IFPRI MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **December 2020**

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

- Retail maize prices increased by 6 percent during December 2020.
- Prices in the South remained higher than in the Centre and North.
- No ADMARC purchases or sales were reported in any of the 26 markets monitored by IFPRI.
- Retail maize prices in Malawi were higher than in most southern African markets.

Prices increased by 6 percent

During the month of December, retail maize prices increased by 6 percent.

The average retail price was MWK 199/kg. This price is about 2 percent higher than last month's price and 28 percent lower than in December 2019.

Prices rose in 16 markets and remained constant in 10 markets. The largest price increases were recorded in northern markets: Chitipa (33 percent), Karonga (31 percent), and Rumphi (23 percent). Most markets in the central and southern regions of Malawi remained stable throughout the month.

By the end of December, 19 out of 26 markets monitored reported prices equal or above MWK 200/kg.

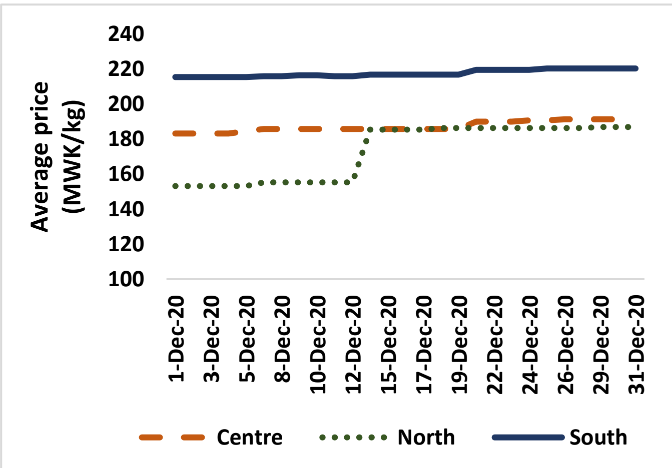
Table 1. Maize retail prices (MWK/kg) by market

Market	5-Dec-20	12-Dec-20	19-Dec-20	28-Dec-20	Change
Chitipa	150	150	200	200	33%
Karonga	153	160	200	200	31%
Rumphi	147	150	180	180	23%
Mzuzu	160	160	180	180	13%
Mzimba	150	150	173	173	16%
Jenda	160	160	180	180	13%
Salima	193	200	200	200	3%
Mchinji	180	180	180	188	4%
Nsungwi	200	200	200	200	0%
Mitundu	180	180	180	190	6%
Chimbiya	170	170	170	180	6%
Balaka	200	200	200	200	0%
M'baluku	213	213	213	213	0%
Mangochi	213	213	213	220	3%
Liwonde	200	200	200	200	0%
Chiringa	210	210	210	210	0%
Mpondabwino	230	230	230	230	0%
Lunzu	220	220	220	230	5%
Mbayani	220	220	220	220	0%
Mwanza	233	240	240	250	7%
Mulanje	220	220	220	220	0%
Luchenza	200	200	200	220	10%
Chikwawa	220	220	220	220	0%
Ngabu	217	217	217	220	2%
Bangula	230	230	230	230	0%
Nsanje	207	207	220	220	6%
All markets	**195**	**196**	**204**	**207**	**6%**

Prices are higher in the South

Retail maize prices remained highest in the South and lowest in the North (Figure 1), as is the usual pattern. Prices in the South and Centre remained stable throughout the month of December, with a slight increase towards the end of the month. During the second week of the month, there was a sharp increase in prices in northern markets, with prices rising to the level of central region markets. The average price in the Centre was MWK 14/kg higher than in the North and MWK 30/kg lower than in the South.

Figure 1. Daily average maize retail prices during December 2020



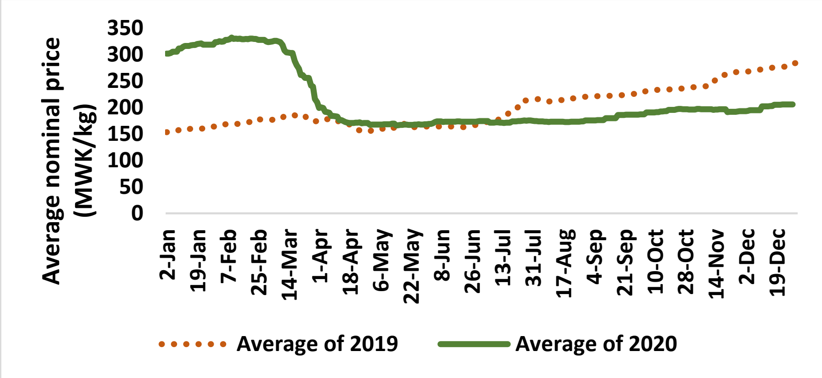
ADMARC and SGR Activities

In December 2020, no ADMARC purchases or sales were reported in the 26 markets IFPRI monitors.
In mid-December, stocks in the SGR were approximately 51,000 MT including 35,000 MT of purchases since July. ADMARC has procured almost 50,000 MT of maize since July and had approximately 106,000 MT in stock in mid-December.

Price trends: 2019–2020

Figure 3 shows maize price trends in 2019 and 2020. The average nominal maize prices in the first quarter of 2020 were about twice as high as in 2019. By the onset of the main harvest season in April, prices were almost equal. Towards the end of July, 2020 prices were significantly lower than in 2019 and remained relatively stable until the end of the year.

Figure 2. Price trends 2019–2020

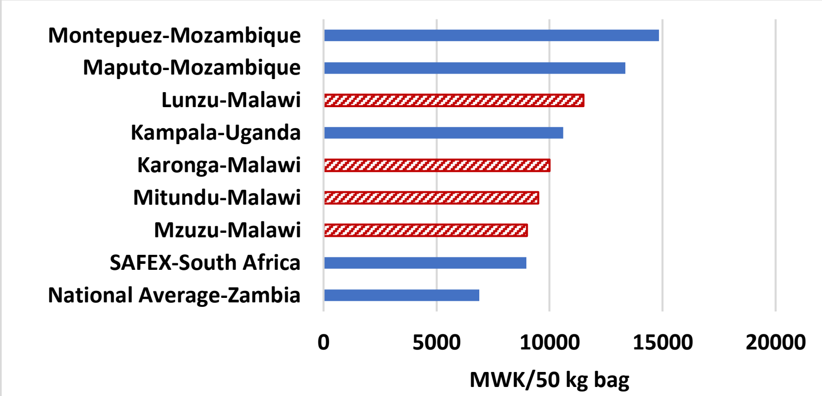


Regional prices

Figure 3 shows retail maize prices per 50 kg bag in selected markets in Malawi and four other regional markets at the end of December. Retail maize prices in Malawi markets were higher than in most of the markets in southern Africa.

Prices in Lunzu were higher than in Kampala, Uganda, whereas prices in Karonga, Mitundu, and Mzuzu were higher than on SAFEX (the main grain futures market in South Africa) and the national average price in Zambia.

Figure 3. Retail maize prices in selected regional markets (as of end December 2020)



Note: Prices for Mozambique are as of November 2020.

How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since December 2016. Currently, 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 Food and Agriculture Organization's Global Information and Early Warning System (FAO-GIEWS), IFPRI Malawi, the Johannesburg Stock Exchange (JSE), and the Zambia Statistics Agency.

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For further information contact
Dennis Ochieng (d.ochieng@cgiar.org) or
Rosemary Botha (r.botha@cgiar.org) at IFPRI Malawi.

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