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MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Monthly Maize Market Report **October 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 decreased slightly during October 2018.
- The average retail price of MWK125/kg in October was 16 percent lower than the minimum farmgate price.
- Maize prices in the South were around MWK40/kg higher than in the north during the month.
- Maize prices in Malawi remained lower than prices in most eastern and southern Africa markets.

Prices decreased in October

The average maize price during the month of October was MWK125/kg. The national average retail price decreased by 1 percent during the month, with prices falling in eight markets, remaining constant in seven markets, and rising only in Chimbiya market (Table 1). Chitipa and Rumphi had the sharpest price decline of 5 percent during the month.

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

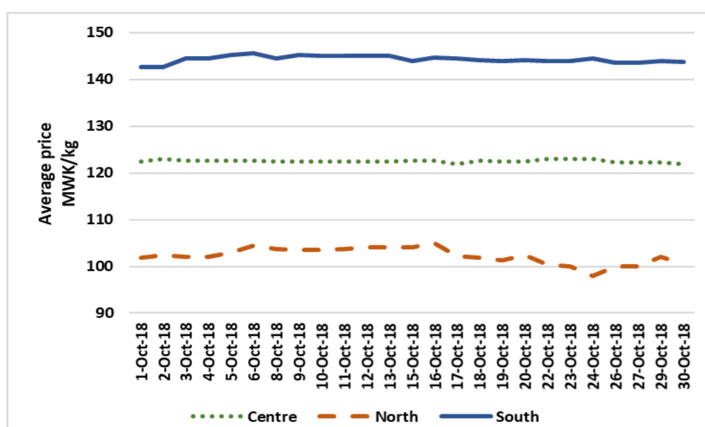
Table 1. Maize retail prices (MWK/kg) by market

Market	6-Oct-18	13-Oct-18	20-Oct-18	27-Oct-18	Change
Chitipa	84	88	80	80	-5%
Karonga	106	104	103	103	-4%
Rumphi	122	123	115	115	-5%
Mzuzu	110	110	112	108	-2%
Mzimba	93	95	95	93	0%
Salima	140	140	140	140	0%
Mchinji	120	120	118	115	-4%
Mitundu	120	120	120	120	0%
Chimbiya	111	110	114	117	5%
Lunzu	140	143	140	140	0%
Mwanza	163	160	163	160	-2%
Liwonde	143	143	140	140	-2%
Luchenza	140	140	140	140	0%
Mulanje	147	147	143	143	-2%
Chikwawa	140	140	140	140	0%
Nsanje	140	140	140	140	0%
All markets	**126**	**126**	**125**	**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. Prices in the South were about MWK20 higher than in the central region. Similarly, prices in the central region were about MWK20 higher than in the northern region. Prices were stable in the central and southern region markets during October but slightly declined in the northern region markets towards the end of the month.

Figure 1. Daily average maize retail prices during October



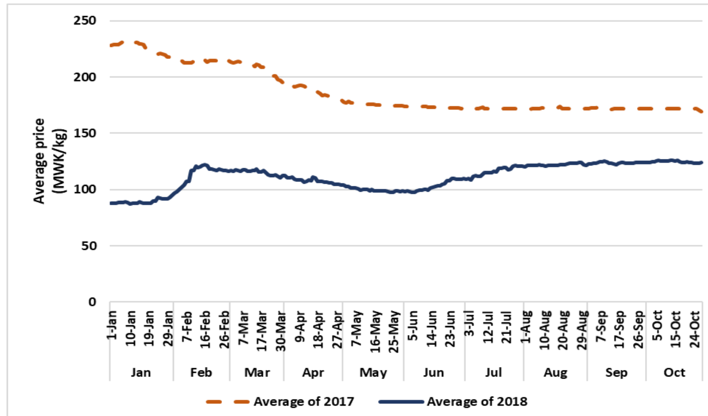
ADMARC and NFRA activities

Despite media announcements that ADMARC resumed its buying operations from August 20, 2018, traders who report prices to IFPRI did not report any ADMARC buying activities during October. AHL Commodity Exchange (AHCX) is reported to have purchased approximately 10,000 MT of the 32,000 MT it is procuring on behalf of the National Food Reserve Agency (NFRA), and hopes to complete the remaining procurement soon.

Price trend – 2017 to 2018

Figure 2 compares average retail price trends from January to October 2017 and 2018. Maize prices in 2018 remain significantly lower than prices in 2017. The difference between the average nominal price towards the end October 2017 and 2018 was about MWK45. However, the price difference narrowed from June through October, as prices rose during these months in 2018 in contrast to the same period in 2017. Nevertheless, prices remained stable during the month of October in both 2017 and 2018.

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

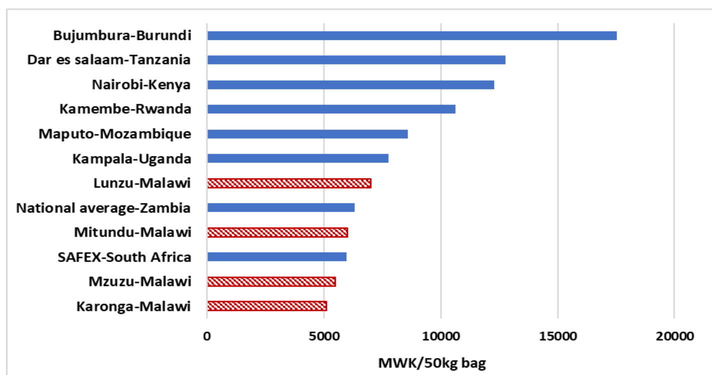


Regional prices in October 2018

Figure 3 shows retail maize prices per 50 kg bag in selected markets in Malawi and eight other countries in the region. The highest retail price 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 October.

While maize prices in Malawi at the end of October were significantly lower than prices in most eastern and southern Africa markets, retail prices in Malawi's Lunzu and Mitundu markets were slightly higher than on SAFEX (the main grain futures markets in South Africa). Prices in Lunzu were also higher than the national average maize price in Zambia.

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



Source: FAO-GIEWS, IFPRI-Malawi, RATIN, SAFEX.
Note: Price for Maputo-Mozambique is as of July 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, Food and Agriculture Organization's Global Information and Early Warning System (FAO-GIEWS) and the Johannesburg Stock Exchange (JSE).

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