IFPRI Monthly Maize Market Report **September 2019**

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 September 2019 and was 81 percent higher than in September 2018.
- By the end of the month, retail prices in most markets were higher than the minimum farmgate price of MWK180/kg.
- ADMARC activities were reported in most markets monitored during the month of September.
- Maize prices in Malawi were lower than in most eastern and southern Africa markets during September.

Prices increased by 2 percent in September

Maize prices remained stable in September, increasing by 2 percent on average during the month. The average retail maize price of MWK224/kg was 3 percent higher than in August 2019. Prices rose in fourteen markets, fell in three, and remained constant in nine markets (Table 1). Mulanje recorded the largest price increase (15 percent) while Nsanje recorded the largest price decline (11 percent) during the month.

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

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

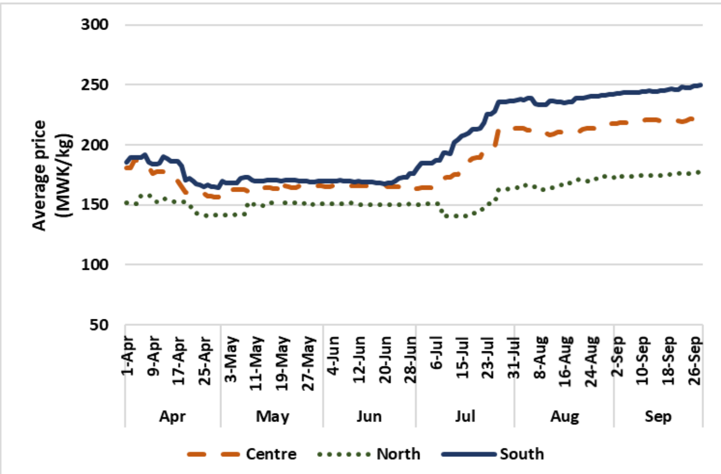
Market	7-Sep-19	14-Sep-19	21-Sep-19	28-Sep-19	Change
Chitipa	160	160	171	171	6%
Karonga	175	175	175	175	0%
Rumphi	172	173	173	173	1%
Mzuzu	180	180	182	183	2%
Jenda	173	180	177	183	6%
Mzimba	180	180	180	180	0%
Salima	233	233	237	243	4%
Mchinji	220	220	220	220	0%
Nsungwi	220	220	220	220	0%
Mitundu	217	220	220	220	2%
Chimbiya	210	210	203	207	-2%
Balaka	240	240	240	240	0%
M'baluku	240	240	243	250	4%
Mangochi	233	233	240	247	6%
Liwonde	240	240	240	240	0%
Chiringa	250	250	250	250	0%
Mpondabwino	257	260	258	258	1%
Lunzu	243	250	250	240	-1%
Mbayani	253	260	260	260	3%
Mwanza	240	240	247	247	3%
Mulanje	260	250	250	300	15%
Luchenza	240	240	240	240	0%
Chikwawa	250	250	250	250	0%
Ngabu	243	243	243	260	7%
Bangula	227	220	227	240	6%
Nsanje	247	253	253	220	-11%
All markets	**223**	**224**	**225**	**228**	**2%**

Prices remain highest in the South

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. Prices sharply increased in all regions during July but have increased marginally in subsequent months.

By the end of September, prices in the South were about MWK25/kg higher than in the Centre while prices in the Centre were about MWK45/kg higher than in the North.

Figure 1. Daily average maize retail prices April - September 2019



ADMARC and NFRA activities

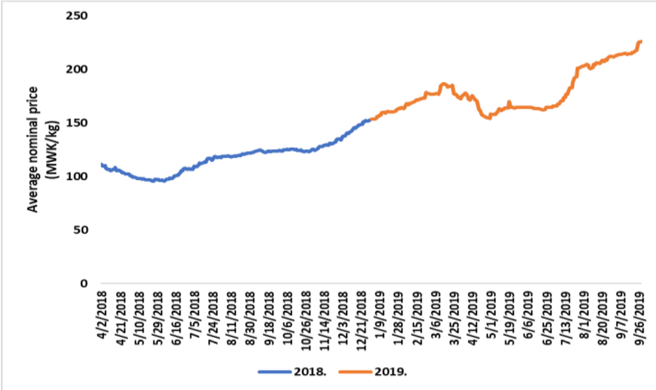
ADMARC, the state-owned agricultural marketing parastatal, plans to purchase 16,000MT of maize from the local market at MWK180/kg in rural markets and MWK200/kg at ADMARC depots from last month. Out of the 26 markets monitored by IFPRI Malawi, ADMARC purchases were reported in all but five markets (Salima, Liwonde, Chikwawa, Bangula, and Nsanje) while sales were reported in all markets except six (Jenda, Chimbiya, Liwonde, Lunzu, Mbayani, and Chiringa). During the month, ADMARC reported storage losses of 7,000MT due to rotting in its warehouses. The storage loss is equivalent to MWK1.7 billion.

The National Food Reserve Agency (NFRA) is also replenishing the Strategic Grain Reserve. The results of the NFRA procurement tender for 40,000MT of maize, which closed on 28 August, are still to be announced.

Price trend: April 2018 – September 2019

Figure 2 shows the average nominal maize retail prices between April 2018 and September 2019. From January to June 2019, nominal prices were higher than 2018 prices. In July 2019, maize prices sharply increased and remained higher in August and September. This is attributed to speculative behavior of traders in anticipation of government purchases and tight regional supplies. The average nominal price in September 2019 was 81 percent higher than in September 2018.

Figure 2. Price trend: April 2018 – September 2019

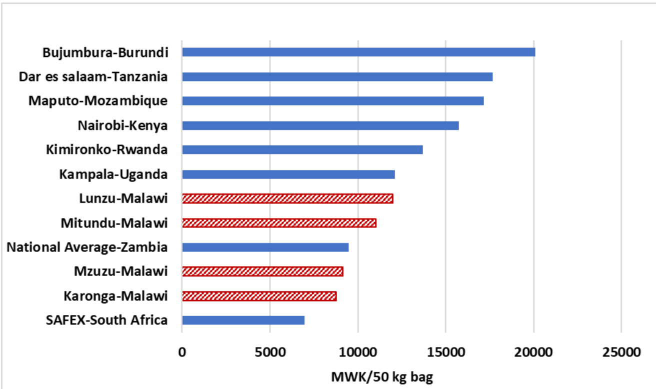


Regional prices in September 2019

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in eight other regional countries at the end of September. The highest price was reported in Bujumbura, Burundi followed by Dar es Salaam, Tanzania, and Maputo, Mozambique. SAFEX, the main grain futures market in South Africa recorded the lowest retail price.

By the end of September, prices in Malawi remained lower than in most eastern and southern Africa markets. However, prices in Malawi's Lunzu and Mitundu markets were higher than the national average price of maize in Zambia. Similarly, prices in two northern markets of Mzuzu and Karonga were higher than on SAFEX.

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



Sources: IFPRI-Malawi, RATIN, SAFEX, SIMA, Zambia Statistical Office

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), Sistema de Informação de Mercados Agrícolas (SIMA), and the Central Statistical Office of Zambia.

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

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