IFPRI | MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **January 2024**

The Monthly Maize Market Report was developed by researchers at IFPRI Malawi to provide clear and accurate information on the variation of maize prices in selected markets throughout Malawi. All prices are reported in Malawi Kwacha (K).

Highlights

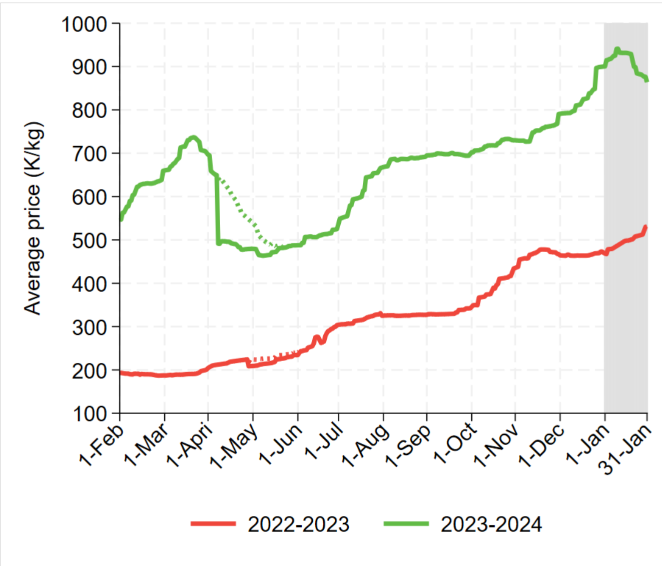
- Retail prices of maize increased by 8 percent in the first half of January before declining in the second half of the month to a level 3 percent higher than at the end of December.
- Maize prices were highest in the Southern Region.
- ADMARC sales were reported in 19 of 26 markets monitored by IFPRI, mostly in the Southern region.
- Retail prices of maize in Malawi were higher than in neighboring countries, attracting informal imports.

Prices increased by 3 percent in January

Figure 1 shows a trend in prices over the 12 months ending in January 2024, and, for comparison, over the 12 months ending in January 2023. At the beginning of the harvest season, we start reporting prices of newly harvested maize, which has a higher moisture content compared to maize from the previous harvest. High moisture content makes it unsuitable for storage or milling. During drying, it loses about 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.

In the first 11 days of 2024, average maize prices continued their upward trend, before entering a decline in nearly all monitored markets (Figure 1). The final week of January 2024 thus saw a weekly average price of maize rose to K887/kg, only 3 percent above the final week of December 2023 (Table 1). This is 73 percent higher in nominal terms than in the last week of January 2023, when maize was retailing on average at K512/kg.

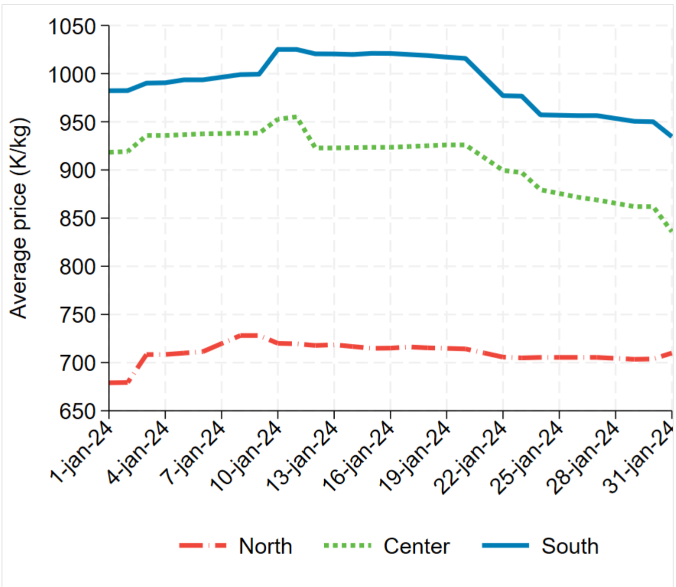
Figure 1. Long-run trends in average maize retail prices



Maize prices remain highest in the South

The inverse U-shaped trend of national average prices hides considerable regional differences (Figure 2 and Table 1). The Southern region recorded the highest monthly average retail price of K991/kg (Figure 2), with Luchenza market in Thyolo recording the highest weekly average retail price in the third week of January (K1,088/kg) and Mwanza experiencing the highest increase (17 percent) in the region (Table 1). Despite these highs, 5 markets within the region, including Liwonde, Chiringa, Mulanje, M'baluku, and Balaka experienced a decline in prices, as did the region on average.

Figure 2. Average daily maize retail prices by region

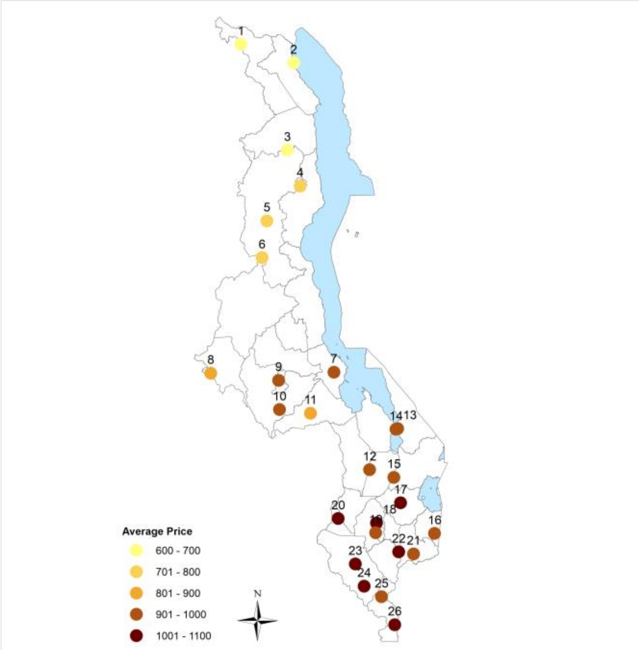


Traders attribute the price decline to improved availability of maize thanks to in-kind lean season response by DoDMA, the opening of ADMARC markets, the influx of traders from other districts offering lower prices, and the removal of the import ban on Tanzanian maize. The monthly average retail price in the Central Region was slightly lower at K911/kg. The region also experienced a sustained price decline in the second half of January, with Chimbiya market in Dedza recording the largest decline in maize prices (5 percent). In the North, the monthly average retail price stood at K710/kg, with Chitipa recording the lowest weekly average price of K623/kg in the final week of January, reflecting the region's overall lowest prices as compared to the rest. However, the price decline in most northern markets was more modest than in the rest of the country, so that prices in the region did not quite drop to the level at the end of December 2023.

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

	Week ending on					
	28-Dec-23	7-Jan-23	14-Jan-23	21-Jan-23	28-Jan-23	Change
Chitipa[1]	630	657	647	628	623	-1%
Karonga[2]	614	676	720	704	660	7%
Rumphi[3]	650	686	700	700	700	8%
Mzuzu[4]	688	702	726	743	750	9%
Mzimba[5]	698	718	767	761	749	7%
Jenda[6]	723	776	768	750	750	4%
Salima[7]	900	938	954	950	932	4%
Mchinji[8]	838	907	883	893	858	2%
Nsungwi[9]	883	967	962	956	900	2%
Mitundu[10]	869	917	950	948	880	1%
Chimbiya[11]	876	930	932	869	829	-5%
Balaka[12]	921	1000	991	979	900	-2%
M'baluku[13]	926	987	996	982	901	-3%
Mangochi[14]	851	898	931	940	917	8%
Liwonde[15]	952	1001	1004	997	922	-3%
Chiringa[16]	929	1000	1000	993	900	-3%
Mpondabwino[17]	933	1000	1024	1033	1033	11%
Lunzu[18]	926	990	1001	1007	1013	9%
Mbayani[19]	950	985	1000	1000	1000	5%
Mwanza[20]	900	1017	1052	1055	1052	17%
Mulanje[21]	952	1000	1024	1026	924	-3%
Luchenza[22]	954	1002	1081	1088	967	1%
Chikwawa[23]	1000	1000	1011	1026	999	0%
Ngabu[24]	930	1022	1057	1062	929	0%
Bangula[25]	863	967	1030	1017	973	13%
Nsanje[26]	962	979	1033	1031	1000	4%
All markets	**859**	**912**	**932**	**928**	**887**	**3%**

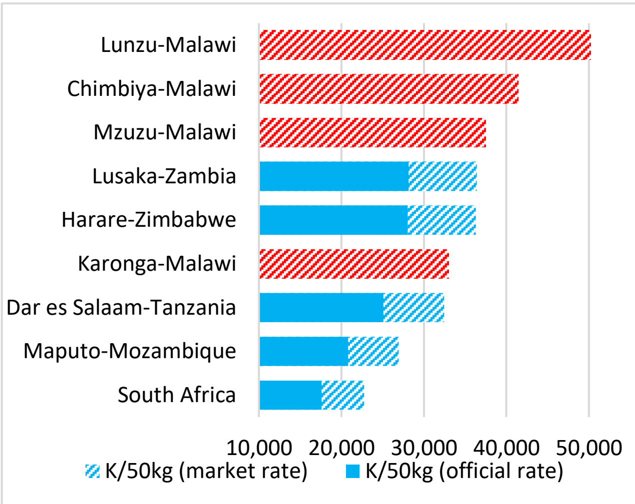
Figure 3. Location of markets



Regional prices

Based on weekly avarage prices in the final week of January, The retail prices of maize in selected markets in Malawi were higher than those in neighboring countries based on the official exchange rate (K1,700/$) (Figure 4). Lunzu market in Blantyre, Chimbiya market in Dedza, and Mzuzu market all recorded higher prices than neighborig countries at the market exchange rate (K2,200/$) as well. Conversely, Tanzania, Mozambique, and South Africa reported the most competitive maize prices across both exchange rates.

Figure 4. Regional comparison (January 2024)



Note: Weekly average price for the week ending on 28th January

ADMARC Activities

ADMARC sales were reported in 19 of the 26 markets monitored by IFPRI, 3 in the Northern region, 3 in the Central region and 13 in the Southern region. No ADMARC purchases were reported in any of the 26 markets.

How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since January 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 market. Data is collected by means of phone calls to the monitors. Regional prices reported in Figure 4 are sourced from weekly reports from Commodity Insights Africa.

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