

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 maize retail price decreased by two percent during March 2019.
- Maize prices in some southern markets affected by the floods increased in the middle of March but prices in these markets are now falling.
- Maize prices in the southern and central markets were higher than the minimum farmgate price.
- ADMARC sold maize in 12 of 16 markets monitored.
- Maize prices in Malawi were lower than in most eastern and southern Africa markets.

Prices increased in March 2019

The average retail maize price during the month of March was MWK180/kg. The overall average maize price decreased by 2 percent from February, with prices rising in nine markets, falling in five markets, and remaining constant in two markets (Table 1). Nsanje recorded the highest price decrease overall during March. After an increase in the middle of the month, prices there fall by 31 percent in the last part of March. The onset of the harvest season in the south and food distribution programmes in response to the recent floods in southern Malawi help to explain the sharp price declines in Mulanje and Nsanje. By the end of March, retail prices in all markets except Karonga and Nsanje were higher than the minimum farmgate price of MWK150/kg announced by the Ministry of Agriculture, Irrigation, and Water Development (MoAIWD) in mid-April 2018.

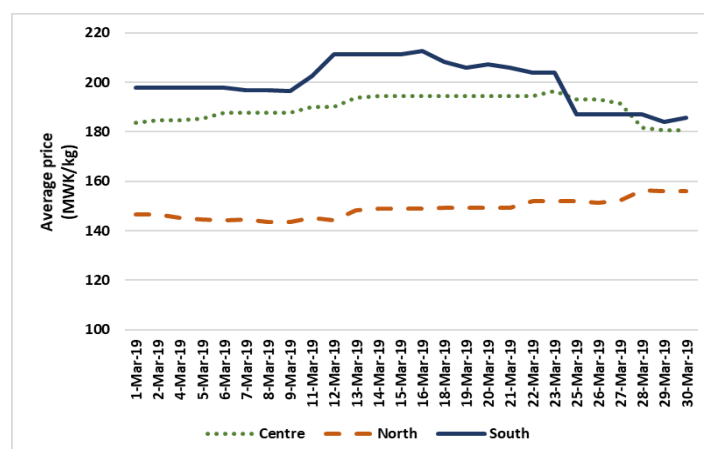
Prices remain highest in the South

Maize prices were highest in the South and lowest in the North, as has been the case since last year. Average prices in the South were MWK10/kg higher than in the Centre. Similarly, prices in the central region were MWK41/kg higher than in the northern region by the end of March. Prices in the southern region markets rose sharply during the second week of March and remained high for the next two weeks. This was mainly due to the floods that hit parts of southern Malawi during this period, following the heavy rains caused by Tropical Cyclone Idai. However, towards the end of March, prices in the South then declined substantially, as humanitarian food transfers started to arrive in the flood affected areas.

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

| Market | 2-Mar-19 | 9-Mar-19 | 16-Mar-19 | 23-Mar-19 | 30-Mar-19 | Change |
|--------------------|------------|------------|------------|------------|------------|--------------|
| Chitipa | 139 | 134 | 134 | 155 | 153 | ↑ 10% |
| Karonga | 145 | 140 | 143 | 143 | 148 | ↑ 2% |
| Rumphi | 150 | 150 | 152 | 152 | 153 | ↑ 2% |
| Mzuzu | 160 | 160 | 160 | 160 | 168 | ↑ 5% |
| Mzimba | 140 | 140 | 158 | 155 | 160 | ↑ 14% |
| Salima | 200 | 193 | 207 | 207 | 193 | ↓ -3% |
| Mchinji | 168 | 170 | 173 | 173 | 175 | ↑ 4% |
| Mitundu | 190 | 193 | 203 | 203 | 153 | ↓ -19% |
| Chimbiya | 187 | 200 | 203 | 203 | 203 | ↑ 9% |
| Lunzu | 200 | 200 | 220 | 220 | 200 | ↔ 0% |
| Mwanza | 207 | 207 | 220 | 200 | 200 | ↓ -3% |
| Liwonde | 183 | 185 | 185 | 187 | 203 | ↑ 11% |
| Luchenza | 197 | 197 | 220 | 200 | 200 | ↑ 2% |
| Mulanje | 187 | 180 | 180 | 180 | 160 | ↓ -14% |
| Chikwawa | 200 | 200 | 220 | 200 | 200 | ↔ 0% |
| Nsanje | 213 | 210 | 240 | 240 | 147 | ↓ -31% |
| All markets | 179 | 179 | 189 | 186 | 176 | ↓ -2% |

Figure 1. Daily average maize retail prices during March



ADMARC and NFRA activities

ADMARC continues to sell maize at MWK150/kg. Out of 16 markets IFPRI monitors, all markets except Chitipa, Karonga, Lunzu and Liwonde reported ADMARC sales in March. However, there were no ADMARC purchases reported in any of the 16 markets monitored.

The National Food Reserve Agency (NFRA) is releasing 138,488 MT of maize from the Strategic Grain Reserve for this year's Food Insecurity Response Plan. However, distributions were suspended for two to three weeks in some southern districts due to the floods. Distribution has now resumed with additional 8,000 MT being distributed to flood affected households. The lean season response is now not expected to be completed until mid-April.

Price volatility

Table 2 presents a summary of average maize prices and two measures of price volatility in the first quarter of 2018 and 2019. The range columns show absolute price volatility, while the coefficient of variation shows relative price volatility. Absolute price volatility increased both between years and between the first quarter 2018 and 2019. However, relative price volatility decreased slightly on average between the two years.

Table 2. Price volatility in Quarter 1, 2018–2019

| Month | Average | | Range | | CV | |
|----------|---------|------|-------|------|------|------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| January | 89 | 159 | 80 | 100 | 0.17 | 0.21 |
| February | 114 | 171 | 100 | 110 | 0.22 | 0.14 |
| March | 115 | 182 | 90 | 110 | 0.16 | 0.16 |
| Average | 106 | 171 | 90 | 107 | 0.18 | 0.17 |

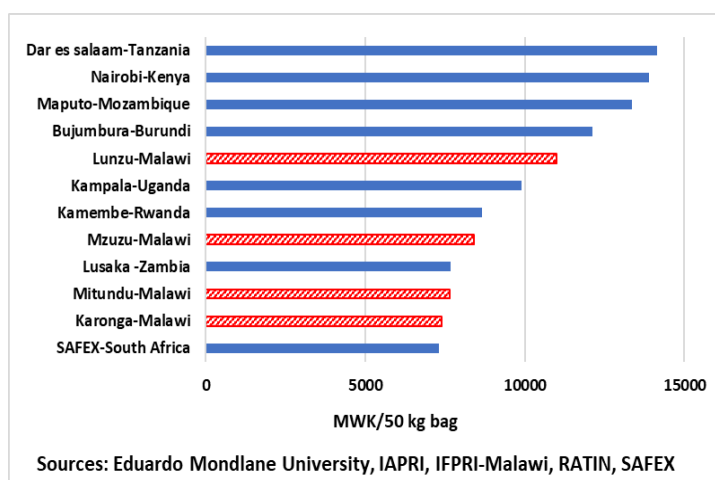
Notes: Range =Maximum price-minimum price, CV, coefficient of variation (standard deviation/average price)

Regional prices in March 2019

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in eight other countries in the region. The highest price was reported in Dar es Salaam, Tanzania, followed by Nairobi, Kenya and Maputo, Mozambique. SAFEX (the main grain futures markets in South Africa), recorded the lowest retail price during the month of March.

While maize prices in Malawi remain lower than in most eastern and southern Africa markets, retail prices in Malawi's Lunzu market were higher than prices in Kampala, Uganda and Kamembe, Rwanda. Prices in Mzuzu, Malawi were also higher than in Lusaka, Zambia.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end March 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 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 sourced from Eduardo Mondlane University, the Regional Agricultural Trade Intelligence Network (RATIN), Indaba Agricultural Policy Research Institute (IAPRI), IFPRI Malawi, and the Johannesburg Stock Exchange (JSE).



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