

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

- Average retail maize prices rose by 5 percent in January and are 98 percent higher than in January 2019.
- By end of January, maize prices were at or above MWK 300/kg in 19 of the 26 markets IFPRI Malawi monitors.
- Average retail prices remain highest in the South and lowest in the North.
- ADMARC sales at a subsidized price of MWK 150/kg were reported in 17 of the 26 markets on some days.
- Maize prices in Lunzu are now higher than in most east African capitals, while prices in Mitundu are higher than in Harare, Kampala, Lusaka, and Nairobi.

Prices increased by 5 percent in January 2020

Following a 12 percent increase during the month of December 2019, retail maize prices increased by 5 percent in January 2020. The average retail maize price was MWK314/kg. This is about 98 percent higher than in January 2019. Prices rose in twenty markets, fell in three, and remained constant in three markets (Table 1). Retail prices were at or above MWK 300/kg in nineteen markets monitored by the fourth week of January (shaded in Table 1). Out of these, eight markets had retail prices above MWK350/kg. The largest price increases were recorded in Mzuzu and Salima markets (17 percent) followed by Nsanje market (13 percent). Marginal price declines were reported in three markets (Mangochi, Chitipa, and Mpondabwino). By the end of January, retail prices in all markets were higher than the revised minimum farm gate price of MWK180/kg announced by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD) in August 2019.

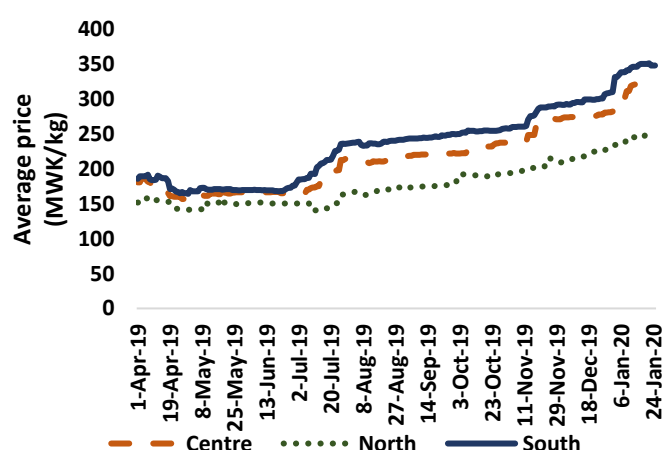
Prices remain highest in the South

Average retail maize prices are highest in the South and lowest in the North (Figure 1), as is the usual pattern. After a small decline in the month of April 2019 as the main harvest season began, prices remained stable in all regions in May and June. In July, prices increased by 9 to 31 percent in all regions, with a wider than usual gap opening up between prices in central and northern Malawi. Prices increased by 43 percent between July and December 2019. During January 2020, prices have continued to increase in all regions. By end-January, prices in the South were about MWK29/kg higher than in the Centre while prices in the Centre were about MWK71/kg higher than in the North.

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

Market	4-Jan-20	11-Jan-20	18-Jan-20	25-Jan-20	Change
Chitipa	230	227	230	227	↓ -1%
Karonga	250	250	250	263	↑ 5%
Rumphu	220	225	225	238	↑ 8%
Mzuzu	213	250	250	250	↑ 17%
Jenda	257	267	270	279	↑ 9%
Mzimba	230	240	237	237	↑ 3%
Salima	313	347	353	367	↑ 17%
Mchinji	283	295	295	298	↑ 5%
Nsungwi	300	323	320	323	↑ 8%
Mitundu	320	320	330	320	→ 0%
Chimbiya	293	317	320	313	↑ 7%
Balaka	320	333	333	330	↑ 3%
M'baluku	360	360	360	360	→ 0%
Mangochi	360	350	353	353	↓ -2%
Liwonde	320	320	320	320	→ 0%
Chiringa	320	340	347	350	↑ 9%
Mpondabwino	361	381	381	360	↓ 0%
Lunzu	330	340	360	360	↑ 9%
Mbayani	340	340	343	353	↑ 4%
Mwanza	360	347	373	367	↑ 2%
Mulanje	340	345	345	345	↑ 1%
Luchenza	327	327	340	347	↑ 6%
Chikwawa	320	317	350	350	↑ 9%
Ngabu	330	330	337	337	↑ 2%
Bangula	325	355	352	352	↑ 8%
Nsanje	300	360	360	340	↑ 13%
All markets	305	316	321	321	↑ 5%

Figure 1. Average retail maize prices (Apr 2019 – Jan 2020)



ADMARC and NFRA Activities

Out of the 26 markets monitored by IFPRI across Malawi, ADMARC sales at MWK 150/kg were reported in 17 markets (Chitipa, Karonga, Rumphi, Mzuzu, Mzimba, Mchinji, Salima, M’baluku, Mangochi, Mwanza, Mpondabwino, Luchenza, Mulanje, Chikwawa, Ngabu, Bangula, and Nsanje). As expected in the lean season, no ADMARC purchases were reported. Figure 2 shows the locations where ADMARC sales took place during the month.

On January 29, 2020, MoAIWD revised the purchase price of maize by ADMARC to MWK310/kg. This follows traders’ unwillingness to sell maize to the institution at previously set prices of MWK230/kg and MWK250/kg.

The Strategic Grain Reserve had a balance of just under 12,000 MT of maize at the end of January, of which approximately 5,225 MT has already been committed. Meanwhile ADMARC has stocks of about 10,375 MT, mostly in central and northern Malawi. The private sector has between 35,250 MT and 42,600 MT according to two recent stock verification exercises, of which around 30,000 MT is already committed.

Regional prices

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in eight other regional countries at the end of January.

The highest price was recorded in Bujumbura (Burundi), followed by Lunzu (Malawi) and Kigali (Rwanda). SAFEX, the main grain futures market in South Africa, and Mzuzu in Malawi, recorded the lowest prices in the region.

By the end of January, prices in Malawi’s Mitundu market were higher than in Harare (Zimbabwe) and Nairobi (Kenya). Prices in Karonga in northern Malawi were higher than in Kampala, Uganda.

How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since December 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.

Figure 2. Locations of ADMARC activities in January 2020

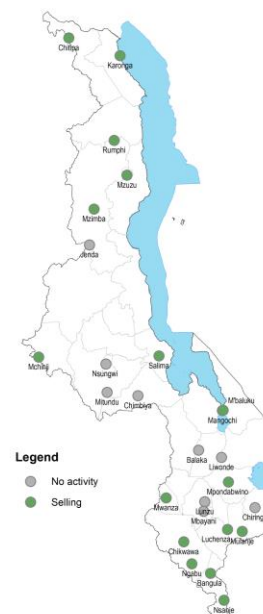
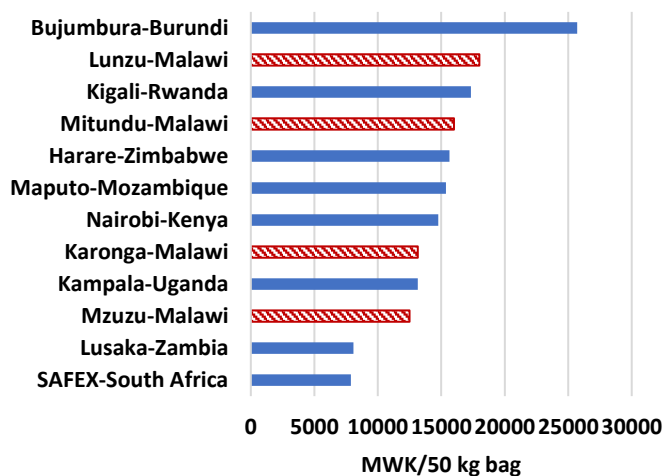


Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end of January 2020)



Note: Price for Maputo, Mozambique, as of end December 2019; Price for Lusaka is the wholesale price.



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