

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, traders, consumers, or other agricultural stakeholders.

Highlights

- The average retail maize price increased by 2 percent during October 2019 and was 88 percent higher than in October 2018.
- Average retail prices remained highest in the South and lowest in the North during the month.
- ADMARC activities were reported in most markets monitored during the month of October.
- Maize prices in Malawi remain lower than in most eastern and southern Africa markets

Prices increased by 2 percent in October

Average retail maize prices increased marginally by 2 percent during the month of October. The average retail maize price of MWK235/kg was 88 percent higher than in October 2018. Prices rose in fifteen markets, fell in three, and remained constant in eight markets (Table 1). Nsungwi market in Central Malawi recorded the largest price increase (12 percent) while Chitipa market in the North recorded the largest price decline (14 percent) during the month.

By the end of October, retail prices in all markets except for Rumphi were either higher than or equal to the revised minimum farmgate price of MWK180/kg announced by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD) in August 2019.

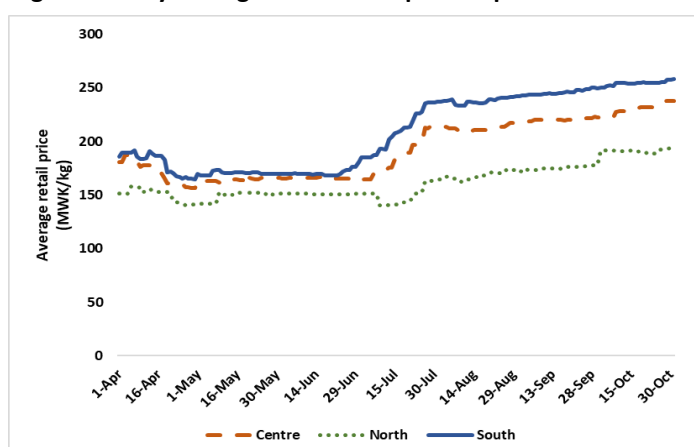
Prices remain highest in the South

Average retail maize prices were highest in the South and lowest in the North (Figure 1), as is the usual pattern. After a price decline in the month of April due to the onset of the main harvest season, prices remained relatively stable in all regions in the months of May and June. In July, prices sharply increased in all regions but have only increased gradually in subsequent months. By the end of October, prices in the South were about MWK23/kg higher than in the Centre while prices in the Centre were about MWK40/kg higher than in the North.

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

Market	5-Oct-19	12-Oct-19	19-Oct-19	26-Oct-19	Change
Chitipa	223	211	191	191	↓ -14%
Karonga	203	204	203	205	↑ 1%
Rumphi	177	177	178	178	↑ 1%
Mzuzu	180	180	180	183	↑ 2%
Jenda	185	188	192	192	↑ 4%
Mzimba	180	180	187	200	↑ 11%
Salima	243	243	243	253	↑ 4%
Mchinji	220	220	220	220	→ 0%
Nsungwi	220	233	247	247	↑ 12%
Mitundu	220	230	230	240	↑ 9%
Chimbiya	210	218	225	230	↑ 10%
Balaka	250	260	260	260	↑ 4%
M'baluku	253	253	260	260	↑ 3%
Mangochi	247	250	250	250	↑ 1%
Liwonde	240	240	240	240	→ 0%
Chiringa	250	250	250	250	→ 0%
Mpondabwino	260	265	260	263	↑ 1%
Lunzu	240	241	241	250	↑ 4%
Mbayani	260	260	280	280	↑ 8%
Mwanza	260	260	260	260	→ 0%
Mulanje	300	283	283	283	↓ -6%
Luchenza	240	240	240	240	→ 0%
Chikwawa	250	250	250	250	→ 0%
Ngabu	260	267	263	247	↓ -5%
Bangula	240	240	237	240	→ 0%
Nsanje	243	260	245	243	→ 0%
All markets	233	235	235	237	↑ 2%

Figure 1. Daily average maize retail prices April – October 2019

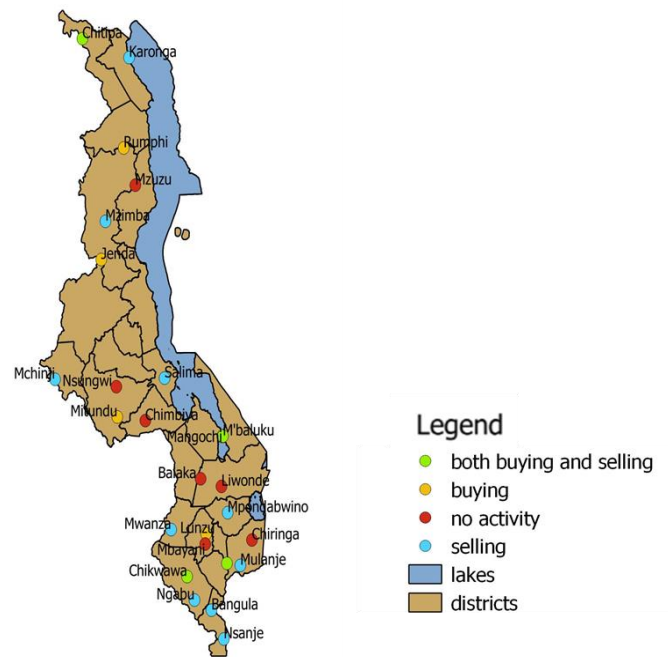


ADMARC and NFRA activities

ADMARC, the state-owned agricultural marketing parastatal, plans to purchase 16,000 MT of maize from the local market at MWK180/kg in rural markets and MWK200/kg at ADMARC depots. Out of the 26 markets monitored by IFPRI, ADMARC purchases were reported in eight markets (Chikwawa, Chitipa, Jenda, Luchenza, Lunzu, M’baluku, Mitundu, and Rumphu). Sales were reported in all markets except seven (Balaka, Chimbiya, Chiringa, Liwonde, Mbayani, Mzuzu, and Nsungwi). Figure 2 shows the locations of ADMARC activities in October 2019.

On 21 August 2019, the National Food Reserve Agency (NFRA) had issued a call for bids for the supply of 40,000 MT of white Non-Genetically Modified Maize. In late October, the NFRA announced its intention to buy 36,875 MT from 99 bidders at prices between MWK180–200/kg. Expected contract size will vary between 100 MT and 2,250 MT with maize being delivered to NFRA depots in Lilongwe, Mangochi, Bangula, and/or Kazomba.

Figure 2. Locations of ADMARC activities in October 2019



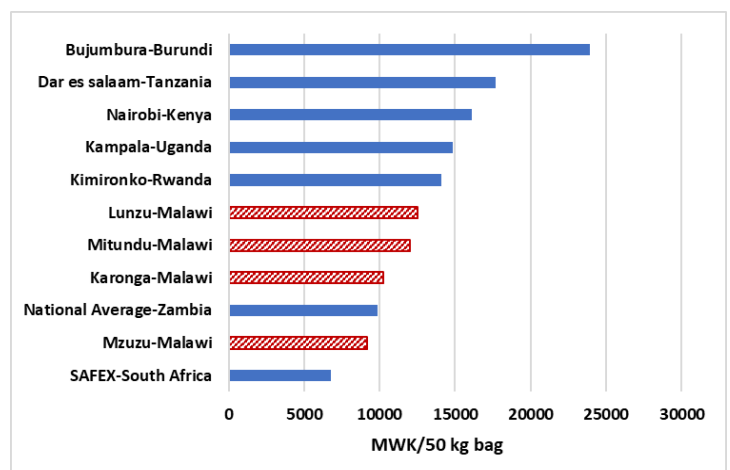
Regional prices in October 2019

The FEWSNET Regional Maize Supply and Market Outlook projects a below average net maize supply for the 2019/2020 marketing season in the southern African region. Maize prices in the region are generally above the 5-year average levels and are expected to remain so all through the marketing year.

Figure 3 shows retail maize prices in Malawi Kwacha per 50kg bag in selected markets in Malawi and in seven other regional countries as of end October 2019. The highest price was reported in Bujumbura, Burundi followed by Dar es Salaam, Tanzania, and Nairobi, Kenya. SAFEX, the main grain futures market in South Africa, recorded the lowest retail price.

By the end of October, prices in Malawi remained lower than in most eastern and southern Africa markets. However, prices in Lunzu, Mitundu and Karonga markets in Malawi were higher than the national average price in Zambia, while prices in Mzuzu were higher than on SAFEX.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end October 2019)



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 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 IFPRI Malawi, the Johannesburg Stock Exchange (JSE), the Regional Agricultural Trade Intelligence Network (RATIN), and the Central Statistical Office of Zambia.



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