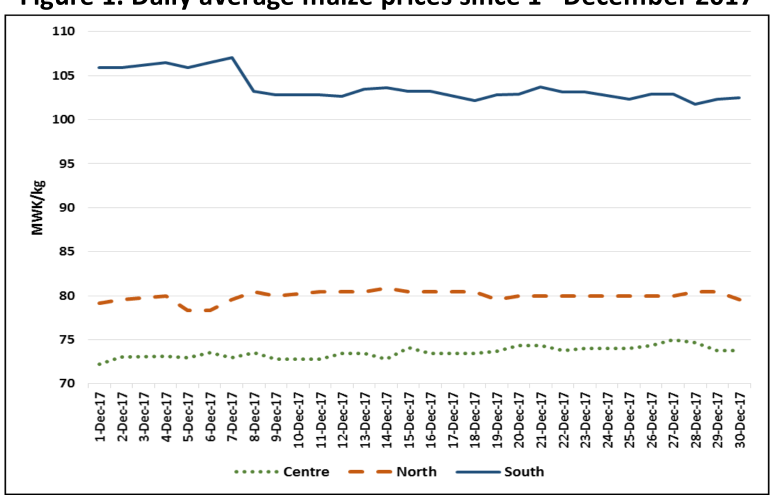
Table 1. Maize retail prices (MWK/kg) by market

Market	30-Nov-17	9-Dec-17	16-Dec-17	23-Dec-17	30-Dec-17	Monthly change
Karonga	88	90	90	90	90 ↑	2%
Rumphi	85	88	87	85	87 ↑	2%
Mzimba	68	68	68	68	68 ⇨	0%
Mzuzu	70	77	77	77	70 ⇨	0%
Nkhamenya	73	80	80	80	80 ↑	9%
Mponela	70	70	70	70	70 ⇨	0%
Mchinji	74	71	71	75	75 ↑	2%
Mitundu	73	73	77	73	73 ⇨	0%
Chimbiya	70	70	70	70	70 ⇨	0%
Liwonde	103	82	82	80	80 ↓	-23%
Mwanza	110	107	107	107	110 ⇨	0%
Lunzu	100	100	100	100	100 ⇨	0%
Mulanje	120	120	120	120	120 ⇨	0%
Chikwawa	95	90	95	100	90 ↓	-5%
Nsanje	107	110	113	110	107 ⇨	0%
Average	**87**	**86**	**87**	**87**	**86** ↓	**-1%**

Prices remain highest in the South

Overall, prices were stable across all the 3 regions in December 2017. Although there was a slight peak in the South and a marginal drop in the North during the first week of the month, there was a relatively steady price trend during the rest of the month. Prices were highest in the South and lowest in the Centre.

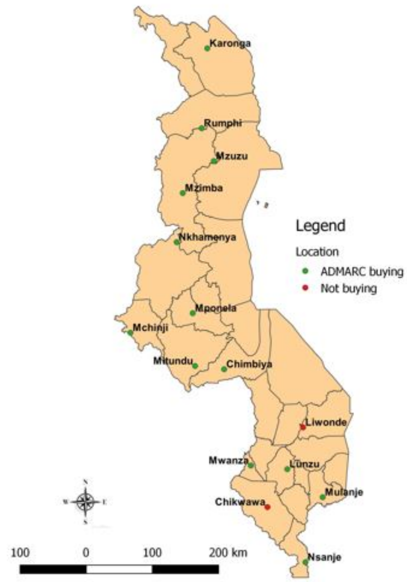
Figure 1. Daily average maize prices since 1st December 2017



ADMARC buying maize at MWK170/kg and selling at MWK250/kg

ADMARC continues to buy maize at MWK170/kg and sell at MWK250/kg. ADMARC was reported to be buying maize in 13 of the 15 markets during the month of December 2017. No buying activity was reported in two markets in the South (Liwonde and Chikwawa). During the month, average retail maize prices were higher in markets where ADMARC was reported to be buying maize (MWK90/kg) than in markets where it was not buying (MWK86/kg). ADMARC was reported to be selling maize in all markets except Chikwawa. However, the ADMARC sale price remains substantially higher than market prices.

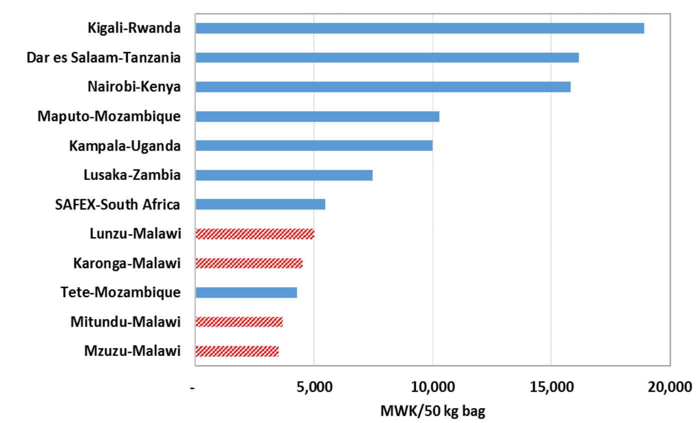
Figure 2. Location of markets where ADMARC was buying maize in December 2017



Regional prices in December 2017

Figure 3 shows retail maize prices in selected markets in Malawi and six countries in the Southern and Eastern African region. Retail maize prices in Malawi (Lunzu, Karonga, Mitundu, and Mzuzu) remain lower than in most markets elsewhere in the region. As was the case in November 2017, the highest prices were reported in Kigali-Rwanda, followed by Dar es Salaam-Tanzania. Two markets in Malawi (Mzuzu and Mitundu) were reported to have the lowest retail maize prices in the region, followed by Tete-Mozambique. This illustrates that despite the lifting of the export ban in late October 2017 and issuance of maize export permits worth 370,000 metric tonnes to some traders during the month of December 2017, maize prices for Malawian farmers and traders have not improved.

Figure 3. Retail maize prices in selected markets in Eastern and Southern Africa, 30th December 2017



Sources: Regional Agricultural Trade Intelligence Network, IFPRI-Malawi and FEWSNET price watch
Note: Prices in Lusaka, Nairobi and Maputo are as at 30 November 2017

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 15 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. From January 2018, maize price monitoring will include 3 additional markets, namely Chitipa, Salima, and Luchenza, to complement the markets monitored weekly by mVAM. Two markets (Nkhamenya and Mponela) will be dropped in the process. The regional prices reported in Figure 3 are collected from the Regional Agricultural Trade Intelligence Network (RATIN) and the Famine Early Warning Systems Network (FEWS NET).

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