

IFPRI Monthly Maize Market Report

September 2018

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 increased by 1 percent during September 2018.
- The average retail price of MWK124/kg in September was 17 percent lower than the minimum farmgate price.
- Maize prices in Malawi remained lower than prices in most eastern and southern Africa markets.

Prices increased in September

The average maize price during the month of September was MWK124/kg. The national average retail price increased by 1 percent during the month, with prices rising in seven markets, remaining constant in four markets, and falling in five markets (Table 1). Mzimba and Mwanza markets had the highest price increases of 10 percent. Nsanje market had the sharpest price decline of 5 percent during the month.

Retail prices in all markets except Mwanza market were lower than the minimum farmgate purchase price for maize of MWK150/kg, announced by the Ministry of Agriculture, Irrigation, and Water Development (MoAIWD) in mid-April 2018.

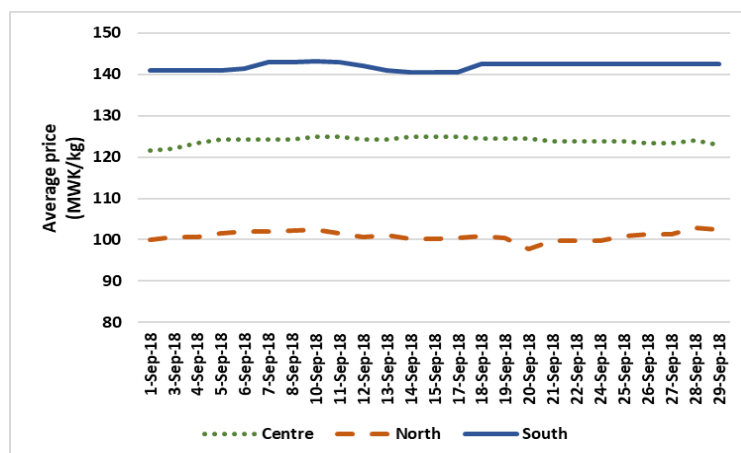
Table 1. Maize retail prices (MWK/kg) by market

Market	1-Sep-18	8-Sep-18	15-Sep-18	22-Sep-18	29-Sep-18	Change
Chitipa	87	87	84	86	84	↓ -3%
Karonga	100	100	99	99	104	↑ 4%
Rumphu	123	123	122	118	118	↓ -4%
Mzuzu	103	107	107	107	110	↑ 6%
Mzimba	87	95	90	90	95	↑ 10%
Salima	137	140	140	140	140	→ 2%
Mchinji	120	120	120	120	120	→ 0%
Mitundu	117	120	123	120	120	↑ 3%
Chimbiya	113	117	117	115	112	↓ -1%
Lunzu	140	140	140	140	140	→ 0%
Mwanza	137	137	137	150	150	↑ 10%
Liwonde	137	143	143	143	143	↑ 5%
Luchenza	140	147	140	140	140	→ 0%
Mulanje	147	147	145	143	143	↓ -2%
Chikwawa	140	140	140	140	140	→ 0%
Nsanje	147	147	140	140	140	↓ -5%
All markets	123	126	124	124	125	↑ 1%

Prices remain highest in the South

Maize prices were highest in the South and lowest in the North, as has been the case since January 2018. Prices in the South were about MWK20 higher than prices in the central region, and prices in the central region were about MWK20 higher than prices in the northern region. Markets in the central region had fairly constant prices during the month of September.

Figure 1. Daily average maize retail prices during September



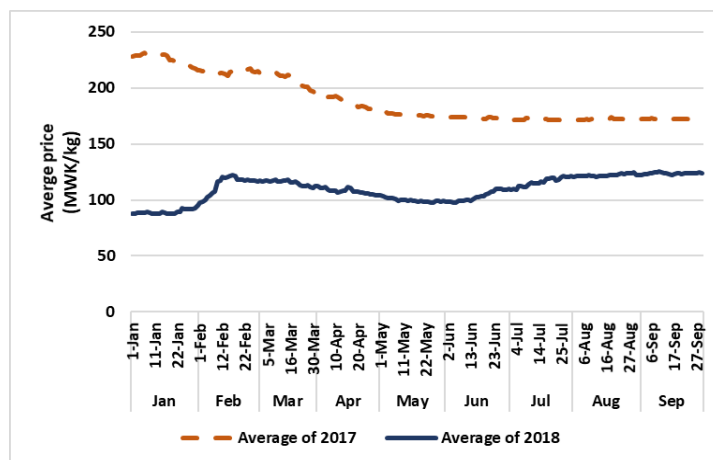
ADMARC and NFRA activities

Despite media announcements that ADMARC resumed operations from August 20, 2018, traders who report prices to IFPRI did not report any ADMARC activities during September. AHL Commodities Exchange (AHCX) continues to buy maize on behalf of the National Food Reserve Agency (NFRA).

Price trend – 2017 to 2018

Figure 2 compares average retail price trends from January to September 2017 and 2018. Maize prices in 2018 remain significantly lower than prices in 2017. The price difference between the average nominal price towards the end September 2017 and 2018 was about MWK48. Nevertheless, prices remained stable in both 2017 and 2018 during the month of September.

Figure 2. Average retail prices – Jan to Sept in 2017 and 2018

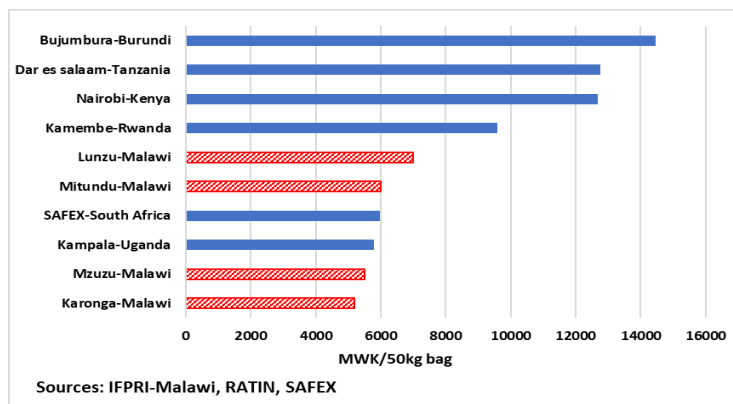


Regional prices in September 2018

Figure 3 shows retail maize prices per 50 kg bag in selected markets in Malawi and six other countries in the region. The highest retail price for a 50 kg bag of maize was reported in Bujumbura, Burundi, closely followed by Dar es Salaam, Tanzania and Nairobi, Kenya. Karonga, Malawi recorded the lowest maize price in the region during September.

While maize prices in Malawi at the end of September were significantly lower than prices in most eastern and southern Africa markets, retail prices specifically in Malawi's Lunzu and Mitundu markets were slightly higher than on SAFEX (the main grain futures markets in South Africa) and in Kampala, Uganda.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end of September 2018)



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 16 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. The regional prices reported in Figure 3 are collected from the Regional Agricultural Trade Intelligence Network (RATIN), IFPRI Malawi, and the Johannesburg Stock Exchange (JSE).



For further information contact: Dennis Ochieng (D.Ochieng@cgiar.org) or Rosemary Botha (R.Botha@cgiar.org) at IFPRI Malawi.

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