

Highlights

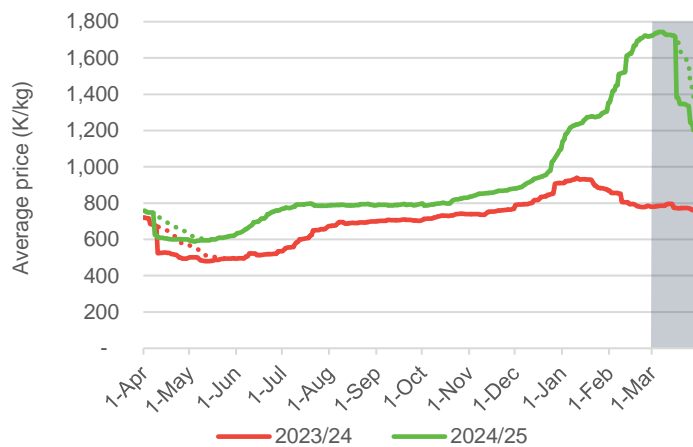
- ▶ Retail prices of maize declined on average by 25 percent in March thanks to the arrival of newly harvested maize on the market.
- ▶ The depreciation of the Malawi kwacha against neighboring currencies at the informal exchange rates used for most cross-border maize trade slowed down in March, which further eased pressure on prices.
- ▶ Imports of old maize from Tanzania were increasingly complemented by new maize coming in from Mozambique and southern Zambia.
- ▶ By the end of March, imports dominated exports at nearly all border crossings.

Maize prices peaked in early March

Figure 1 shows a trend in prices over the 12 months ending in March 2025, and, for comparison, over the 12 months ending in March 2024. At the beginning of the harvest season, we start reporting prices of newly harvested maize, which has a higher moisture content than maize from the previous harvest. High moisture content makes maize unsuitable for storage or milling. During drying, it loses up to 20 percent of its weight. Solid lines in Figure 1 represent observed maize prices. Dotted lines represent prices adjusted for moisture content, reflecting the true price trend.

After four months of exponential rise, retail prices of maize peaked on 5 and 6 March, reaching a record-beating national average of K1,743/kg and an absolute maximum of K1,933/kg in Zomba. As the harvest of new maize began, increased supply and reduced demand led to a decline in maize prices in the rest of the month (Figure 1). However, the 25 percent reduction in observed prices between the last week of February and the last week of March (Table 1) is exaggerated by high moisture content in fresh maize. The decline in prices adjusted for moisture was only 12 percent over the same period of time.

Figure 1: Trends in maize retail prices



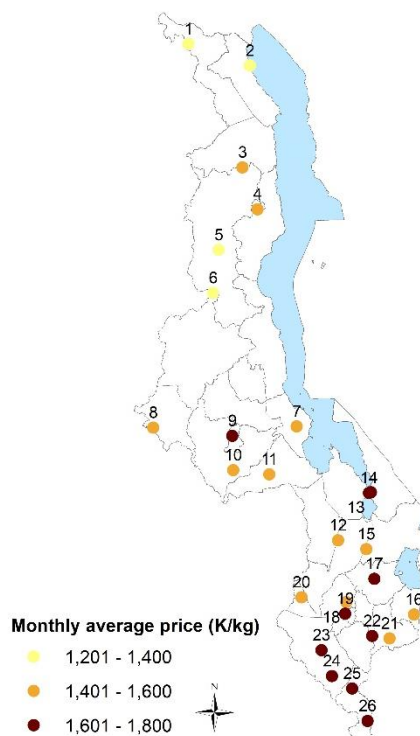
Newly harvested maize relieves price pressure

Despite the late onset of the rainy season, maize harvest started early this year, with new maize hitting markets in early March in the Southern region. Some farmers may have planted early maturing varieties, but many harvested their crop prematurely to alleviate liquidity constraints or to preempt theft. Supply of maize was boosted by cheap imports from parts of neighboring Mozambique where harvest had also started (Table 2 and Figure 4). Consequently, the Southern region experienced a steeper price decline than the rest of the country. In the final week of March, maize was retailing at an average price of K1,332/kg, down from K1,807/kg in the final week of February in the region. As the harvest campaign gained momentum and moved north, and as relatively cheap imported maize reached the Central region, prices there also dropped from K1,739/kg at the end of February to K1,308/kg at the end of March on average. The Northern region recorded the smallest price decline but continued to report the lowest maize prices nationally, averaging K1,144/kg by the end of March (Table 1 and Figure 2).

Table 1: Weekly average retail prices (K/kg)

Market	Week ending on					Monthly change
	28-Feb	7-Mar	14-Mar	21-Mar	28-Mar	
1 Chitipa	1,367	1,382	1,335	1,142	1,079	-21%
2 Karonga	1,330	1,384	1,326	1,211	1,110	-17%
3 Rumph	1,426	1,503	1,541	1,394	1,306	-8%
4 Mzuzu (boma)	1,430	1,473	1,549	1,393	1,269	-11%
5 Mzimba (boma)	1,423	1,498	1,568	1,366	1,158	-19%
6 Mzimba (Jenda)	1,447	1,435	1,376	1,154	1,010	-30%
North	1,418	1,451	1,452	1,273	1,144	-19%
7 Salima	1,683	1,749	1,762	1,519	1,370	-19%
8 Mchinji	1,647	1,668	1,638	1,311	1,127	-32%
9 Lilongwe city (Nsungwi)	1,806	1,830	1,809	1,586	1,486	-18%
10 Lilongwe (Mitundu)	1,694	1,744	1,730	1,240	1,010	-40%
11 Dedza (Chimbiya)	1,686	1,710	1,733	1,310	1,048	-38%
Center	1,739	1,772	1,762	1,464	1,308	-25%
12 Balaka	1,681	1,671	1,652	1,407	1,167	-31%
13 Mangochi (M'baluku)	1,793	1,838	1,871	1,569	1,339	-25%
14 Mangochi (boma)	1,796	1,852	1,743	1,564	1,377	-23%
15 Liwonde	1,849	1,746	1,846	1,556	1,317	-29%
16 Phalombe (Chiringa)	1,726	1,718	1,618	1,280	1,138	-34%
17 Zomba (Mpondabwino)	1,881	1,886	1,840	1,643	1,426	-24%
18 Blantyre (Lunzu)	1,799	1,774	1,700	1,418	1,255	-30%
19 Blantyre city (Mbayani)	1,860	1,893	1,890	1,629	1,476	-21%
20 Mwanza	1,783	1,748	1,760	1,335	1,119	-37%
21 Mulanje	1,864	1,817	1,795	1,476	1,252	-33%
22 Thyolo (Luchenza)	1,850	1,851	1,857	1,551	1,381	-25%
23 Chikwawa (boma)	1,707	1,782	1,771	1,564	1,411	-17%
24 Chikwawa (Ngabu)	1,769	1,804	1,896	1,570	1,381	-22%
25 Nsanje (Bangula)	1,767	1,767	1,845	1,626	1,415	-20%
26 Nsanje (boma)	1,833	1,860	1,893	1,567	1,317	-28%
South	1,807	1,808	1,802	1,528	1,332	-26%
Malawi	1,719	1,736	1,730	1,463	1,292	-25%

Figure 2: Location of monitored markets



Cross-border trade patterns

In 2024, Southern Africa, including Malawi, Zambia and Mozambique experienced droughts that led to poor harvests of maize. The region produced some 8 million tons less than its population typically consumes in a year. At the same time, Tanzania produced a surplus of maize for the second year in a row. As a result, Tanzanian maize was traded southward during the months leading to the 2025 harvest.

Maize trade across Malawi's borders in March 2025 was largely consistent with this pattern. Tanzanian maize entered Malawi for around K1,200/kg (Table 2), with much of it finding its way to Lilongwe (Figure 3).

Figure 3: Trade flows

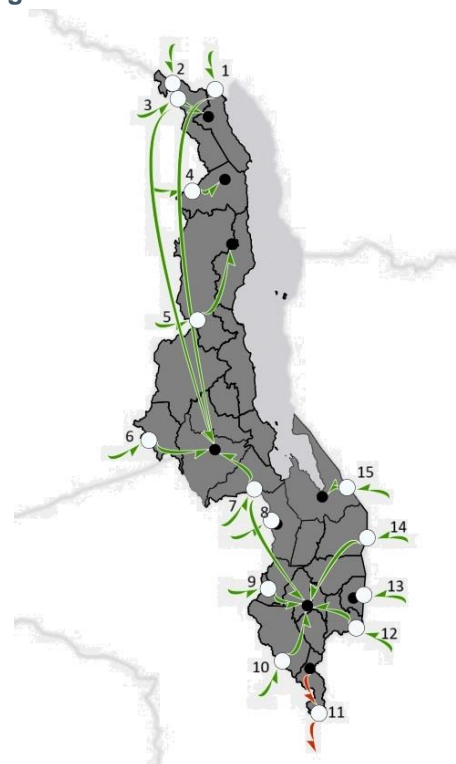


Table 2: Cross-border trade and import/export parity prices

District (border post)	neighbor	Week ending on			
		9-Mar	16-Mar	23-Mar	30-Mar
1 Karonga (Songwe)	TZ	1,217	1,217	1,100	1,050
2 Chitipa (Mbirima)	TZ	1,250	1,200	1,250	1,200
3 Chitipa (Sopolera)	ZM	1,325	1,275	-	1,150
4 Rumph (Hewe)	ZM			-	1,067
5 Mzimba (Mqocha/Jenda)	ZM	1,150	1,350	1,200	1,050
6 Mchinji	ZM	1,250	1,450	900	1,050
7 Dedza	MZ	1,600	1,700	1,533	900
8 Ntcheu (Tsangano)	MZ	1,500	1,417	1,600	917
9 Mwanza	MZ	1,600	1,700	1,500	950
10 Chikwawa (Mkumaniza)	MZ		1,650		700
11 Nsanje (Marka)	MZ	1,967	1,900	1,500	1,400
12 Mulanje (Muloza)	MZ		1,300	1,000	750
13 Phalombe (Kolowiko)	MZ	1,100	1,650	900	800
14 Machinga (Nayuchi)	MZ	1,350	1,600	900	800
15 Mangochi (Chiponde)	MZ	1,650	1,650	1,100	1,133

Notes: << net imports passing through to other districts, < net imports into border district only, <> similar volume of trade in both directions, > net exports sourced from border district only, >> net exports sourced from other districts, - no cross-border trade. Import and export parity prices, i.e., the prices at which imported maize can be bought and those at which maize for export can be sold on the Malawi side of the border, are reported in K/kg.

Notes: Arrows illustrate net imports and net exports in the week ending on 30 March 2025.

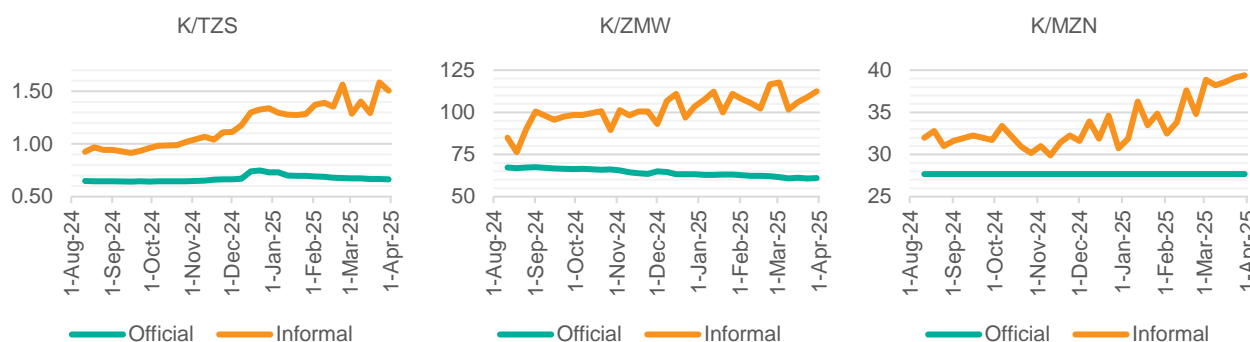
However, in contrast to previous months, Malawi did not rely only on maize imports from Tanzania. As maize harvest began in parts of Mozambique, import prices at Malawi's south-eastern border dropped by almost 40 percent in the third week of March, followed by a similar decrease in import prices of maize along the south-western border with Mozambique and Zambia, stimulating imports from these two countries. Some imported maize was traded locally, but much was transported further inland to Blantyre and Lilongwe (Figure 3).

Still, import parity prices of maize at most monitored border crossing points (Table 2) remained significantly lower than domestic retail prices (Table 1). As a result, most border locations registered net imports of the commodity, despite an import ban imposed on maize and other goods on 13 March.

The only exception to this trend was Malawi's southernmost border post, Marka in Nsanje district, through which more maize was exported into Mozambique than imported. However, the export margins (i.e., the difference between the export parity price and the domestic price) in Marka were much smaller than the import margins (i.e., the difference between the domestic price and the import parity price) in other locations. In other words, economic incentives to import maize were stronger than incentives to export it.

In addition to the arrival of newly harvested maize on the market, the slowing down of the depreciation of the Malawi kwacha at informal exchange rates in March contributed to the decline of import prices. Figure 4 shows official exchange rates as well as informal rates reported by cross-border traders.

Figure 4: Exchange rates



Notes: Official rates are the selling rates published by the Reserve Bank of Malawi. Informal rates are reported by cross-border traders.

How data were collected

IFPRI Malawi has been monitoring maize retail prices in selected markets since November 2016. Price data are collected telephonically six times per week (excluding Sundays) from 26 markets across the country. Additionally, local import and export prices as well as the direction and terms of trade are collected on a weekly basis from 15 border crossing points. Three monitors (typically small grain traders) report from each location. All prices are reported in Malawi kwacha (K).