IFPRI | MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **February 2021**

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 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 declined by 7 percent during February 2021.
- Prices in the South remained higher than in the Centre and North.
- ADMARC sales were reported in all the 26 markets monitored by IFPRI.
- Retail maize prices in Malawi were lower than in most eastern southern Africa markets.

Prices decreased by 7 percent

Retail maize prices fell by 7 percent during the month of February. This is an atypical price trend given that Malawi is now at the peak of the lean season. The largest price decline was recorded in Chitipa market (22 percent), followed by Bangula in Nsanje (19 percent), and Mwanza (16 percent). Mulanje is the only market that recorded a price increase of 5 percent. Prices remained constant in 3 markets namely Mzuzu, Mangochi and Chiringa.

During the month, the average retail maize price was MWK 185/kg. This is about 10 percent lower than the average retail price last month and 45 percent lower than in February 2020.

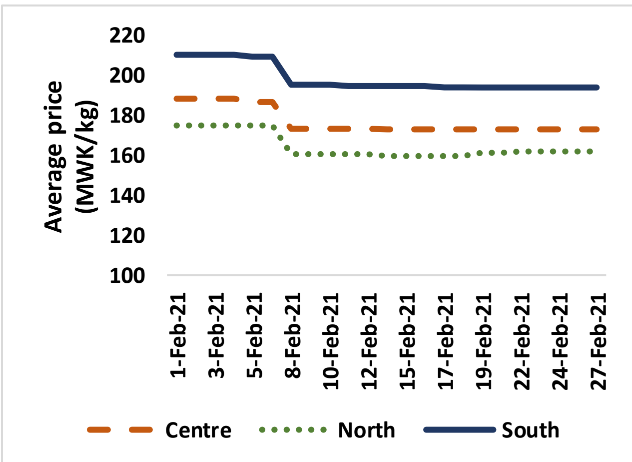
Table 1. Maize retail prices (MWK/kg) by market

Market	6-Feb-21	13-Feb-21	20-Feb-21	27-Feb-21	Change
Chitipa	197	180	180	153	-22%
Karonga	185	168	168	168	-9%
Rumphi	160	153	153	153	-4%
Mzuzu	180	180	180	180	0%
Mzimba	167	162	162	165	-1%
Jenda	153	142	148	148	-3%
Salima	220	200	200	200	-9%
Mchinji	180	164	164	164	-9%
Nsungwi	183	180	180	180	-2%
Mitundu	180	173	173	173	-4%
Chimbiya	170	150	150	150	-12%
Balaka	197	180	180	180	-8%
M'baluku	213	200	200	200	-6%
Mangochi	200	200	200	200	0%
Liwonde	200	180	180	180	-10%
Chiringa	200	200	200	200	0%
Mpondabwino	220	200	200	200	-9%
Lunzu	200	190	190	190	-5%
Mbayani	220	200	200	200	-9%
Mwanza	207	173	173	173	-16%
Mulanje	200	210	210	210	5%
Luchenza	200	197	197	193	-3%
Chikwawa	220	210	205	210	-5%
Ngabu	210	190	190	190	-10%
Bangula	234	196	193	190	-19%
Nsanje	220	197	197	197	-11%
All markets	**197**	**184**	**184**	**183**	**-7%**

Prices are higher in the South

Retail maize prices remained highest in the South and lowest in the North (Figure 1), as is the usual pattern. Prices in all regions remained stable during the first week of the month before dropping by MWK10 to 15 at the beginning of the second week. Thereafter, prices have remained stable in all regions. At the end of the month, prices in the Centre were MWK 12/kg higher than in the North and MWK 21/kg lower than in the South.

Figure 1. Daily average maize retail prices during



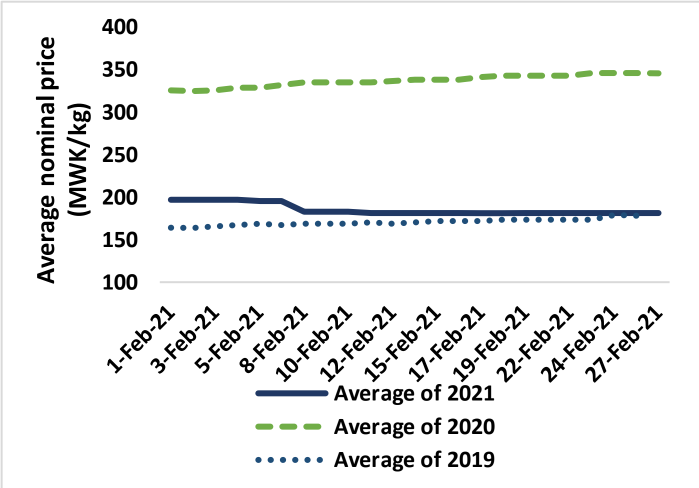
ADMARC Activities

During the first three weeks of February, ADMARC sales were reported in all markets monitored by IFPRI except Jenda. Maize is being sold to consumers by ADMARC at MWK 160/kg, which is substantially lower than the retail price in most markets. No ADMARC purchases were reported in any of the 26 markets monitored. During the month, ADMARC announced that it had secured funds worth K183 billion (about $234 million) to purchase 1.1 million metric tonnes of maize from smallholder farmers this year.

Price trends (Feb 2021, 2020 and 2019)

Figure 2 presents a graph showing price trends in February 2021, 2020 and 2019. Overall, the nominal average price in February 2021 is significantly lower than in February of 2020. The nominal average price in 2021 was about MWK 40/kg lower than that of February 2019 during the first two weeks of the month, with prices almost equal at the end of the month in both years. Prices in 2020 and 2019 rose slightly throughout the month, whereas prices in 2021 declined at the start of the second week of the month.

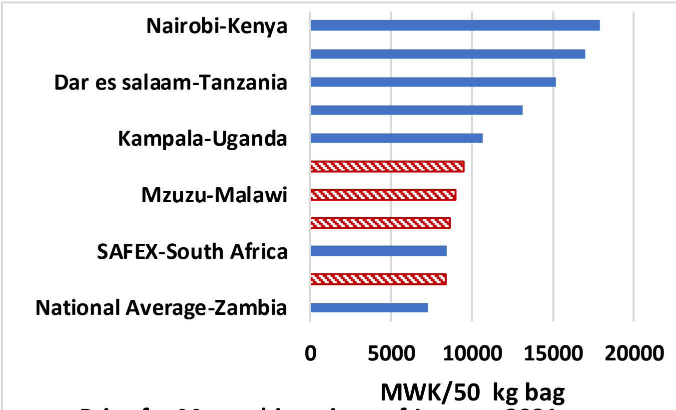
Figure 2. Price movements in February 2021, 2020 and 2019



Regional prices

As of the end of February, retail maize prices in Malawian markets were lower than in most major regional markets in eastern and southern Africa. The highest retail price was recorded in Nairobi (Kenya), followed by Maputo (Mozambique) and Dar es Salaam (Tanzania). Prices in Lunzu, Mzuzu and Mitundu markets were higher than on SAFEX (the main grain futures market in South Africa). Prices in Karonga were higher than the national average price in Zambia reported at the end of January 2021.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end February 2021)



Price for Mozambique is as of January 2021

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 Food and Agriculture Organization's Global Information and Early Warning System (FAO-GIEWS), IFPRI Malawi, the Johannesburg Stock Exchange (JSE), and the Zambia Statistics Agency.

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